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Temporal Depth & Directionality: Competitive Advantage for Sustainable Family Enterprises

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Abstract Firms seeking to embed sustainability into their core business strategy face inherent tensions of managing conflicting goals of performing on economic, social, and environmental dimensions, in the short- and long-term. Hahn et al. (2014) argue that managers that view these tensions as a paradox may consider radical strategies but end up adopting prudent strategies because they are unable to implement workable solutions due to higher awareness of uncertainty and risks. We argue that subjective interpretation of temporal depth and directionality influences the adoption of sustainable development strategies. Firms with long-term orientation that adopt an overarching vision, structures to incorporate diverse perspectives, and guardrails to prevent tunnel vision, are better positioned to balance financial and non-financial goals. Multi-generational family enterprises with aspirations for transgenerational continuity draw selectively upon their historic past to prepare for success in distant future. When focused on balancing wealth creation for their families and communities, they have the potential to unleash creativity and innovation for a sustainable competitive advantage.

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PALABRAS CLAVE
Empresa familiar, Sostenibilidad, Estrategia, Ventaja competitiva, Orientación a largo plazo, Perspectiva del tiempo

Perspectiva temporal y direccionalidad: Ventaja competitiva para las empresas familiares sostenibles

Resumen Las empresas que tratan de integrar la sostenibilidad en el núcleo de su estrategia empresarial, se enfrentan a tensiones inherentes a la gestión de objetivos contrapuestos en lo referente a las dimensiones económica, social y medioambiental, a corto y largo plazo. Hahn et al. (2014) afirman que los directivos que ven estas tensiones como una paradoja pueden plantearse estrategias radicales, pero acaban adoptando estrategias prudentes ya que no pueden aplicar soluciones viables debido a una mayor concienciación en términos de incertidumbre y riesgos. Nosotros sostenemos que la interpretación subjetiva de la profundidad temporal y la direccionalidad influye en la adopción de estrategias de desarrollo sostenible. Las empresas con una orientación a largo plazo, que adoptan una visión global, estructuras para incorporar diversas perspectivas y barreras de seguridad para evitar la visión de túnel, están mejor posicionadas para equilibrar los objetivos financieros y no financieros. Las empresas familiares multigeneracionales, con aspiraciones de continuidad transgeneracional, recurren selectivamente a su pasado histórico para prepararse para el éxito en un futuro lejano. Cuando se centran en equilibrar la creación de riqueza para sus familias y comunidades, tienen el potencial de dar rienda suelta a la creatividad y la innovación para lograr una ventaja competitiva sostenible.

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1. Sustainability: The Balancing of Conflicting Goals

The Brundtland Commission Report "Our Common Future" released by the World Commission on Environment and Development (WCED) in 1987 offered the most popularly cited definition of sustainability as the development that that meets the *needs of the present* without compromising the ability of *future generations* to meet their own needs (emphasis added). In recent years, this definition expanded to 17 United Nations Sustainable Development Goals (SDGs) to improve the quality of human life and the environment. At its core, the WCED definition includes the notion of balancing the needs of the present and the future generations, that is balancing economic development, societal needs, and the preservation of natural resources. Sustainable development draws lessons from history to understand the patterns and causes of environmental destruction, climate change and social injustice, to develop strategies and policies for a more justifiable and secure future.

Businesses seeking to contribute to one or more SDGs need to add social and environmental performance metrics to the current economic and financial metrics in their operations (e.g., Gamble et al., 2020). Such integration takes the business into unfamiliar territory introducing uncertainty, ambiguity, and complexity in decision-making (Aragón-Correa & Sharma, 2005). Sustainable strategies cannot be based on incremental tweaks in current operations but usually require significant or even radical innovations in products, services, processes, technologies and/or business models (Sharma, 2014). Such innovations require investments with uncertain or long-term paybacks and may affect short-term financial performance and results. Research in organizations and the natural environment over the past three decades has provided examples of companies that have successfully developed sustainable strategies and business models to some extent, but embedding and integrating sustainability principles remains a major challenge for most businesses (Bansal, 2005).

Publicly listed companies must resolve tensions between investing for the long-term with uncertain payback, and their obligations for quarterly reporting of short-term performance. These tensions are aggravated due to the close scrutiny by analysts of the company's investment decisions and strategies that could signal a potentially negative effect on short-term shareholder value (Desjardine & Bansal, 2019). Private companies must also reconcile short-term financial performance with investments in sustainable practices and strategies expected to generate returns in the long-term. By adding greater complexity, ambiguity, and uncertainty for future financial performance, simultaneous pursuit of multi-pronged goals generates tensions and conflicting choices for managerial decision-making.

Managers attempt to resolve these tensions by simplifying and categorizing external data and information by adopting cognitive frames that create a set of beliefs to guide decision-making on strategic issues (Dutton & Jackson, 1987). Hahn et al. (2014) present theoretical arguments that to resolve the inherent tensions in sustainability, managers either frame it as a business case or a paradox which is defined by Smith and Lewis (2011, p. 382) as 'contradictory yet interrelated elements that exist simultaneously and persist over time'. Hahn et al. (2014) conclude that there is no satisfactory resolution of the tensions inherent in sustainability regardless of whether managers frame it as a business case or as a paradox. When framed as a business case, managers focus on narrowly defined environmental and social initiatives that align with financial outcomes. Guided by an assumption of the supremacy of economic objectives, they respond pragmatically to sustainability challenges by making incremental changes to established routines and practices, thereby having a limited positive social and/or environmental impact. In contrast, managers adopting a paradoxical frame accept the interdependency of economic, social, and environmental objectives. They attempt to develop strategies that depart radically from established routines to accommodate achievement of these goals. However, an awareness of the magnitude of inherent risks of such changes hampers their ability to implement workable solutions to address sustainability challenges. Thus, based on the reasoning of Hahn et al. (2014), regardless of whether managers consider sustainability challenges as a business case or a paradox, they end up adopting incremental strategies. We contend that Hahn et al.'s (2014) diagnosis presents a pessimistic outlook for the role of business in being able to tackle sustainability challenges. How, then, can the longevity and success of firms like Patagonia, IKEA, or those that make lists like 'Corporate Knights Most Sustainable Companies' (Scott, 2023) be explained?

In this article, we argue that managers' subjective interpretation of temporal depth (short vs. long term) and directionality (past vs. present vs. future) influences efficacy of adopted strategies (Ancona et al., 2001; Bluedorn, 2002; Shipp & Jensen, 2021). Drawing upon the paradox theory presented by Smith and Lewis (2011) (as explained above) and the arguments subsequently presented by Lewis and Smith (2022), we contend that the tensions in balancing of social, ecological and economic goals need not lead to incremental or unworkable strategies, but rather have the potential to guide major strategic decisions provided three conditions are present: (i) *an overarching vision* that unites thinking at different extremes; (ii) *structures* that both define and unite the distinctions within an organization; and (iii) *guardrails* that prevent one extreme or power dynamic to dominate a decision. We submit that family-owned enterprises with long-term orientation have the potential to resolve the inherent tensions in embedding sustainability strategy into investment decisions by successfully deploying the three conditions listed above (Lumpkin et al., 2010; Lumpkin & Brigham, 2011).

eWe elaborate on our conceptualization in the sections below. Next section reviews the importance of managerial cognitions in making decisions on sustainability investments and strategies. Then, we elaborate on the concept of subjective interpretations of time as cyclical versus linear. This is followed by a brief review of the literature on temporal orientation of decision-making in family enterprises and why they are more likely to transcend time under certain conditions. Subsequently, we conduct a preliminary test of our arguments using existing research. And, then explain how at least two of the three conditions ('overarching vision' and 'differentiating and integrating structures') necessary to resolve sustainability conflicts are more likely in family-enterprises than non-family firms and can foster the development of long-term sustainability strategies. Last, we argue why family enterprises with an extended temporal depth and cyclical interpretation of temporal directionality are better positioned to reap sustainable competitive advantages.

2. The Role of Managerial Cognitions in Decision Making

Despite increasing pressure from external and internal stakeholders on business organizations to adopt strategies to reduce their negative environmental footprint and more specifically address the impacts on climate change due to their operations (Fetting, 2020), economic goals continue to dominate the metrics by which most businesses and managers are evaluated. In the absence of strong motivations, integration of social and environmental metrics into decision-making is either superficial or symbolic, or if pursued seriously adds a great deal of complexity, uncertainty, and ambiguity to decision-making (Aragón-Correa & Sharma, 2005; Block et al., 2023). Managers with bounded rationality attempt to simplify this complexity by adopting cognitive frames that may foster decision biases and irrational risk aversion or risk-seeking behavior and decisions (Kahneman & Tversky, 1979). These biases may take the form of viewing environmental issues either as threats or opportunities (Sharma, 2000). Research shows that issue categorization as an opportunity rather than as a threat helps managers reduce the ambiguity and unpredictability surrounding environmental investments and spurs a more open search for innovative solutions (Cornelissen & Werner, 2014; Laslo et al., 2020).

Selective interpretations of issues by the top management team or dominant coalition in a firm are transmitted to others in the organization through social processes and formal interactions (Dutton & Jackson, 1987; Hambrick & Mason, 1984). This enables the creation of collective interpretations and shared meaning of issues (including environmental or societal issues) within the organization. According to Weick (1995) "Pressures to move toward generic sensemaking are strong in organizations because of the need for swift socialization, control over dispersed resources, legitimacy in the eyes of the stakeholders, measurable outcomes, and accountability" (p. 170). Thus, such interpretations by the top decision-making team "may become embedded in organizational systems that generate predictable action" (Dutton & Jackson, 1987, p. 85). Collective interpretations within the organization enable not only the development of, but effective execution of a strategy to address social and environmental sustainability challenges.

Swift socialization of sensemaking (Weick, 1995) occurs within decision-making units of firms due to the experience and tenure of working together and sharing of a common vision (Hambrick & Mason, 1984). Within the dominant coalitions of family enterprises such socialization is strengthened by the dominance of family vision and values (Sharma & Sharma, 2011). Hence, decision-making teams in organizations arrive at common subjective interpretations about strategic issues, chief among these is how they interpret time (Suddaby et al., 2023).

3. Subjective Interpretation of Time

Anacona, Okhuysen, and Perlow (2001) describe time as 'a non-spatial continuum in which events occur in apparently irreversible succession from past through the present to the future' (p. 513). Shipp and Jansen (2021) distinguish between objective and subjective time elucidating that while objective time is the linear experience of clock or calendar time, subjective time is 'experiencing of the past, present, and future within the current moment' (p. 299). Thus, *temporal depth* – short vs. long term, is a subjective interpretation of objective time (Bluedorn, 2002). For example, the answer to the question of whether ten years is short-term or long-term varies based on individual perceptions and contextual factors. Time serves as a mechanism to interpret the past and present, to imagine the future, and to prioritize, coordinate and align action. Interpretation and imagination draw on subjective time, while prioritization, coordination and alignment combine the use of subjective time for planning with objective or clock time for execution of the plans. Thus, subjective interpretation of time does not necessarily preclude the objective interpretation, but the degree to which managers or decision-makers view time objectively or subjectively varies from one extreme to another.

At the individual level, subjective time is an inherent part of consciousness and essential aspect of the human experience as it involves memory (past), perception (present), and anticipation (future). Addressing sustainability challenges such as climate change involves goal setting within a temporal frame. Considering the perceived *temporal distance* to a future goal individuals attempt, in the present, to connect the past to the future (Doob, 1971; Kunisch et al., 2017). For example, some managers may frame climate change as a crisis needing immediate attention, while others may either deny climate change or relegate it to distant future (Binder & Watkins, 2024). Time is also interpreted in terms of duration, quality, or importance for sensemaking and identifying the right moment to form and implement strategy (Shipp & Jansen, 2021). Research on managerial decision making has found that cognitive bias or subjectivity plays into individual perception of deadlines (Waller et al., 2001). When faced with the same environment, each decision-making team or dominant coalitions in family enterprises mentally creates its own temporal zones (e.g., short-term vs. long-term) when deciding on strategic actions (Nadkarni et al., 2016).

Shipp and Jansen (2021, p 303) summarize that "*inter*-subjective time (versus *intra*-subjective time—parentheses and emphasis added) addresses how *collectives* cocreate the experience of time through social construction (e.g., via social norms that provide the meaning of time…….)." Inter-subjective time relates to collective understanding that happens via dialogue between people and amongst teams, while intra-subjective time relates to time as understood by the individual. Bluedorn and Denhardt (1988, p. 4) introduce collective event time as "event-based or cyclical work processes [that] may establish temporal rhythms inconsistent with the objective notion of time." The literature on inter-subjective time refers to the importance of historical narratives or organizational remembering, both characteristics that are very relevant for multigenerational family firms. A sense of time has been linked to how organizations frame issues such as climate change, carbon markets (Bansal & Knox-Hayes, 2013) and fair trade (Reinecke & Ansari, 2015).

When setting deadlines for achieving environmental goals, individuals and collectives experience objective as well as subjective time frames. As the antithesis of clock time, subjective time involves social construction and individual perception (Hernaldi, 1992; Lee & Liebenau, 1999). Both types of time exist simultaneously creating tensions, even though some literature assumes that accounting for one type automatically precludes the other (Reinecke & Ansari, 2015).

Slawinski and Bansal's (2012) study of five oil and gas firms found differentiation based on perspectives on time as linear (objective) or cyclical (subjective) in their responses to climate change. Although firms are not identified as family or non-family firms in this research, those with a linear perspective found narrow technology solutions, had a low tolerance for uncertainty, showed a disconnected perspective on time—not considering the distant past or distant future in decision making, and applied a short planning horizon of less than five years. Their investments were focused on compliance rather than value generation for the business. In contrast, those firms with cyclical time perspectives, pursued a broad set of initiatives, connected the past and future to the present, had a higher tolerance for uncertainty in their response, and considered long planning horizons of around forty years and made investments with the potential to build successful businesses to compete for the future.

In their comprehensive review of the literature on subjective time, Shipp and Jansen (2021) point out the research gap in how collective interpretations of time are formed. These authors present this as an important area of study as subjective interpretations of organizational leaders are more likely to lead to action on climate change and other sustainability challenges. And other research indicates that actions at organizational level are much more impactful than those taken by individuals (Amel et al., 2017). We address this gap in research by arguing that as compared to individual managers who catalyze action by selling their interpretations of strategic issues to others within corporations (Dutton & Jackson, 1987), the dominant coalitions in family firms organically arrive at collective interpretations of temporal depth and directionality due to the influence of family vision, values, history, tradition, and legacy (Sharma & Sharma, 2011).

4. Temporal Orientation of Family Enterprises

Since decisions and investments to address environmental sustainability challenges such as climate change realize their impact over time, managers will differ in their interpretations of the strategic value of such investments. Sustainability related decisions and investments need a historical perspective to generate a better understanding of the past patterns of the business operations that led to environmental destruction and social injustice. Such awareness is the first step in enabling the development of strategies and investments in innovations to avoid and rectify past negative impacts. Managers also have differing interpretations about future trends related to sustainability challenges that may be viewed either as an immediate crisis that needs to be addressed in the present by the enterprise via strategies and investments, or relegated to distant future and hence not requiring strategic changes or investments in operations.

Strategic management research often includes discussions on the temporal orientation when short-term plans are contrasted with long-term ones (temporal depth), and past focus is contrasted with future focus (temporal directionality). In this field, it has long suggested that firms adopt past vs. future oriented as they explore innovative products and business models (Ackoff, 1970; Chandler, 1962 ; Miles et al., 1978).

In family business literature, research has established the importance of financial and socio-emotional returns for controlling owners (Gomez-Mejia et al., 2007, 2011). While some research points towards a higher propensity of family enterprises for community stewardship (e.g., Craig & Newbert, 2020; Le Breton-Miller & Miller, 2006; Neubaum et al., 2012; Sharma & Sharma, 2019), recent meta-analytic review of 40,910 firms paints a negative view of family firms' environmental performance (Miroshnychenko et al., 2022). This research and others (e.g., Kang & King, 2020) indicate that while family firms are responsible on social and employee-related dimension, they tend to be irresponsible on environmental dimensions. Based on their review, Miroshnychenko et al. (2022) conclude that family firms 'gravitate towards the extreme tails of a variety of outcome distributions *(including environmental performance)* depending on their temporality' (p. 78; also see Miller & Le Breton-Miller, 2021). Our research explores how subjective interpretation of time influences whether a family firm falls into the negative or positive tail of the environmental performance curve.

Empirical studies on temporal depth suggest a positive relationship between past and future (Bluedorn, 2002). That is, the longer into the past that individuals or organizations delve in their thinking, the longer into the future they can consider in their decisions. Longer temporal vistas of the past make it easier to detect patterns in actions and consequences. This is especially important when attempting to understand patterns of actions, operations, and strategies that led to environmental destruction and social injustice. Temporal dimensions are mirrored in the family business and corporate sustainability literatures, where research has shown that future-focused firms are more likely to be concerned for the welfare of next generations and undertake strategies to preserve the natural environment (Hart, 1995; Miller & Le Breton-Miller, 2006).

Family business research shows that the focus of temporal directionality varies amongst firms that move beyond the founder's generation. In some generational firms, the dominant coalition tends to be past-oriented, that is, living in the founder's shadow and believing that all decisions of the founder are sacrosanct and should be continued forever (Davis & Harveston, 1999). In others, while the dominant coalition is respectful of the historical decisions and beliefs, it adopts strategies like 'innovation through tradition' to search and recombine mature knowledge for continuous renewal (De Massis et al., 2016; Gusenbauer et al., 2023). Thus, in terms of directionality, the literature shows that family firms can either be past- or future-focused.

However, in terms of temporal depth, in comparison to non-family firms, multi-generational family firms with trans-generational continuity intentions are better positioned to draw on 'deeper times' to see beyond 'shallow pasts and futures' (Bluedorn, 2002; Sharma et al., 2014). This is because not only can they identify with the vision and historical narrative of the family members who founded the firm, their desire to transition this firm to the next generation motivates thinking beyond the tenure of the current leadership. History influenced research suggests that in order to establish the future direction and strategy, family business leaders are able to temper the past narrative through rhetorical history processes like *selective remembering* (Suddaby et al., 2010) to sharpen the focus on certain strategic issue (such as climate change) and motivate action based on *collective reminiscing* of historical narratives that support a desired future strategy (Suddaby et al., 2023). De Massis et al.'s (2016) study of six long lived Italian family enterprises explained how these firms drew lessons from their traditions to innovate products and business models for renewed competitive advantage in the present and future. In addition, while focusing on building and maintaining family's financial and socio-emotional wealth (Gomez-Mejia et al., 2007), attention is paid to the needs of other key stakeholders (Block et al., 2023; Miller & Le Breton-Miller, 2006).

The literature shows that family firms are more likely to be focused on trans-generational survival rather than short term or quarterly performance because they are more resilient in suffering short-term deprivation for long-term survival due to low overheads, flexible decision-making, and minimal bureaucratic process (Carney, 2005, Miller & Le Breton-Miller, 2006). Such firms are also more likely and able to make patient investments with a longer-term outlook (Sharma & Sharma, 2019; Sirmon & Hitt, 2003), and prefer proven effectiveness of mature knowledge to experimenting with risky new knowledge (Mazzelli et al., 2020). Hence, in comparison to family and non-family with shorter temporal focus, family firms aspiring for longevity are more likely to invest in projects with uncertain immediate returns but higher probability of long-range returns (Gersick et al., 1997; Gusenbauer et al., 2023). Of course, in cases where no subsequent generation is available to take over the leadership and running of the family firm, and in cases of internal family conflicts, it is unlikely that future oriented long-term investments with uncertain paybacks will be undertaken (Kidwell et al., 2024).

Business concerns about social and environmental sustainability are relatively recent. Even though the scientific community has warned us about the disruptive effects of climate change for more than four decades (WCED, 1987), the extreme unpredictability and volatility of weather patterns caused by climate change have already disrupted or begun to disrupt business operations in many industries, especially those based on natural resources. The climate news site, Grist, describes the summer of 2023 as a time when "*reality caught up to climate fiction*" (Yoder, 2023). It is probable that the founders of many trans-generational firms were not aware or concerned about the negative environmental impacts of business or the potential role of business in addressing environmental problems. Even though past-focused firms that hold onto their founder's beliefs are less likely to undertake proactive sustainability strategies, the disruption caused by climate change in several industrial sectors is changing this past orientation. Future focused firms with long temporal vistas are more likely to incorporate recent information related to environmental changes in the mind-sets of the dominant coalition leading to the development of proactive solutions to sustainability challenges. Indeed, at recent family business research and practitioner forums and conferences, one major issue of discussion is about balancing multiple perspectives and cognitive frames on environmental sustainability within the dominant coalition. Research on long-lived family firms suggests the efficacy of family and non-family members working together to shift the mind-set of influential stakeholders towards making investments in future focused strategies (Salvato et al., 2010).

5. Preliminary Evidence

We have proposed that directionality and the depth of the time horizon are not necessarily discrete and separate. Managers guided by longer temporal depth into the past and the future are more likely to invest strategically to embed sustainability principles into their business models (Sharma & Sharma, 2021). To gain some validation for our conceptualization, we conducted a brief review of research available on winery industry as it extends into deep past with old world wine regions of Mediterranean and Europe, and the new age wineries of South and North America, Australia, and New Zealand. Annual revenues are heavily reliant on climatic factors. Converting a conventional vineyard into an organic or bio-dynamic one is a multi-year heavy investment process. Thus, wine industry is well-suited for an examination of the influence of temporal variables in strategic decisions and investments in sustainable business practices.

Gusenbauer et al.'s (2023) quantitative study of knowledge search in family versus non-family firms based on a dataset of the global wine technology between 1956 and 2013 found that family firms use mature (traditional and historical) knowledge in their innovation processes to a greater extent than non-family firms. Family firms also draw higher value from mature knowledge than non-family firms.

When an organization is rooted in place as in the case of winery industry (Spielmann et al., 2021), firms with longer temporal depths are more inclined than those with shorter time frames to invest in the ecological well-being of their land even when financial returns may be several years in the making. Preliminary evidence for this proposition is provided by two contrasting quotes from wineries in the Bordeaux region of France (Sharma & Sharma, 2019):

> "*The Chateau's leadership and expertise in organic viticulture and winemaking was already well known in Bordeaux. When the winery became available, we were ready to take over and carry forward the momentum to incorporate biodynamic practices and certification. Our family believes strongly that we must become stewards of the ecosystems and communities if we have to survive into*

the future.”

Note the long-temporal horizon of the Guillard family leader who acquired the 1931 founded Chateau Fonroque winery in 2012. Contrast this with the temporal orientation of the non-family manager of Chateau Lascombs, a 17th century winery owned by a French insurance company since 2011:

“Organic or biodynamic practices take several years to implement and require experimentation which makes the quality of wine unpredictable for a long period of time. We cannot afford to risk our financial survival, quality, and reputation to undertake these risky unpredictable practices to satisfy a niche market. Moreover, none of the rating systems add any points for organic or biodynamic.” (Sharma & Sharma, 2019, p. 112)

Even when dominant coalitions of family enterprises have a future oriented temporal orientation, they may interpret the reality and urgency of sustainability challenges heterogeneously. However, these challenges are not heterogeneous, and the balance of power rests with the natural environment. Nature sets the timeline for extreme weather events—hurricanes, heat waves, droughts, flooding, polar vortex brought upon by a warming jet stream, resource depletion, etc., all of which affect businesses today and increasingly into the future. During the past decade, we have witnessed the accelerating pace of unpredictable changes in weather patterns that affect many industries and increase the volatility of the business environment they face (Yoder, 2023). Since tackling sustainability challenges such as climate change requires goal setting within temporal frames and deadlines, family values, cognitive bias, and narratives based on rhetoric history (Suddaby et al., 2010) influence perceptions of reality and hence the strategic investments in sustainability initiatives.

Legacy family enterprises benefit from a collective reminiscing or remembering (Suddaby et al., 2023), and share transgenerational continuity aspirations. Such firms are more likely to transcend time (Aronoff & Ward, 1995) as compared to non-family businesses. Family enterprises are characterized by shared dreams, plans, fears of the future enacted in present decisions (Radu-Lefebvre et al., 2020). These dreams and aspirations include the preservation of the family's socio-emotional wealth, the long-term survival of the family enterprise, and responsible stewardship of communal assets for future generations. Hence, family enterprises with longer temporal depths are more likely to undertake patient long-term investments in new businesses, products, and capabilities (Miller & Le-Bretton Miller, 2006; Sharma & Sharma, 2019). Mature knowledge from history and tradition can lead to innovations in products and business models, and renewed competitive advantage (De Massis et al., 2016; Gusenbauer et al., 2023).

Hence, we argue that as compared to non-family firms, family enterprises with a historical perspective and an anticipation of transgenerational perpetuation, have a higher propensity to interpret time subjectively and cyclically embedded in the past and future (Gusenbauer et al., 2023). Such firms are more likely to undertake long-term patient investments that not only have the potential for real positive impact on the environment and society but are based on careful planning and innovation that can lead to cost and differentiation advantages and possible disruption of current business models (Sharma & Sharma, 2019). They are more likely to adopt substantive (as opposed to symbolic) sustainability strategies and may even have a penchant for privacy regarding their contributions (Combs et al., 2020). Some family firms with the most advanced biodynamic practices have been found to avoid advertising their sustainability credentials on their products, instead letting the quality of their premium wines speak for themselves (Sharma & Sharma, 2019).

The tensions and conflicts inherent in sustainable development for business have a unique alignment with how most family enterprises have historically sought to balance present financial and societal, community, and stakeholder needs with stewardship, succession, wealth, and legacy for future generations. Of course, this alignment is more likely when the business family aspires for transgenerational continuity, decision-making control of the enterprise by the focal family, and a commitment to use the family enterprise as vehicle for societal good (Sharma & Sharma, 2021). If these factors are present, then family enterprises will have a higher propensity to invest in initiatives and strategies for the long-term sustainability.

The unpredictability of how the climate changes will unfold requires the family's dominant coalition to make decisions by iteratively cycling between lessons from past via collective reminiscing (Suddaby et al., 2023), and their future aspirations as they interpret the temporal reality and urgency of sustainability challenges. The greater depth of past and future orientation of family firms as compared to non-family firms fosters a subjective interpretation of time as cyclical and creates a motivation and potential to address the tensions inherent in sustainable development.

6. The Advantage for Family Enterprises

To develop strategies and solutions to resolve the paradoxical conflicts like the balancing of short and long-term goals, Lewis and Smith (2022) propose that three conditions need to be present: overarching vision, differentiating and integrating structures, and boundaries that act as guardrails. In this section, we explain how at least two of the three conditions are more likely and/or stronger in family enterprises and the propensity of these enterprises to perceive time subjectively as cyclical enables the effective deployment of these conditions. While non-family firms, in concept, have the potential to create the three conditions to address the sustainability paradox, we argue that family enterprises have a distinct advantage in this regard.

6.1. Overarching vision

An overarching vision is a statement of purpose for the organization that integrates opposing poles of the tensions inherent in sustainability: economic vs. social and environmental performance, and short-term vs. long-term planning and investment outcomes. Such a vision shifts the focus from short-term competitive pressures to a long-term future scenario for the business thereby shifting urgency of proximate challenges toward a long-term competitive imagination of a positive upside (Hart & Sharma, 2004; Lewis & Smith, 2022; Slawinski & Bansal, 2015). Overarching visions can be inspirational and motivational in fostering stronger emotions and efforts to address the tensions and conflicts with a creative mind (Hart & Sharma, 2004; Raffaelli et al., 2019).

Hart (1995) proposed that a sustainable development strategy requires a shared vision for the future. This vision includes not only the challenges such as climate change that the world increasingly faces but also the role of the business in addressing these challenges. While a shared vision in an organization would be a powerful catalyst for developing capabilities and technologies that would lead to sustainable innovation, moving from concept to implementation is the challenge. Most examples of such visions in the literature refer to big broad nation level inspirational goals with the power to stir millions, such as President Kennedy's vision to put a man on the Moon before the end of the 1960s or NASA's vision to "help America return to the Moon, and eventually travel to Mars and beyond" (Lifshitz-Assaf, 2018). However, such big inspirational visions are more difficult to develop and implement in a business.

A key factor that dampens the inspirational power of corporate visions is the increasingly short tenures of CEOs of non-family enterprises, averaging around 7.2 years for CEOs of S&P 500, a drop of 34% from the 10.9 years in 2017. It is noteworthy that the median CEO tenure is 4.8 years, and 39% of CEOs last between one and five years (Chen, 2023). Frequent leadership changes encourage fresh rounds of strategic visioning and short-term planning horizons. In contrast, family-controlled firms with aspirations of transgenerational survival, tend to have long-serving CEOs. Even when leadership transitions are made there is multi-decades of overlap between succeeding leaders so that continuity becomes an organic process that transcends time. Thus, there is a greater propensity to perceive time using longer cyclical metrics.

The subjective interpretation of time as cyclical links the poles of the conflicts inherent in sustainability decisions into an overarching vision of the firm's principles and values, its history of success based on innovation and reinventing itself as the business environment changed, and aspirations to build a successful and prosperous enterprise for future generations. Their focus not only encompasses financial wealth but also socio-emotional wealth for their family and community (Craig & Newbert, 2020; Gomez Mejia et al., 2007, 2011). For example, the guiding principle for the fifth generation Wallenberg cousins of the Swedish conglomerate is: "*Like the generations before us, we are working on a long-term basis for the betterment of our country*" (Jack & Nordqvist, 2021); while the second generation leaders of Kemin Industries – a US manufacturer of nutritional and health products for humans and animals founded in 1961, strives to '*sustainably transform the quality of life every day for 80 percent of the world with our products and services*" (Craig & Bowman, 2021). Even large publicly listed companies like Berkshire Hathaway and Universal Health Services, long-serving founding CEOs Warren Buffett and Alan Miller, appointed their respective sons – Howard Buffett and Marc Miller, to carry on their company's vision and culture, albeit in roles suitable for each. In contrast, non-family firms caught up in a rhythm of quarterly reporting cycles and preferences of rapidly changing leadership.

Addressing sustainability tensions brings the experience and entrepreneurial abilities of the senior active generation in harmony with the aspirations of the rising generation to use the enterprise as a vehicle for good in society (Sharma & Sharma, 2021). As noted in the literature (Suddaby et al., 2010; Suddaby & Jaskiewicz, 2020), a historical overview of the family enterprise is often subject to interpretation and based on a rhetorical reframing in terms of current and future strategies. This research suggests that it not unusual for each generation of the family to highlight (and/or underplay) selected events and innovations to shape the present and the future in accordance with its preferences (Suddaby et al., 2023). When recorded history reveals a mix of alignment and misalignment with current and future aspirations, leaders have been found to acknowledge the misalignments as mistakes due to liabilities of newness to posit that gained experience enables continuity of positive dimensions (Gusenbauer et al., 2023). Hence, this subjective interpretation of time as cyclically embedded in history and aspirations for future transgenerational success enables the overarching vision to inspire creativity, innovation, strategy, and investments to resolve the paradox of sustainability.

In short, family-controlled firms with long tenures of leaders and an organic transition of responsibilities across generations, provides a competitive edge in continued pursual of an overarching vision focused on addressing sustainable development challenges. Emergence of a shared overarching vision may be hampered by short tenures of leadership that is more likely in non-family firms (Chen, 2023), or by destructive competitive within family rivalries (Kidwell et al., 2024).

6.2. Differentiating and integrating structures

Differentiating structures refer to the recognition and articulation of distinctions within the organization and integration refers to the identification of linkages within the organization (Lewis & Smith, 2022). Both are functions of the organization structure and demarcation of roles and responsibilities. Differentiation happens in organizations via the creation of subgroups such as strategic business or operating units, and/or functional areas such as finance, accounting, HR, etc.., levels of management (top management teams, middle management, back office, and front-line operational employees, regional or country offices, and so on). Similarly, integration can happen via cross-functional teams, physical workspaces that encourage interaction, social gatherings, newsletters and so on (Wright et al., 2023). Extant research shows that both differentiating and integrating structures need to be present to facilitate the resolution of paradoxes (Besharov et al., 2019; Lewis & Smith, 2022). Differentiating without integrating could lead to turf wars and conflict; and integrating without differentiating may lead to synergies that do not address the overarching organizational vision necessary to innovate for a sustainable future (Lewis & Smith, 2022).

While non-family firms can, and do, create such differentiating and integrating structures with the potential to resolve conflicts and tensions they face, family-owned firms have a distinct advantage as the private family space is available to build deeper connections among co-workers. Strategic decision-making and visioning take place within a dominant coalition of family and non-family members. The dominant coalition in a family enterprise is more likely to perceive time subjectively as cyclical due to inter-generational engagement in formal and informal settings. Such engagement brings a wider range of perspectives into focus including historical traditions and future aspirations and opportunities, thereby expanding the temporal depth under consideration. As compared to top management teams of non-family firms, dominant coalitions in family enterprises have been found more effective and efficient innovators (Duran et al., 2016).

Thus, family enterprises with differentiating and integrating structures (formal and informal) that extend the temporal depths considered and give voice to multiple perspectives and aspirations are better equipped not only to envision but also to implement sustainable development strategies. Such family enterprises are better positioned to develop innovative solutions that reconcile the inherent conflicts in sustainable investment decisions rather than arriving at incremental compromises as suggested by Hahn et al. (2014). In contrast, family or non-family firms that lack such structures may find it exceedingly difficult to implement such strategies, even when led by visionary leaders.

6.3. Guardrails

The third condition that Lewis and Smith (2022) propose for resolving paradoxes is incorporation of guardrails, that is, processes and systems to ensure that power dynamics do not suppress or silence diverse viewpoints and foster either-or choices when creativity and innovation is required to resolve a paradox (Smith & Besharov, 2019, p. 9). Built into organizational governance systems, guardrails foster a focus and discussions on the tensions and conflicts inherent in the paradox. To invest into sustainability strategies, guardrails need to be wide enough to encourage a simultaneous focus on the short-term and long-term goals, on past traditions and future aspirations, and on financial and non-financial performance. For example, if the dominant coalition of an enterprise or strategic decision-making bodies like the Board of Directors of a company lacks diversity of perspectives and backgrounds, it fosters group think toward one pole or the other and often toward short-term performance. Such groupthink hinders creativity and innovation.

In the case of family-owned enterprises, the guardrails are not necessarily an inherent advantage as they often lack separation between operating and family systems, especially in ownercontrolled companies (Gersick et al., 1997). As complexities on the family and business dimensions increase over time, family enterprises build guardrails including governance structures like a board of directors, family councils, and family constitutions. These structures provide opportunities to integrate both senior and rising generations to balance the past tradition and future aspirations, and with family and non-family members with diverse backgrounds and expertise to avoid a default to groupthink toward easy incremental solutions. Similarly, the operational decisions are made by a dominant coalition that includes multiple generations and non-family experts who can bring innovative and creative ideas to strategic discussions. Both the Board and the dominant coalition need to have forums where external stakeholder voices representing social and environmental causes impacted by, and impacting, the operations of the enterprise can be heard. Research has shown that such external stakeholder input generates knowledge and insights that help the organization innovate for a sustainable future (Hart & Sharma, 2004; Sharma & Vredenberg, 1998). Finally, the third leg of the family governance system, the family council in family enterprises should be open to hearing voices of multiple generations rather than succumbing to a deference to senior generations or the rebellion of the rising generation. Creating the guardrails in both family- owned and non-family-owned enterprises is a legal and structural exercise but it is important to ensure the separation of governance (Board), operations (dominant coalition), and family (family council) to allow diverse voices and learning from the past as well as future aspirations so that the process of creativity and innovation can be unleashed.

In short, we posit that in comparison to their non-family counterparts, family enterprises with trans-generational history and ambitions are better positioned to envision and use their business towards a sustainable future. As this temporal interpretation into past and future, is a firm-specific idiosyncratic and non-replicable resource, it is a source of competitive advantage (Barney, 1986). Such family enterprises with a long-term orientation are motivated to invest in enhancing their capabilities to proactively innovate and invest in sustainability strategies. When investments made to embed sustainable development mindset into operations are supported by differentiating and integrating structures, and overlaid by vigilant governance systems, sustainable development challenges may well serve as an opportunity of a century for family enterprises.

7. Conclusion

For the past decade or more, increasingly, nature has set the timeline for climatic changes (Yoder, 2023). Stakeholder pressures on business organizations to help address the global grand challenges of sustainability continue to accelerate. For example, as it transitions toward a carbon neutral economy by 2050, the European Union (EU) has mandated listed firms with over 500 employees to report carbon emissions (Fetting, 2020). Similar legislative requirements are emerging in other nations (Block et al., 2023). Business leaders are faced with a paradox of balancing their current operations and revenue sources, while undertaking transformative changes to embed sustainable development principles in their enterprises. Research that has examined this paradox has concluded that the enormity of risks involved in making related investments, deters managers from using their business enterprise towards addressing sustainability challenges (Hahn et al., 2014). Nevertheless, there is evidence of companies making great strides in using their business to progress on sustainable development challenges (e.g., Scott, 2023; Sharma & Sharma, 2021). Such enterprises are well positioned to gain early mover advantage over rivals who are stuck in strategies and business models that ignore this profound change in the business environment.

We focus on the integral role of temporal frames used by business leaders in making related investments. Time serves as a mechanism to coordinate and align action (Anacona et al., 2001; Gusenbauer et al., 2023). The subjective interpretations of time cycling from past through current to future, provides a sense of continuity in the midst the complexity and ambiguity that characterizes the major structural changes in the business environment due to climate change and societal demands that business be a part of the solution. It serves as a connective tissue for lessons from the past to a desired legacy and success in the future in a world where solving sustainability challenges offer opportunities for successful and profitable businesses (Bluedorn, 2002; Ship & Jansen, 2021).

In comparison to dominant coalitions of non-related individuals, those formed of people with close familial ties have an advantage to draw upon family legacy and values to reach a consensus around investments in innovations and strategies to achieve their aspirations. Such collective interpretations draw from history of stakeholder and societal engagement of the family enterprise and the aspirational future (De Massis et al., 2016; Suddaby et al., 2023). By fostering a collective narrative of how climate change and environmental sustainability have affected an enterprise over time and will affect its future trajectory, enterprising families have an opportunity to grow the economic and socio-emotional wealth of their enterprises and community. Drawing upon the theory of paradox, we argue that in addition to temporal vistas, enterprises with an overarching vision, and structures to give voice to multiple perspectives combined with disciplined governance, have the potential to create sustainable competitive advantages (Lewis & Smith, 2022; Smith & Lewis, 2011).

The arguments presented in this article draw on literatures of cognitive framing and paradox theory. An attempt is made to integrate temporal dimensions into these theoretical perspectives using insights from exploratory research on winery industry and research describing the sustainability journey of family enterprises leading in this domain (Sharma & Sharma, 2021). The subjective interpretation of temporal depth and directionality is unique to each family firm. Hence, it is a valuable competitive resource enabling them to manage their historical narratives and future aspirations, and thus motivating and precipitating innovative and creative strategic change and investments necessary for embedding sustainability into the business. Future research needs to integrate temporal dimensions to develop a nuanced understanding of the role of subjective interpretation of time in adoption of sustainability strategies.

Author contribution statement

The authors contributed equally to the work.

Conflict of interest statement

None.

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Determinants of Export Activity. A Configurational Analysis of Family Firms

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Abstract Family firms are of great importance in the increasingly competitive and unstable environment in which they have to operate. Furthermore, they evidence a series of specific characteristics that make them behave differently –specifically, when having to export. Among these distinctive traits, their lack of resources and more conservative attitude towards risk may limit their international activity. Nevertheless, we show that these obstacles are minimized when considering certain determinants that have traditionally been seen as drivers of firms' export competitiveness (i.e. innovation, collaboration, using own means, export promotion mechanisms, and exporting to developed markets) together as a set. We perform a Fuzzy-set Configurational analysis to study the configurational effect of the abovementioned determinants on a sample of 68 Spanish family firms in the agricultural sector.

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PALABRAS CLAVE
Empresa familiar, Intensidad exportadora, Aproximación configuracional

Determinantes de la actividad exportadora. Un análisis configuracional de las empresas familiares

Resumen Las empresas familiares son de gran importancia en el entorno cada vez más competitivo e inestable en el que deben operar. Es más, éstas evidencian una serie de características específicas que hacen que éstas se comporten de forma diferente -específicamente cuando tienen que exportar. De entre estos rasgos distintivos, su falta de recursos y su actitud frente al riesgo más conservadora limitan su actividad internacional. Sin embargo, nosotros mostramos que estos obstáculos son minimizados cuando se consideran ciertos determinantes que han sido tradicionalmente vistos como directores de la competitividad exportadora de la empresa (i.e. innovación, colaboración, el uso de medios propios para exportar, mecanismos de promoción de las exportaciones y exportar a mercados desarrollados) de forma simultánea como un conjunto. Ejecutamos un análisis Configuracional de Conjuntos Difusos para estudiar el efecto configuracional de los determinantes anteriormente mencionados en una muestra de 68 empresas familiares españolas del sector agrícola.

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1. Introduction

This work seeks to disentangle the determinants that lead family firms (FF) to intensify their export activity. By identifying these determinants, the paper provides insights into which investments FF managers and policymakers should make in order to support FF export performance. We also believe that the typical resource constraints and risk aversion that can threaten family firms' socioemotional capital (Bchini, 2014; Casillas et al., 2021; Fernández & Nieto, 2005; Gómez-Mejía et al., 2023; Zahra, 2005), and which can burden FF export intensity (EI), may be offset when jointly considering a configuration of various determinants. Stressing the importance of the principles proposed by both the resource-based view (RBV; Dhanaraj & Beamish, 2003) and the socio-emotional wealth theories (SEW; Gómez-Mejía et al., 2007a; Moreno-Menéndez et al., 2021), this work may provide novel contributions to the existing literature by extending previous knowledge, which has considered the individual effect of the considered drivers of FF EI.

The ever-increasing importance of FF in the economy has prompted a deeper exploration in studies focusing on critical aspects in an effort to strengthen the position of FF and promote their development (Baixauli-Soler et al., 2021; Benito-Hernández et al., 2015; Casillas et al., 2021; Cesinger et al., 2016; Lobo et al., 2023; Lu et al., 2015; Neubauer & Lank, 1998; Peláez-León & Sánchez-Marín, 2021). Among the key factors identified that enhance their performance, exporting continues to prove pivotal (Kampouri et al., 2023; Maggi et al., 2023; Sánchez-Marín et al., 2020). Above all, exporting provides FF with numerous advantages, such as "Learning-By-Exporting" (LBE), thereby enabling them to gain and accumulate more experience in foreign markets (Freixanet et al., 2020; Monreal-Pérez et al., 2012; Sánchez-Marín et al., 2020; Wu & Chiou, 2021).

Existing studies have to date usually explored the direct individual impact of certain determinants of export activity, which are seen as key in the literature (Casillas & Moreno-Menéndez, 2017; Moreno-Menéndez et al., 2021). Examples of these determinants include innovation (Freixanet et al., 2020; Golovko & Valentini, 2014; Salomon & Jin, 2021; Salomon & Shaver, 2005; Sánchez-Marín et al., 2020), collaboration (Cesinger et al., 2016; Serrano et al., 2021), product promotion (Geldres-Weiss et al., 2011), and export destination (Del Rosal, 2019). This leaves a gap in terms of the relationship between export activity (approached through the firm's EI; in other words, the proportion of export sales to total sales) and the interaction of various strategic determinants when approached collectively.

Our aim is to fill this gap by attempting to analyse the configurational interaction of these export activity determinants –which have proven critical in the literature-on the determinants of export activity (for example, in Sousa et al., 2008). We seek to identify possible combinations or configurations that lead to high EI in FF (according to managers' self-perception). Due to risk aversion and limited resources, FFs avoid taking risks and investing fully in any single determinant (Bchini, 2014; Gómez-Mejía et al., 2023), despite the importance of each. Therefore, a balanced investment of resources is necessary. We consider it essential to address these determinants collectively, given the lack of required resources that characterize FF. The presence of other strategic variables atones for this scarcity to some degree, thereby enabling FF to conduct their export activity optimally and effectively and thus ensuring that this impact is intense.

We adopt a Fuzzy Set Qualitative Comparative Analysis (fsQCA) that allows us to identify the drivers that may lead to the same result (Yu et al., 2021). Our empirical research is based on data from 88 Spanish agricultural firms, in which we seek to determine which drivers lead to greater export activity.

We focus on this type of organisation because of the key role played by FF. In Spain, FFs are becoming increasingly important each year, and now represent 89% of all companies, providing 67% of private employment, generating over 6.58 million jobs, and representing 51.7% of Gross Domestic Product (GDP) (Family Firm Institute, 2021). Moreover, in terms of export activity determinants, FFs have scarcely been studied from a configurational point of view.

We focus on the agricultural sector for two reasons. Firstly, the agricultural sector represents 9.7% of Spanish GDP, and Spain is the fourth European Union (EU) country in terms of the number of agricultural holdings, the second country in terms of used area dedicated to agriculture, and the leading EU producer of certain products such as citrus fruits –59.7% of the EU total in 2019- National Statistics Institute, 2021. Moreover, in the agricultural sector, FFs represent 86% of all Spanish companies (Family Firm Institute, 2021). Secondly, there is a lack literature in this regard (e.g. Geldres-Weiss et al., 2011 studied the impact of export marketing assistance (EMA) on FFs export performance in Chile's agricultural and forestry sector).

FFs managers may find the study helpful because it offers information on which factors impact FFs export activity. Exploring the mechanisms through which FFs may cumulate enough resources to increase their performance is extremely important during economic downturns (Agustí et al., 2021). At an institutional level, this information can also be interesting vis-à-vis developing policies and programmes that support FFs export performance.

2. Literature Review and Propositions

Each of the selected strategic determinants (innovation, collaboration, promotion instruments, own export means, and export destination) analysed below is tested in conjunction with one or more of the other determinants. These determinants were chosen due to their significant connection with export activity and the keen interest they have generated in the academic field, as evidenced by various studies. Innovation and collaboration play a crucial role in maintaining competitiveness in today's ever-shifting international markets (e.g., Demirbag et al., 2021; Salomon & Jin, 2021; Serrano et al., 2021). Participation in trade fairs and missions –which are seen as promotional mechanisms– helps to increase brand visibility and awareness abroad (Geldres-Weiss et al., 2016; Geldres-Weiss & Monreal-Pérez, 2018; Monreal-Pérez & Geldres-Weiss, 2019). Using proprietary means provides greater control over the supply chain and distribution in foreign markets (Schwens et al., 2018), which is of great interest to FFs who are seeking to preserve their SEW (e.g., Davila et al., 2023; Gómez-Mejía et al., 2023). Directing exports towards favourable destinations benefits export stability and leverages specific advantages that certain markets, such as LBE, can offer in specific regions (Atkin et al., 2017; Bai et al., 2017).
Additionally, this choice is based on the challenge faced by FFs due to their resource scarcity, since they need to have adequate resources to invest in these strategic determinants. In many instances, these companies lack the necessary resources (Bchini, 2014; Buckley, 1989; Fernández & Nieto, 2006; Gómez-Mejía et al., 2019; Rexhepi et al., 2017), and if they do have some margin, they face the concern of losing their SEW (Davila et al., 2023; Gómez-Mejía et al., 2007a; Gómez-Mejía et al., 2019; Lin & Wang, 2021). We believe that by developing such determinants, FFs may overcome these limitations.

2.1. Determinants of export activity: innovation

Innovation in FFs has become a topic of growing interest (Freixanet et al., 2020; Salomon et al., 2021). Some authors deem that the relationship between technological innovation and family involvement is negative (e.g., Block, 2012; Muñoz-Bullón & Sánchez-Bueno, 2011), with the conservative nature of FFs being what prevents them from taking risks and, thus, from investing in innovation, given that such an investment requires significant economic resources (Casillas & Moreno-Menéndez, 2017; Gómez-Mejía et al., 2019; Moreno-Menéndez et al., 2021). In line with the agency theory however, other researchers argue that FFs behaviour is not only driven by economic goals but also by non-economic objectives (Kammerlander & Ganter, 2015; Lin & Wang, 2021; Randolph et al., 2019) and by family values such as altruism and the desire to maintain the family brand in the market (Gómez-Mejía et al., 2007a; Miller et al., 2015). Consequently, although FFs do take risks and do invest in innovation (Filser et al., 2018; Lin & Wang, 2021), their lack of economic resources prevents them from making greater investments in innovation.
Considering the importance of innovation in this context, FFs lack of resources is a limiting condition for their innovation. We therefore believe that innovation should be studied in combination with other strategic factors which indicate that the resources available to FFs are indeed sufficient to allow them to export.
Since innovation as a determinant drives EI, firms who innovate prior to exporting learn more and can build more confidence by knowing both the market and its environment, thereby minimizing the risk involved in exporting (Eriksson et al., 1997). We therefore believe that the effect which innovation has on export activity would be even more positive when correlated with other determinants. Hence, we put forward the following proposition:

Proposition 1. A configurational combination of innovation together with a set of other strategic determinants (collaboration, promotion agency mechanisms, exporting through own means and exports to developed countries) leads FFs to achieve high EI.

2.2. Determinants of export activity: collaboration

Collaboration eventually improves the firm's competitive position within the market by exploiting the knowledge gained from exchanging information and by sharing experiences with partners (Cesinger et al., 2016; Isobe et al., 2008). Depending on its field of activity, each company should have a collaborative network that fosters interactions and allows it not only to keep abreast of the latest products or services in demand but also to be aware of regulatory and other market changes (Musteen et al., 2010). Furthermore, it has been tested and confirmed that –as regards information technology exchange– collaboration between the company and its partners leads both to a win-win situation and to greater performance, especially when based on a long-term oriented relationship (Paulraj & Chen, 2007). In this regard, FFs are no exception. However, their idiosyncrasies and attachment to their SEW make them more conservative in their inter-firm relationships and more careful when opening up to other partners in foreign markets (Gómez-Mejía et al., 2007a; Hennart et al., 2019; Miller et al., 2015). Serrano et al. (2021) find that networks can be used to solve export problems concerning quality, organisational, financial or information problems as well as problems related to the export market. In the same vein, Cesinger et al. (2016) suggest that collaboration intensity has a positive effect on FFs internationalisation, as it increases knowledge of international markets. Said authors also confirm that FFs collaborate, but that they do so more conservatively as they tend to establish relationships with familiar partners with whom they usually work and whom they fully trust, which makes their network more restricted and relatively limited. Moreover, collaborating with different organisations means having more financial resources to invest and the firm's willingness to expose itself to the risk that the investment might not pay off (Gómez-Mejía et al., 2019). That is why FFs constantly try to control their resources by being careful in the search for and development of new contacts (Kontinen & Ojala, 2011). Trust is therefore a factor that connects a FF to its network. The FF must create and maintain links not only in the local market but also with many other actors, such as customers, distributors, suppliers, competitors, non-profit organisations, and public administration bodies (Kontinen & Ojala, 2011).

A FF that enjoys a network of collaborators has a greater presence in the market and therefore a greater chance of being contacted due to the links within its network –which positively impacts its export activity. We believe that the combination of collaboration and other factors allows the firm to dedicate enough resources to carry out and improve export activity. As mentioned before, investing in collaboration requires significant financial resources. Such an investment may therefore prove to be problematic for those FFs that lack the necessary financial resources or for those that tend to avoid such an investment due to risk aversion. In addition, we believe that the presence of other determinants –together with collaboration– reduces this risk and encourages FFs to invest in collaboration. Accordingly, our proposition reads as follows:

Proposition 2. A configurational combination of collaboration, together with a set of other strategic determinants (innovation, promotion agency mechanisms, exporting through own means, and exports to developed countries) leads FFs to achieve high EI.

2.3. Determinants of export activity: promotion agency mechanisms

In contrast to firms that do not adopt an export promotion programme (EPP) (Durmuşoğlu et al., 2012; Geldres-Weiss et al., 2011), firms that do adopt promotion agency mechanisms tend to achieve their financial targets and thus have more opportunities to increase their export sales. According to Geldres-Weiss et al. (2011), companies that use the most EPPs in order to secure the necessary support –mainly due to their need to compensate for the lack of experience and information on the foreign market– are mostly small and medium-sized enterprises (SMEs), including FFs, since most FFs are SMEs. Firms that use at least one of these mechanisms (especially if they are FFs) will thus exhibit better export performance than firms who do not use any of them (Durmuşoğlu et al., 2012).

Being present at trade fairs and carrying out prospecting/trade visits are determinants that lead to good results, although this does entail significant investment due to the high costs involved. In the case of FFs –who lack the required resources for essential export operations (Fernández & Nieto, 2006)– the support of Export Promotion Agencies (EPA) is particularly favourable for export activity. We therefore believe that the impact of EPA on improving the export activity of FFs is positive if combined with other determinants and with the presence of other factors that make FFs more confident and assume the risk attached to such an investment. Accordingly, we formulate our proposition as follows:

Proposition 3. A configurational combination of using promotion agency mechanisms together with a set of other strategic determinants (innovation, collaboration, exporting through own means and exports to developed countries) leads FFs to achieve high EI.

2.4. Determinants of export activity: exporting through own means

In order to export using one's own means, it is necessary to devote a very significant part of the company's resources, especially for markets in countries where costs are high (Root, 1987). Such an investment requires transferring experience, workforce skills and technology from the home company to the destination country. Nevertheless, this investment can yield medium and long-term benefits.

Companies must carefully choose the mode of entry, timing, scope and pace that determine how they will conduct their international activities. In this regard, several behavioural process models have been developed. The best-known is the so-called Uppsala model, according to which firms follow a stage approach to grow internationally –first entering and allocating resources in psychologically close markets before very gradually moving to more distant ones (Onkelinx & Sleuwaegen, 2010). Johanson and Vahlne (1977) suggest that the fact that firms take small and progressive steps in terms of investment is what determines their mode of entry, generally by launching their export activity through an indirect agent at the beginning. This gradual manner of entering helps acquire and accumulate experience and a better knowledge of the market and its environment and can therefore make the firm subsequently establish its own production platform in the destination country.

FFs tend to have limited resources and a conservative business culture that leads them to be cautious when making decisions (Rexhepi et al., 2017). Entering international markets can be an important step for these firms, but it can also prove risky and costly if executed unwisely. We therefore believe that if FFs choose to enter the target market using their own means and if they have other determinants at their disposal, then the effect on their export activity will increase. Consequently, we posit the following proposition:

Proposition 4. A configurational combination of exporting through own means together with a set of other strategic determinants (innovation, collaboration, promotion agency mechanisms and exports to developed countries) leads FFs to achieve high EI.

2.5. Determinants of export activity: exports to advanced markets

Irvansyah et al. (2020) suggest that one of the factors significantly affecting trade flow is the real GDP per capita of the export destination countries, and that each target country implies a different level in various factors, such as the price of goods, the cost of customs duties and/or the cost of labour. Exporting firms thus prefer markets in developed countries, since they offer better transaction terms, such as price, and offer a higher added value, which makes it possible to achieve a high profit percentage (Ahmad et al., 2017).

Moreover, operating in these attractive markets on a regular basis allows firms to gain experience through learning by exporting at a high level (Atkin et al., 2017; Bai et al., 2017). From an RBV perspective, exposure to richer sources of knowledge and technology that would otherwise be unavailable in other markets affords exporters unique advantages which make them improve their productivity through various knowledge inputs and benefit from the technical expertise of their buyers (Dhanaraj & Beamish, 2003; López Rodríguez & García Rodríguez, 2005). This then enables them to develop their skill base by keeping their commercial, technical, and technological knowledge up to date (Wu & Chiou, 2021).

Although FFs aim to direct their exports towards these markets in order to improve their performance and diversify their exports (Del Rosal, 2019; Gómez-Mejía et al., 2007b), they may nevertheless adopt a more cautious view of the risk presented by such markets and the high resource costs they entail (Gómez-Mejía et al., 2007a). They will therefore often choose to concentrate their exports in other markets, even if these are less attractive, because they imply less risk and more entry facilities, thus leading to less use of economic resources. In order to reduce transport costs and expenses, FFs therefore tend to look for markets that are nearby and/or have less stringent regulations. Cultural distance is one of the factors that influence the decision of FFs concerning which foreign markets to enter (Kogut & Singh, 1988; Majkgård & Sharma, 1998). In this regard, FFs prefer markets with a short cultural distance, especially if the company has little experience in foreign markets (Blomstermo et al., 2006). In order to facilitate communication, firms usually export to markets in countries that speak the same language.

For companies, participating in a market in a developed country is a privilege and a guarantee of the security and economic stability that FFs seek to maintain (Zahra, 2005) due to their conservative nature, which prioritises protecting family values and socioemotional wealth (Chirico & Nordqvist, 2010; Peláez-León & Sánchez-Marín, 2021). We therefore believe that making such a decision has a positive impact on FFs exports.

Despite FFs concerns about the important economic investment risk of exporting to these developed countries, FFs may, according to (Zahra, 2005), be willing to take certain risks when they know the benefits of the opportunities involved. For this reason, they focus on identifying those opportunities in order to take advantage of them by combining and efficiently utilizing existing as well as new resources to minimize risk. Thus, we put forward the following proposition:

Proposition 5. A configurational combination of exports to developed countries together with a set of other strategic determinants (innovation, collaboration and exporting through own means) leads FFs to achieve high EI.

3. Data and Measurement

3.1. Sample

We draw on the Sistema Análisis de Balances Ibéricos (SABI) database and firms' Código Nacional Actividades Económicas (CNAE). to identify the companies used for this analysis. Our sample is based on interviewing 68 Spanish agricultural companies. The data analysed were collected in 2021 through a survey (see the survey model in the appendix) sent via email to company directors/ managers to ensure the reliability of the replies. Most of the firms are family-based (61.76%). Due to the impossibility of obtaining a sufficient number of responses in the first two rounds -which coincided with the end of the COVID-19 period and the subsequent recovery of companies- we carried out a third round of mailing to 570 agricultural enterprises between April and September. We obtained 11.9% valid responses, a better result than Fernandes et al. (2020), Kotaskova et al. (2020) and Lobo et al. (2023), who obtained 3.9%, 2.6%, and 5.5%-3.6% in two samples, respectively.

3.2. Model

In contrast to correlational techniques, we used fsQCA, which allows a detailed an empirical investigation of causal complexity through the logic of set theory (Misangyi et al., 2017) since it identifies causes for a result that can be derived from several different combinations (Ragin, 2008); in short, multiple relationships can demonstrate different behaviours (Huarng & Rey-Martí, 2019). According to (Misangyi et al., 2017), the four fundamental elements that characterize fsQCA are 1) conceptualizing cases as set-theoretic configurations; 2) calibrating case memberships in sets; 3) viewing causality in terms of necessity and sufficiency relationships between sets; and 4) performing counterfactual analyses of unobserved configurations.

The instruments used to analyse the causal complexity implementing QCA according to Ragin (2008) are: firstly, the truth table, which allows for structured and focused comparisons. Truth tables show the logically possible combinations of the causal conditions and the empirical result associated with each configuration. Thus, they directly implement the second type of previously described explicit connection, where we opted for the intermediate solution. This solution -as the most interpretable- is also the most recommended, since it offers a balance between parsimony, which incorporates many counterfactual combinations (easy and difficult), and complexity, which produces little or no simplification, depending on the substantive and theoretical knowledge of the researcher (Ragin, 2008).

The second main element of interest is set-theoretic consistency. With sharp sets, this calculation is simply the proportion of cases in a given row that shows the outcome in question and indicates how closely it approximates a perfect subset relationship. Moreover, consistency is a measure that indicates how consistently the combination produces the result (Ragin, 2008).

The third element is set-theory coverage which, in contrast, assesses the degree to which a cause or causal combination "explains" the instances of a result. When various paths lead to the same result, the coverage of a given causal combination may be small. Thus, the mentioned coverage measures the relevance or empirical importance.

3.3. Variables

Export intensity (EI): this outcome variable is measured by calculating the percentage of sales in foreign markets out of total sales (Boehe & Jiménez, 2016; Bonaccorsi, 1992). The present study considers that the company evidences high export activity with the value (1) when its exports exceed 50% of its total sales, and (0) otherwise.

Family firm (FF): the criterion adopted to consider the firm as a FF is the director or manager's response to the survey question concerning whether or not, in their view, the firm is a FF, following Moreno-Menéndez and Casillas (2021). If the answer is "yes", the variable takes the value (1), and (0) if the answer is "no".

Causal variables: our aim is to examine cases where the variables listed below share a specific causal condition or, more commonly, a specific combination of causal conditions, and to assess whether these cases show the same result (Ragin, 2008).

Innovation: this is one of the most relevant components when analysing EI (Moreno-Menéndez et al., 2021; Sousa et al., 2021). Some studies, such as Gkypali et al. (2021), consider innovation to be an initially essential ingredient in the early stages of the export process. Mainly concerning process and product, we distinguish between input innovation R&D (input) and output innovation (output) (Love et al., 2016). This is a dichotomous variable whose value is (1) when answered "yes", considering the company in terms of either input R&D or output innovation, or (0) if the answer in both cases is no (Bratti & Felice, 2012; Diéguez-Soto et al., 2016; Migliori et al., 2020).

Collaboration: as we are dealing with foreign markets, companies need more information about the business environment. In export markets, they therefore always try to count on a certain number of partners in order to gain access to up-to-date information and exchange experiences (Cesinger et al., 2016; Isobe et al., 2008). Such relationships established by FFs tend to be permanent and stable given their long-term orientation (Metsola & Kuivalainen, 2021). We construct this variable as follows: we assign it the value (1) when there is a collaboration link, and (0) otherwise (Cesinger et al., 2016; Musteen et al., 2010).

Promotion agency mechanisms (trade missions and trade fairs): participation in trade missions and trade fairs allows FFs to atone for the lack of experience and information in foreign markets (Geldres-Weiss et al., 2011). Durmuşoğlu et al. (2012) confirm that firms which use at least one of these instruments will have better export performance than firms that do not use any. In order to measure the use of promotional mechanisms, we employ a dichotomous variable, according to which we consider that the firm uses such mechanisms when the answer is affirmative in at least one of the two questions concerning participation in trade missions and trade fairs (Francis & Collins-Dodd, 2004) out of all participation in trade missions and trade fairs (Francis & Collins-Dodd, 2004).

Exporting through own means: in order to protect the family brand and values, FFs prefer to ensure the whole export process using their own means (Gómez-Mejía et al., 2007b). To measure this, we construct a dichotomous variable that takes the value (1) if the response is positive, or (0) if external means (export intermediaries) are used instead (Schwens et al., 2018).

Developed export markets: cross-cultural differences between FFs origin market and export destination play an important role in IB literature considering FFs (Casillas & Moreno-Menéndez, 2017). According to Ahmad et al. (2017), many exporting firms prefer to target their products towards markets in developed countries due to the better transaction conditions and prices available, and because it also enables experience to be gained in export activity (Atkin et al., 2017; Bai et al., 2017). To consider the measure this, we use a qualitative variable obtained from a direct question aimed at finding out the export destination country. In this regard, we distinguish between markets in developed countries and those in undeveloped ones. We thus have a classification of countries depending on their level of development, according to the categories established by the United Nations (Department of Economic and Social Affairs, 2020). In general, we consider Europe, North America, and the developed countries of Asia and the Pacific as areas with developed economies. Following this classification, we assign the value (1) when exports are directed towards a developed country, and (0) otherwise.

3.4. Calibration

FsQCA allows us to calibrate the quantitative variables. Consequently, we could carry out a calibration process with the 95, 50 and 25 percentiles, according to the thresholds defined by Woodside (Pappas & Woodside, 2021). Table 1 provides information about the data calibration process. The highest level is considered as completely inside, the middle level as a crossover point or neither completely inside nor completely outside, and the lowest level as completely outside.

4. Results

The first part of descriptive Table 1 shows what use FF make of the considered determinants during their export activity, while the second part shows how we calibrate each variable. In Table 2, we examine whether any explanatory condition is a necessary condition for greater EI. The condition is deemed necessary when the consistency value is equal to or higher than 0.90. As regards our observations, there are three values that meet this condition (collaboration = 1.00, innovation output = 0.96, and export destination = 0.96).

Table 1. Descriptive statistics and calibration values

			Membership criteria		
Variable	Mean	Std. Dev.	Full membership	Crossover point	Full non-membership
Export Intensity	44.69	34.53	90	42.50	0
Family firm[a]	61.76%	38.24%		Crisp set (1,0)	
Innovation input (R&D)[a]	54.76%	45.24%		Crisp set (1,0)	
Innovation output[a] (product and process)	90.48%	9.52%		Crisp set (1,0)	
Collaboration[a]	95.24%	4.76%		Crisp set (1,0)	
Promotion agency mechanisms [a] (fairs and missions)	71.43%	28.57%		Crisp set (1,0)	
Own media	59.52%	40.48%		Crisp set (1,0)	
Developed export market[a]	85.71%	14.29%		Crisp set (1,0)	
n	68				

[a] These are dichotomous variables and their average values refer to the cases in which the variable is 1.

Table 2. Analysis of necessary conditions

	Consistency	Coverage
Innovation input (R&D)	0.72	0.78
~ Innovation input (R&D)	0.28	0.37
Innovation output (product and process)	0.96	0.63
~ Innovation output (product and process)	0.04	0.25
Collaboration	1.00	0.62
~Collaboration	0.00	0.00
Promotion agency mechanisms (fairs and missions)	0.84	0.70
~ Promotion agency mechanisms (fairs and missions)	0.16	0.33
Exporting through own means	0.76	0.76
~ Exporting through own means	0.24	0.35
Advanced export markets	0.96	0.67
~ Advanced export markets	0.04	0.17

Table 3 shows the truth table reflecting the different causal condition combinations that are sufficient to achieve high EI, considering the consistent cut-off value of 0.80 and the threshold number of cases as two (Chuah et al., 2021).
The " cases number " column shows the frequency of cases assigned to each combination. Finally, we applied standard analysis to obtain the "intermediate solution" and identify causal patterns leading to high EI.
We use an intermediate solution combination to offer a more detailed overall view of the findings (Fiss, 2011). The large black circle (●) symbolizes a nuclear presence, while the small one (•) indicates a peripheral presence of a condition. The large circle with a cross in the centre (⊗) indicates the nuclear absence or denial of a condition, and the small one (⊗) indicates the peripheral absence or denial of a condition. A blank space indicates that a condition is irrelevant (Pappas & Woodside, 2021; Park et al., 2020; Xie & Wang, 2020). We also present the general solution consistency and the general solution coverage that describes the extent to which the interesting result can be explained by the configurations and which is comparable to the coverage and consistency of the individual necessary condition of each variable.
Table 4 summarizes the intermediate solution results for high EI. As shown, there are three causal configurations that lead to high EI.

Table 3. Truth table

Innovation input (R&D)	Innovation output (product and process)	Collaboration	Promotion agency mechanisms (fairs and missions)	Exporting through own means	Advanced export market	Number of cases	Export Intensity	Raw consist.	Proportional Reduction in Inconsistency (PRI) consist.	Symmetric (SYM) consist
0	0	1	1	1	1	1	1	1.00	1.00	1.00
0	1	1	1	1	0	1	1	1.00	1.00	1.00
1	1	1	1	0	1	4	1	1.00	1.00	1.00
1	1	1	1	1	1	16	1	0.81	0.81	0.81
0	1	1	0	1	1	3	0	0.67	0.67	0.67
0	1	1	1	1	1	3	0	0.67	0.67	0.67
0	1	1	0	0	1	2	0	0.50	0.50	0.50
1	1	1	0	0	1	2	0	0.50	0.50	0.50
0	0	0	1	1	1	1	0	0.00	0.00	0.00
0	0	1	0	0	1	1	0	0.00	0.00	0.00
0	0	1	1	0	0	1	0	0.00	0.00	0.00
0	1	0	0	0	1	1	0	0.00	0.00	0.00
1	1	1	1	0	0	1	0	0.00	0.00	0.00
0	1	1	1	0	1	2	0	0.00	0.00	0.00
0	1	1	0	0	0	3	0	0.00	0.00	0.00

Consequently, we partially accept proposition (P1), which suggests that innovation makes FFs increase export activity when combined with certain determinants. In contrast, the impact of collaboration on EI is positively significant because it appears in all combinations with a strong presence and is correlated with the full and/or partial presence of all other determinants. P2 is thus supported.
FFs who participate a little in trade missions and trade fairs and who have their own means to export by themselves collaborate and innovate in output (only in their products and/or processes) but avoid investing in R&D and in developing their export activity in the markets of developed countries. The peripheral presence of these determinants which, together with other factors (in one combination for promotion mechanisms and two combinations for own means), leads to high EI thus leads us to partially accept P3 and P4. FFs who mainly export to developed countries improve their export activity when they combine other factors in their strategies. In this sense, we make the following distinction: on the one hand, companies whose export destinations to these attractive markets is coupled with strong product

and process innovation and slight R&D innovation and who collaborate without taking into account any other factor; on the other hand, companies who do not invest in R&D but who do innovate their products and processes, collaborate and possess their own means that allow them to export by themselves but who do not participate in trade fairs or trade missions. We therefore partially accept P5 and P4.

Table 4. Results of the intermediate solution

	FF that innovate, collaborate and export to advanced markets	FF that do not invest in R&D but do innovate in product and process, join fairs and missions, collaborate, use their own means and do not export to developed markets	FF that do not invest in R&D but do innovate in product and process, do not join fairs and missions do not collaborate, use own their means and who export to advanced markets
Innovation input (R&D)	●	⊗	⊗
Innovation output (Product and process)	●	●	●
Collaboration		●	●
Promotion instruments (fairs and missions)		•	⊗
Exporting through own means		•	•
Developed export market	●	⊗	●
Consistency	0.850000	1.000000	1.000000
Raw coverage	0.680000	0.040000	0.040000
Overall solution coverage	0.760000		
Overall solution consistency	0.863636		

5. Discussion

FFs do not invest in R&D because they usually lack the required economic resources and/or because they prefer not to risk making such an investment (Chen & Hsu, 2009; Chrisman & Patel, 2012; Gómez-Mejía et al., 2019). This is to be expected. Yet, our analysis suggests that FFs are not so worried about innovation output because the presence of this determinant alone leads to high EI, since innovation output usually means lower costs -especially when there is a greater focus on process innovation. Normally, process innovation reduces firms' average production cost, which enables product innovation, and leads to an increase in the price that buyers are willing to pay for a given product that has new or enhanced features (Golovko & Valentini, 2014). Both effects help to improve firms' export activity (Jang & Hyun, 2021).

Companies who collaborate and export to developed countries without considering their participation in trade fairs and trade missions and without being concerned about the means of export may have the sufficient financial resources to risk making this investment and may also be confident about market reaction to their decisions. This can be explained by the consolidated experience they acquire in their export activity when operating in these markets (Atkin et al., 2017; Bai et al., 2017). This can be said to apply to medium and/or large FFs that are already established and that have solid export experience. The decision to export to attractive markets in developed countries reduces the risk effect and prompts these firms to invest in R&D. Consequently, this positively impacts their export activity (Sousa et al., 2021) and confirms that combining innovation with other determinants increases EI.

It can therefore be seen that collaboration –as an activity through which FF exchanges information and experience with their partners and maintain permanent contact with international markets– is a key determinant that leads to high EI (Paulraj & Chen, 2007).

Collaboration favours FFs EI, regardless of whether FFs take other measures to enhance their EI. The strong presence of collaboration in pursuit of achieving high EI is not affected by the presence or absence of other factors. This allows us to confirm that FFs focus on having a network of collaborators, since this enables them to stay in touch with the professional environment and to stay up to date on international markets and on which products are in demand (Benito-Hernández et al., 2015; Cesinger et al., 2016; Kontinen & Ojala, 2011; Lobo et al., 2023).

Our analysis shows that FFs do not resort to promotional tools (PPE) –mainly through participation in trade missions and trade fairs– in order to achieve high EI, for several reasons, such as the lack of financial resources needed to adopt a PPE (Durmuşoğlu et al., 2012; Geldres-Weiss et al., 2011). This may also be due to risk aversion, which makes FFs often avoid making significant financial investments.

The fact that FFs who participate in trade missions and trade fairs have the capacity for product innovation and collaboration, and their own export means, avoid investing in R&D and exporting to markets in developed countries indicates that they could be seen as conservative and without sufficient resources to invest in other more costly determinants such as R&D innovation and/or exporting to developed countries. This is why they must resort to EPAs (Diamantopoulos et al., 1993; Durmuşoğlu et al., 2012; Geldres-Weiss et al., 2011; Geldres-Weiss & Monreal-Pérez, 2018; Lederman et al., 2007).

According to Blanco-Mazagatos et al. (2007), using one's own means to export implies having the necessary financial resources available and being prepared to assume possible risks. For this reason, FFs who cannot afford this type of investment may see their development and growth opportunities negatively impacted. However –and despite having the resources to use their own means to export– other FFs prefer less risky financial options and do not export through their own means because they fear losing control over the family business, which would involve not only the loss of personal wealth but also the loss of the family's human capital.

In contrast, FFs that export using their own means are willing to do so when the firm combines this activity with other determinants. In doing so, the firm aims to reduce the risks thanks to several factors, such as collaboration, innovation output and participation in trade missions and trade fairs, which share those risks, and in turn, strengthen the firm's position by improving its ability to export with greater confidence. However, these firms progressively use their own means when exporting in order to have greater control over the costs associated with exporting (Johanson & Vahlne, 1977; Onkelinx & Sleuwaegen, 2010).

In line with Irvansyah et al. (2020), we suggest that FFs mainly focus on developed countries for export since the presence of this determinant alone leads to high EI. For FFs –and despite the high costs involved– these markets are attractive as a target for their exports because of what they can offer in terms of economic benefits, such as sales at a better price (Ahmad et al., 2017). The RBV supports the argument that exposure to markets rich in knowledge and technology allows firms to improve their productivity through expertise and knowledge diversification (López Rodríguez & García Rodríguez, 2005). Nevertheless, FFs often pursue non-economic objectives, such as acquiring experience through export activity which –according to the learning by exporting (LBE) theory– is developed and which can boost productivity by making international markets more accessible (Freixanet et al., 2020; Monreal-Pérez et al., 2012; Sánchez Marín et al., 2019; Wu & Chiou, 2021). Moreover, according to Bai et al. (2021), a FFs not only learns the first time it exports but also improves its export products when it does so again.

Similarly, the combination of exporting to developed countries and other determinants makes it possible to achieve high EI. The most significant situation for FFs is that innovation and strong collaboration play a greater role in their decision to take risks and to enter more attractive markets. These companies are more prepared for this kind of market since they have developed the required business skills or are more able to face the existing competition before entering such markets. According to Wu and Chiou (2021), these companies have consolidated economic resources and have acquired sufficient experience by exchanging information with their partners. They also possess a more up-to-date knowledge base, which allows them to be more confident as regards the risk involved in investing in order to export to these markets.

6. Conclusion

Our work helps to highlight the importance of the joint action of the determinants which a FF can adopt to improve its export activity, as it offers valuable information on how it is possible to use these factors to achieve higher EI. In contrast to the existing literature that has studied the individual effect of these factors (e.g., Ahmad et al., 2017; Gkypali et al., 2021 or Paulraj & Chen, 2007), this paper breaks new ground in exploring what impact the (configurative) set of various determinants has on FFs EI. It may be concluded that the most relevant factors which FFs use with this aim are innovation output, collaboration, and the export destination to developed countries. Despite the scarcity of resources, FFs do not hesitate to partly allocate said resources to invest in determinants such as innovation output, since this enables cost reduction. In other words, when the FF innovates in processes, the average production cost is reduced, which leads to product innovation and better selling prices. Furthermore, FFs seek to secure and develop a network of partners in order to keep their information on markets and products up to date. In addition, they prefer to export to attractive markets that not only allow them to boost their sale prices but which also help them to learn by exporting (LBE) to attractive markets and, therefore, to be able to improve these products and so become more competitive (Wu and Chiou, 2021).

Nevertheless, due to a lack of financial resources and the fear of risk (Fernández & Nieto, 2006; Gómez-Mejía et al., 2019), FFs tend to avoid investing in other determinants such as innovation input (R&D), participation in trade missions and trade fairs, adopting their own means for export, and exporting to developed countries. However, we do not rule out the impact -and which would offset this lack of resources- that each of these determinants has on improving export activity when combined with other determinants.

Moreover, when diversifying investment risk through the presence of multiple factors, it is possible to increase confidence in investment by accumulating positive experiences. FFs may invest in R&D if they also innovate in process and product, collaborate, and target their exports at developed countries. In short, the availability of information on products, customers and markets that results from investing in the other factors can reduce the risk of losing the investment in those factors that are more costly.

This work may prove to be of value to FFs managers because it offers information on which factors influence their export activity. FFs may use this information to make sound decisions on how to improve their export activity by identifying the right products for their investment. In addition, FFs managers may use this information to identify the strengths and weaknesses of their organization and to draft improvement plans for long-term growth and development, as Metsola and Kuivalainen (2021) highlight. This is extremely important when FFs have to face downturn contexts (Agustí et al., 2021), as the studied one in this research.

This information may also be used at the institutional level to develop policies and programmes that support FFs in their innovation and export investment, such as by providing subsidies or low-interest loans for R&D investment or participation in trade fairs and trade missions. Another utility of this information may involve drafting collaboration programmes between organizations and FFs so as to foster the latter's expansion into international markets.

From an academic standpoint, this study paves the way for further research into various factors within a configurational framework, not only in the context of exporting but also by extending its applicability to other domains such as FFs overall performance. Additionally, it underscores the importance of incorporating the RBV when analysing these determinants for a more comprehensive understanding. The study illustrates that FFs can enhance their performance by optimizing existing resources and by acquiring new ones according to market needs, aligning with the economic objectives established by management to either maintain or gain a competitive advantage (Dhanaraj & Beamish, 2003; Fernandes et al., 2020).

Moreover, this approach contributes to the literature on LBE by illustrating that export activity improves with the accumulation of experience in this domain, enabling continuous learning, as proposed in prior studies by Freixanet et al. (2020), Monreal-Pérez et al. (2012) and Sánchez-Marín et al. (2020). Our work therefore makes a substantial contribution to aiding FFs in the agricultural sector to overcome the challenge of resource constraints and to devise an effective strategy for undertaking risky investments that result in improvements in their EI.

7. Limitations

The findings of this research have a limited scope. The most important limitations and how they may be addressed -and thereby point way for future inquiry- are as follows:

Apart from the export strategy, it might have proved enlightening to consider other entry modes, such as foreign direct investment (Ahmad et al., 2017), combined with other determinants. In addition, it could also have been interesting to have included other control variables such as size, which could have enabled the results to be compared between small, medium, and large firms.

Having chosen Spain as the basis for this research addressing the effect of combining EI determinants, future research should focus on other countries. This research is also limited to FFs in the agricultural sector. However, inquiry could have been expanded to other sectors, such as the industrial sector (Gómez-Mejía et al., 2007b; Mitter & Emprechtinger, 2016; Onkelinx & Sleuwaegen, 2010) or the services one (Rienda & Andreu, 2021).

This work is limited by the fact that the analysis is based on generational stage management at a given moment. It is also possible to compare the effect of the set of variables between two generational stages by contrasting, for example, first and subsequent generations (Dick et al., 2017).

This work analyses FFs as a whole. Nevertheless, they are heterogeneous according to their family involvement degree and in this sense, it may be interesting in the future to consider such FFs differences as Merino et al. (2015) or Rienda and Andreu (2021), stress.

Internationalization decisions in FFs are driven by family specific behavioural traits that may differ between FFs, as their long-term relationships orientation, knowledge based choices or how they manage the bifurcation bias (Metsola & Kuivalainen, 2021). All these factors should take into account when considering FFs international activity.

Although this study offers a transversal analysis of a sample of Spanish agricultural FF, a longitudinal analysis exploring changes in variables or in the set of variables over different time stages could also be interesting (Chen et al., 2016; Moreno-Menéndez et al., 2021; Sousa et al., 2008); for example, before and after the COVID-19 pandemic or the crisis caused by the Russo-Ukrainian war.

Author contribution statement

The authors contributed equally to the work.

Conflict of interest statement

None.

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Data availability statement

The data that support the findings of this study are available from the corresponding author [Joaquín Monreal-Pérez], upon reasonable request.

Ethical statement

The authors confirm that data collection for the research was conducted anonymously and there was not possibility of identifying the participants.

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Appendix

Detail of the survey sent to FF

Company information:
Business name:
Year the company was set up:
Number of employees:

Family Firm:
— Do you consider your company to be a family firm? (one or more families are involved in ownership and/or management) [ ] Yes [ ] No
— Specify the percentage of ownership held by a single family:
— How many family members involved in ownership hold a management position?
— In percentage terms, how many leadership positions are occupied by family members?
— What generation currently heads the company?
[ ]First [ ]Second [ ] Third or later
— Is the CEO a family member? [ ] Yes [ ] No
— As regards the generational stage, indicate whether (where 1=strongly disagree and 5=strongly agree):

	1	2	3	4	5
Should the descendants be involved in the business?	[ ]	[ ]	[ ]	[ ]	[ ]
Is there a plan to prepare and guide upcoming generations to lead the company?	[ ]	[ ]	[ ]	[ ]	[ ]

— Considering only the owning family, please rate the importance your company assigns to (1=not at all important - 5=very important)

	1	2	3	4	5
1. Preserving the family	[ ]	[ ]	[ ]	[ ]	[ ]
2. Preserving the family dynasty or legacy in the company	[ ]	[ ]	[ ]	[ ]	[ ]
3. Preserving family values.	[ ]	[ ]	[ ]	[ ]	[ ]
4. Sustaining the family reputation	[ ]	[ ]	[ ]	[ ]	[ ]
5. Ensuring the family's recognition within the community	[ ]	[ ]	[ ]	[ ]	[ ]
6. Building and fostering beneficial social relationships between family and business.	[ ]	[ ]	[ ]	[ ]	[ ]
7. Enhancing family harmony through the business	[ ]	[ ]	[ ]	[ ]	[ ]
8. Considering the family's needs in business decisions.	[ ]	[ ]	[ ]	[ ]	[ ]
9. Ensuring the happiness of family members who are not involved in the business	[ ]	[ ]	[ ]	[ ]	[ ]
10. Treating non-family employees as members of the family	[ ]	[ ]	[ ]	[ ]	[ ]

— Please indicate your level of agreement with the following statements: (1=strongly disagree; 5=strongly agree)

	1	2	3	4	5
1. You consider the company as an integral part of the family.	[ ]	[ ]	[ ]	[ ]	[ ]
2. The family dedicates the required time to the business	[ ]	[ ]	[ ]	[ ]	[ ]
3.You are identified with the company	[ ]	[ ]	[ ]	[ ]	[ ]
4. You perceive the company's problems as your own.	[ ]	[ ]	[ ]	[ ]	[ ]
5. The company holds great personal significance for you.	[ ]	[ ]	[ ]	[ ]	[ ]

Foreign Trade
— Does your company export abroad? [ ] Yes [ ] No
— What percentage of total sales do exports represent? (If your company does not export, put 0).
— What do you believe are the barriers in your company that hinder your sales abroad? (1=strongly disagree; 5=strongly agree)

	1	2	3	4	5
1. Lack of company resources.	[ ]	[ ]	[ ]	[ ]	[ ]
2. The high cost of operations abroad.	[ ]	[ ]	[ ]	[ ]	[ ]
3. Strict regulations in export markets.	[ ]	[ ]	[ ]	[ ]	[ ]
4. Export markets involve higher risk than the company's domestic market	[ ]	[ ]	[ ]	[ ]	[ ]
5. The lack of alignment of financial products in the target market with its needs.	[ ]	[ ]	[ ]	[ ]	[ ]
6. The company's family nature (greater conservatism, decision-making, etc.)	[ ]	[ ]	[ ]	[ ]	[ ]
7. Lack of professionalization.	[ ]	[ ]	[ ]	[ ]	[ ]

— What are the primary means used for exporting? [ ] Own means [ ] External means (intermediaries)
— Indicate your principal export destination (you can select more than one option)
— [ ] EU [ ] North America (USA and Canada) [ ] Asia [ ] Latin America
— [ ] Middle East [ ] Africa [ ] Not applicable [ ] Other. Specify:
— Clarify the reason why this is the selected area (1=not at all important, and 5=very important)

	1	2	3	4	5
1. Consumer purchasing power in that market.	[ ]	[ ]	[ ]	[ ]	[ ]
2. The higher profitability of selling in that market.	[ ]	[ ]	[ ]	[ ]	[ ]

	1	2	3	4	5
3. The greater security of conducting operations in that market.	[ ]	[ ]	[ ]	[ ]	[ ]
4. The greater intensity of relationships with that market.	[ ]	[ ]	[ ]	[ ]	[ ]
5. A more suitable allocation of resources for selling in that market.	[ ]	[ ]	[ ]	[ ]	[ ]
6. Greater export experience in that market	[ ]	[ ]	[ ]	[ ]	[ ]
7. Less difficulty accessing that market.	[ ]	[ ]	[ ]	[ ]	[ ]

— Approximately how many years have passed since the first export transaction?

— As regards the profitability of your operations, please indicate your level of agreement or disagreement with the following statements (1=strongly disagree; 5=strongly agree):

	1	2	3	4	5
1. Export sales are more profitable than domestic market sales.	[ ]	[ ]	[ ]	[ ]	[ ]
2. The profitability of my exports has recently grown.	[ ]	[ ]	[ ]	[ ]	[ ]
3. The profitability of my exports significantly contributes to the overall profitability of my company.	[ ]	[ ]	[ ]	[ ]	[ ]
4. The contribution of the profitability of my exports to my company's total profitability has recently increased.	[ ]	[ ]	[ ]	[ ]	[ ]

Collaboration and innovation

— As regards innovative activity, does your company invest in:

	Yes	No
R & D	[ ]	[ ]
Product innovation (new or improved product)	[ ]	[ ]
Process innovation	[ ]	[ ]
Other innovations (marketing, IT, advertising, etc.)	[ ]	[ ]

— Please indicate whether your company collaborates with any of the following external agents:

	Yes	No
1. Clients.	[ ]	[ ]
2. Suppliers.	[ ]	[ ]
3. Competitors.	[ ]	[ ]
4. Universities and/or research centres.	[ ]	[ ]
6. Other organizations.	[ ]	[ ]

— Does your company participate in export promotion activities (trade fairs, missions, etc.)? [ ] Yes [ ] No

If your answer is affirmative:

	Insignificant	Not very important	Important	Very important
What do you believe has been the contribution of these mechanisms to the company's export activity?	[ ]	[ ]	[ ]	[ ]

— As regards personnel hiring, does your company import labour? [ ] Yes [ ] No

— Why is foreign labour imported? [ ] Experienced workforce. [ ] Reduced labour costs. [ ] Intensive nature of the work.

As regards the impact of the COVID-19 pandemic:

— Sales:

	Very bad	Bad	Indifferent	Good	Very good
Indicate how your export sales abroad have evolved since the onset of this crisis	[ ]	[ ]	[ ]	[ ]	[ ]

— Indicate your level of agreement with the following statements: (1=strongly disagree, 5=strongly agree)

	1	2	3	4	5
1. The increase in trade barriers (mobility restrictions, border closures, transport disruptions, etc.) has hindered our exports	[ ]	[ ]	[ ]	[ ]	[ ]
2. The disruption of the supply chain has hindered (increased the cost of) our production.	[ ]	[ ]	[ ]	[ ]	[ ]
3. The hindrance to the free movement of people has impeded the supply of labour.	[ ]	[ ]	[ ]	[ ]	[ ]
4. The closure of borders has restricted our relationships (collaboration) with our business partners (suppliers, customers, intermediaries, competitors, etc.).	[ ]	[ ]	[ ]	[ ]	[ ]

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Exploring Cultural Conservatism in Moroccan Family Businesses: Implications for Strategic Behaviours and Organizational Dynamics

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Family businesses; Cultural conservatism; Morocco; Gioia methodology; Strategic behaviours.

Abstract This paper explores the cultural conservatism of family businesses in Morocco and its implications for strategic and organizational behaviours. Drawing on the Gioia methodology, qualitative data were collected from twelve Moroccan family businesses representing diverse industries, sizes, generations, and locations. The findings reveal that cultural conservatism in Moroccan family businesses is characterized by a collective culture that promotes solidarity, internal coordination, and blurred boundaries between family and work. A culture of conformity is prevalent, leading to increased stability of relationships and a shared vision and values within family businesses. In addition, the culture of conservation emphasizes the protection of identity, preservation of tradition, and continuity of family control. These cultural characteristics shape the strategic decisions and behaviors of family businesses, contributing to their unique competitive advantage. This paper highlights the importance of balancing tradition with adaptation in achieving sustainable performance in family businesses. The findings offer valuable insights for practitioners and scholars interested in understanding the impact of cultural conservatism on family businesses in the Moroccan context. Further research is recommended to validate the findings quantitatively and explore the role of other stakeholders in family businesses.

CÓDIGO JEL
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PALABRAS CLAVE
Empresa familiar; Conservatismo cultural; Marruecos; Metodología Gioia; Comportamiento estratégico.

Explorando el Conservatismo Cultural en las Empresas Familiares Marroquíes: Implicaciones para los Comportamientos Estratégicos y la Dinámica Organizacional

Resumen Este artículo explora el conservatismo cultural de las empresas familiares en Marruecos y sus implicaciones para los comportamientos estratégicos y organizacionales. Basándose en la metodología Gioia, se recopilaron datos cualitativos de doce empresas familiares marroquíes que representan diversas industrias, tamaños, generaciones y ubicaciones. Los hallazgos revelan que el conservatismo cultural en las empresas familiares marroquíes se caracteriza por una cultura colectiva que promueve la solidaridad, la coordinación interna y límites borrosos entre la familia y el trabajo. Prevalece una cultura de conformidad, que conduce a una mayor estabilidad de las relaciones y a una visión y valores compartidos dentro de las empresas familiares. Además, la cultura de la conservación enfatiza la protección de la identidad, la preservación de la tradición y la continuidad del control familiar. Estas características culturales moldean las decisiones estratégicas y los comportamientos de las empresas familiares, contribuyendo a su ventaja competitiva única. Este artículo destaca la importancia de equilibrar la tradición con la adaptación para lograr un desempeño sostenible en las empresas familiares. Los hallazgos ofrecen información valiosa para los profesionales y académicos interesados en comprender el impacto del conservatismo cultural en las empresas familiares en el contexto marroquí. Recomendamos realizar más investigaciones para validar cuantitativamente los hallazgos y explorar el papel de otras partes interesadas en las empresas familiares.

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1. Introduction

Family businesses constitute a significant portion of the global economic fabric, contributing substantially to job creation and economic growth (e.g., Crouzet, 1995; Gómez-Mejía et al., 2007; Rovelli et al., 2021). Their integration of individual, familial, and entrepreneurial dimensions has made them the subject of extensive academic exploration across various disciplines (Ibrahim et al., 2019; Lassassi & Hammouda, 2009). Despite the vast research available, the role of cultural conservatism within family businesses has not been thoroughly examined, especially in conservative contexts such as Morocco, where family businesses are predominant (Mdaghri & Korichi, 2022; Nassiri & Sabbari, 2020; Samara, 2021).

Current research often adopts Western-centric viewpoints, resulting in a limited understanding of the unique cultural, value-based, and operational intricacies characteristic of non-Western family enterprises (Bell & Pham, 2021; Dinh & Calabrò, 2019; Kupangwa et al., 2023). Western-centric viewpoints are rooted in frameworks and practices developed within Western countries (primarily North America and Europe), shaped by their specific values and economic systems, which may not adequately reflect the distinct cultural, social, and economic realities of Moroccan firms (Oumlil & Balloun, 2009). Furthermore, cultural conservatism, often portrayed as an unchanging entity in the literature, has not been critically analyzed for its capacity to adapt to dynamic market conditions (Li et al., 2020). Simultaneously, the predominant focus on decision-making outcomes in family businesses also leaves a void concerning the cognitive and affective processes underpinning these decisions (Penney et al., 2019). Consequently, this outcome-oriented perspective overlooks the complex interaction of family members' thought patterns, belief systems, and emotional attachments, which not only shape the strategic choices made within these firms but also craft the very fabric of their long-term vision and operational ethos (Jaskiewicz & Dyer, 2017; Nassiri & Ouiakoub, 2023; Zellweger et al., 2012). Bridging these gaps could reveal how a family firm's cultural conservatism may influence its strategic behaviours and organizational dynamics.

This study aims to address these gaps. Positioned within the Moroccan context, where traditional values play a prominent role in influencing organizational practices in family firms (Gupta & Levenburg, 2010; Louitri & Zaher, 2021; Nidaazzi & Hourmat Allah, 2023a), this study investigates how cultural conservatism influences the strategic and organizational behaviours of family businesses. Using the Gioia methodology and conducting semi-structured interviews with thirteen individuals (all part of the top management team) comprising four founders, four executives, and five individuals who are both founders and chief executive officers (CEOs) of twelve Moroccan family businesses, this research provides a comprehensive insight into the intrinsic motivations, belief systems, and generational influences at play.

The preliminary findings suggest that cultural conservatism in Moroccan family businesses is not a static constraint but a dynamic enabler, flexibly adapting to both external influences like market dynamics and internal factors such as family values. This adaptive conservatism underpins decision-making and stability, offering continuity and a unique competitive edge rooted in strong personal networks and national identity. Therefore, cultural conservatism in these businesses acts less as a barrier and more as a strategic asset, facilitating adaptation and growth within a conservative economic context.

The paper is structured as follows: Literature review establishes the theoretical groundwork, Methods outlines our Gioia-based approach and interview process, Findings present key insights, Discussion explores implications and broader context, and Conclusion provides a summary of contribution, limitations, and directions for future research.

2. Literature Review

Cultural conservatism stands as an emblematic ideology within societal fabric, underscoring the pivotal role that a society's cultural heritage plays in shaping both behaviour and identity (Oyserman & Schwarz, 2017; Vazquez & Campopiano, 2023). Anchoring this is the belief that the safeguarding of heritage is essential for ensuring societal stability and continuity (Toma, 2015).

2.1. Preservation versus change

Central to the construct of cultural conservatism is the essence of preserving traditions, values, and intrinsic cultural institutions (Sarrafpour, 2016; Thijs, 2019; Yu, 2022). However, some authors postulate that cultural conservatism is not a rigid framework but a perpetually redefined social construct, hinting at its adaptive nature (Kirk, 2001; Miller, 1994; Oakeshott, 1991). Conover and Feldman (1981), on the other hand, equate cultural conservatism with resistance to change, painting it in a somewhat dogmatic brush, as posited by Nisbet (2017).

Within family businesses, there is a palpable leaning towards preservation. Dearden et al. (1990) distinguish between ex-post prudence and ex-ante aversion[1], pinpointing a cautionary approach towards change. It is evident that family firms, in essence, respect the preservation of cultural norms and values, often rebuffing sudden paradigm shifts (Nidaazzi & Hourmat Allah, 2019). This preservation-centric approach subsequently moulds decision-making frameworks and governs organizational behaviour (Hourmat Allah, 2016; Jost & Banaji, 1994; Penney et al., 2019).

2.2 Tradition versus innovation

Cultural conservatism is closely tied to tradition, serving as a channel for passing down cultural values from one generation to the next (Gutek, 1997). The family, as the cornerstone of society, is pivotal in this process of cultural inheritance, thereby reinforcing the importance of tradition (Davis, 2014). Nevertheless, in the context of family businesses, this deep-rooted commitment to tradition can sometimes act as a barrier to innovation (Abella-Garcés & Ferrer, 2022; Diaz-Moriana et al., 2020; Fuetsch, 2022).
Further supporting this is the conservative mindset, an inclination towards prudence, and the familiar (Huntington, 1957; Jost et al., 2003; Mazzelli et al., 2018). This is visible in family businesses led by older generations, where reluctance towards disruptive innovations is palpable (Widz & Michel, 2018). They embrace a collective morality that justifies and legitimizes their adherence to long-established traditions and values (Aldrich & Cliff, 2003; Alrubaishi et al., 2021; Cunningham, 2013). They are tethered to familiar terrains, echoing the cultural conservatism ethos of valuing tradition over avant-garde approaches (Modaff et al., 2011).

2.3. Stability versus progress

Kekes (1997) underscores cultural conservatism as a moral compass that steers decisions towards preserving patterns and values perceived to benefit the societal collective. Scholars such as Giddens (1998), Bobbio (1996), and Muller (2001) also associate cultural conservatism with maintaining hierarchical authority, desiring order and stability, and preferring gradual change over abrupt transformations. Within family businesses, this translates to an emphasis on cultural continuity, which heightens both organizational stability and family social capital (Habbershon & Astrachan, 1997; Johnson & Lenartowicz, 1998). This balance, or occasionally the discord, between preservation and adaptation marks the underlying tussle between stability and progress (Nidaazzi & Hourmat Allah, 2023b). Significantly, Augoustinos and Walker (1995) delineate the dichotomy between conservatism and progressivism, portraying conservatism as an antithesis to progressivist ideals.

2.4. Toward a new definition

In analyzing the existing body of literature, one gap is the insufficient interrogation of cultural conservatism's adaptability and resilience despite rapidly evolving market dynamics (Kirca et al., 2009). Prior studies have frequently portrayed cultural conservatism, not fully exploring its potential for dynamic evolution (Crowson, 2009; Ghirlanda et al., 2006). This study proposes an examination of cultural conservatism not as an immutable set of traditions but as a potentially adaptive orientation capable of navigating the dichotomy between the preservation of core values and the accommodation of new paradigms, especially in the digital age.
Furthermore, the current literature offers limited insight into the nuanced mechanisms through which cultural conservatism influences decision-making processes within family enterprises. Existing research predominantly concentrates on the outcomes of such decisions, neglecting the cognitive and emotional underpinnings driving these choices (Nidaazzi & Hourmat Allah, 2023a; Penney et al., 2019; Zellweger et al., 2012). Our approach seeks to diverge by delving into the intrinsic motivations, belief systems, and intergenerational dynamics that inform these decisions, thereby providing a more holistic understanding of the internal workings of family businesses. This shift in focus presents an opportunity to redefine cultural conservatism in family firms as a more complex interplay of factors beyond the traditional versus modern dichotomy.
In addition, there is a palpable deficiency in the literature concerning the contextual variability of cultural conservatism across different geographical and cultural spectra. Most prevailing research is skewed towards Western models, thereby overlooking the rich biocultural diversity of family business traditions, values, and operational modalities present in non-Western contexts (Dinh & Calabrò, 2019; Ghirlanda et al., 2006; Krueger et al., 2021).
Previous researchers have attempted to empirically model cultural conservatism and the impact of societal context and individual characteristics (Morin, 2022; Thijs, 2019). What sets this study apart from earlier research is its approach to understanding cultural conservatism within family firms as a multidimensional construct. This approach seeks to encompass both the individual and collective facets of cultural conservatism,

1. Ex-post prudence is retrospective caution towards past decisions based on outcomes. Ex-ante aversion is a reluctance to test new ideas before their implementation.

in order to capture organizational behaviour. Notably, cultural conservatism does not represent an enduring and universally applicable social motive. Instead, it manifests as a stable protective business orientation. In terms of its stability over time, variations in cultural conservatism can be attributed to shifts in factors such as company size, socio-emotional wealth, industry competitiveness, or other external influences. Thus, cultural conservatism in family firms reflects a protective business orientation influenced by internal and external antecedents. Culturally conservative family firms prioritize social order and tradition, guided by a shared belief in preserving patterns and values. This extends to decision making, which is influenced by collective morality.

3. Methods

A Gioia methodology was chosen to answer the following research question: How does cultural conservatism reflect in the strategic and organizational behaviours of family businesses? The approach is a qualitative approach to developing a grounded theory that can meet the standards of rigour associated with trustworthy research (Magnani & Gioia, 2023). It involves a systematic process of analysing qualitative data, such as interview transcripts, to identify patterns and themes that can be used to develop a theory (Gioia, 2021). We find that the Gioia methodology allows us to discover new knowledge yet gives us the flexibility to set our terms with respect to theoretical saturation. It employs an iterative data analysis, allowing researchers to continuously refine their understanding and identify emerging themes, while also granting them the autonomy to decide when sufficient data has been collected to reach a comprehensive understanding. It also takes a holistic approach to analyse qualitative data. This study explores a new area, that is, cultural conservatism, and any new topic area needs explorative methods or discovery in nature.

3.1. Data collection

Our qualitative study explores conservative behaviour within the context of twelve family businesses that meet the criteria of theoretical representativeness, diversity and balance (Yin, 1994), potential for discovery and consideration of the research objective (Hlady-Rispal, 2015). Regarding theoretical representativeness, it was important to specify the criteria for defining a family business to achieve homogeneity among cases. We adhere to Handler's definition of a family firm, which entails full ownership by the family, family members occupying top management positions, and a commitment to passing the business from one generation to the next (Handler, 1989). The principle of diversity, on the other hand, is an integral part of the process of empirical saturation (Pires, 1997) and is necessary to extract maximum information and avoid redundant responses that could bias the results.
Therefore, we opted for a multiple case study and targeted businesses operating in different industries, sizes, dates of establishments, generations, and geographic locations to obtain a comprehensive view of the construct within the companies. Thus, we attempted to maintain a strict balance among the cases, meaning that each company profile is unique, and together they provide a balanced variety of different situations. For discovery purposes, we selected cases informed by preliminary insights from informal interviews with potential participants about cultural aspects. This technique is appropriate because King et al. (1995) argued that researchers must carefully select cases to ensure that they are particularly representative of the population.
Over a two-month period, we conducted an exploratory qualitative study, aiming to gain a comprehensive understanding of the phenomenon in question, exploring its components, motivations, attitudes, underlying values, decision-making processes, and organizational structures. Following established practices as outlined by Mason (2002), these interviews were conducted in a semi-structured format, designed to engage key family members involved in the family business, including founders, CEOs, and executives. The interviews were conducted face-to-face, allowing for substantial discussions on the designated themes. Interview duration varied but typically averaged around 40 minutes. Ethical procedures and guidelines were followed throughout the process, including obtaining informed consent, ensuring data anonymization, and cultivating a comfortable and non-judgmental environment for participants.

Table 1. Sample Characteristics

Firm	Firm sector	Firm size	Year of foundation	Family member in management	Generations	Succession
A	Automotive	Medium-sized business	1998	3 (founder and sons)	1st and 2nd generation	Leadership transition phase
B	Tourism	Holding	1953	8 (brothers and cousins)	2nd and 3rd generation	1st completed in 1999 and 2nd in plan preparation phase
C	Construction Textile Real Estate Tourism	Conglomerate	1980	2 (founder and son)	1st and 2nd generation	Successor preparation phase
D	Bakery Confectionery	Hypo-group	1991	2 (founder and son)	1st and 2nd generation	Not yet started
E	Packaging	Large corporation	1960	3 (brothers)	2nd generation	1st completed in 2018
F	Dairy agri-food	Medium-sized business	2014	2 (founding brothers)	1st generation	Not yet started
G	Hardware	Small business	2005	4 (founder and sons)	1st and 2nd generation	Not yet started
H	Plastics Rope making Twine Agricultural greenhouse Real estate Adjuvant chemistry	Conglomerate	1980	3 (founder, son and daughter)	2nd and 3rd generation	1st completed in 1991 and 2nd in successors preparation phase
I	Construction Civil engineering	Small business	1999	3 (founder, wife and son)	1st and 2nd generation	Plan preparation phase
J	Real estate	Medium-sized business	1999	5 (founder and sons)	1st and 2nd generation	Ownership transfer phase
K	Electrical and Construction	Start-up	2015	2 (founder and son)	1st and 2nd generation	Not yet started
L	Construction and Construction materials	Holding	1958	7 (brothers and cousins)	2nd and 3rd generation	1st completed in 1986

3.2. Data analysis

The Gioia methodology, as described by Magnani & Gioia (2023), creates a data structure that represents organizational experiences by understanding participant interpretations, and then formulating theories based on those experiences, as further elaborated by Gehman et al. (2017). The data structure encompasses three standard processes.

First-order codes are labels or tags that are applied to segments of the data that share a common theme or pattern in the Gioia methodology (Mees-Buss et al., 2022). During this process, we strictly adhered to the participants' terms-we prioritized using the exact words, phrases, or expressions provided by the participants during our data collection-and aimed to simplify the categories by assigning labels or descriptive phrases to the identified concepts (see Figure 1). These open codes are developed during the initial stage of data analysis and are used to identify key themes in the data. They are more specific and concrete than second-order codes, which are broader categories that group related first-order codes together (Chandra & Shang, 2019).

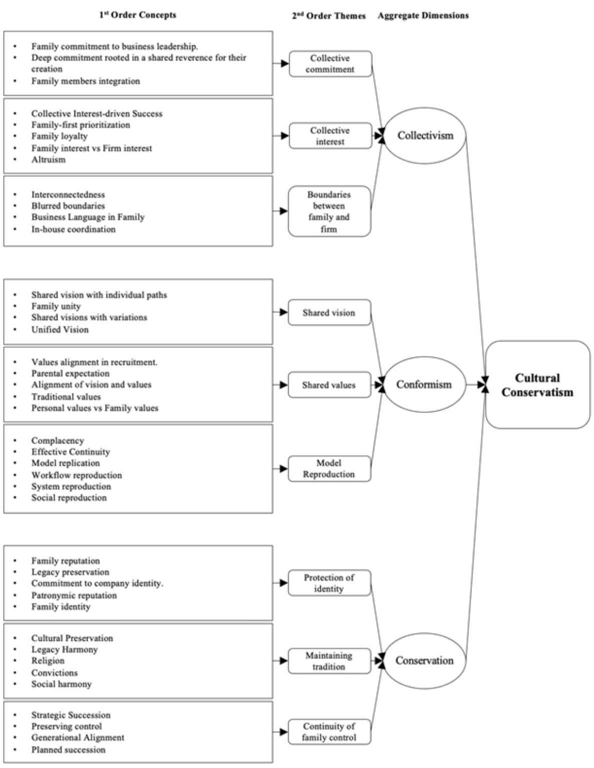
Second-order codes are abstract categories that are developed from the first-order codes. The aim is to reduce the categories developed in the first order from concepts to themes. Once the first-order codes have been developed, the next step is to group and redefine them into broader categories that share a common theme or pattern (Mees-Buss et al., 2022). These broader categories are the second-order codes. Second-order codes are more abstract and general than first-order codes, and they help to identify the underlying themes and patterns in the data that can be used to develop a grounded theory (Chandra & Shang, 2019).

We presented the experiences of twelve family firms while adhering to the scientific principle of systematically analysing the data. This approach corresponds to the grounded theory method known as theoretical sampling, as described by Glaser and Strauss (1967). The second-order themes that emerged were subsequently condensed into broader dimensions, forming a comprehensive theoretical framework at a higher level.

Once the second-order codes have been developed, the next step is to group and redefine them into even broader categories that share a common pattern. These broader categories are the aggregate dimensions. Aggregate dimensions are more abstract and general than second-order codes (Balachandran Nair, 2021). The development of aggregate dimensions is a crucial step in Gioia methodology's approach to data analysis, as it helps to move from the specific to the general and identify the broader patterns and themes in the data.

Figure 1 illustrates the visual representation of the data structure created based on the emerging terms, themes, and aggregate dimensions. It also displays the aggregate dimensions, researcher-centric concepts, and participant-centric terms. Examples of interview extracts are presented in the following section.

Figure 1. Data structure



4. Findings

Our results reveal that for participants, cultural conservatism is a philosophy that encourages the preservation of a culture's heritage. It emphasizes non-flexibility and primarily focuses on internal organization. The organizations that emphasize group culture tends to maintain the group.

> *"We protect our family, we protect our culture, and it is our goal to reach the right point, leaving the children a well-established business, and we hope they will also maintain the same system"* [B].
> *"We follow an order; everything will be fine internally. Order is essential for success [...] It's sure and certain, if we protect our culture and tradition and follow an order, everything will be marvellous internally. Order is essential for success [...] I am willing to develop our business, and my brother shares the same vision. No family business can succeed without family members who share the same vision and support each other"* [F].
> *"If he does not adhere to the group's vision and values, he won't even get in, regardless of his degrees, his abilities, his technical skills [...]"* [H].

Belonging, trust, and participation are fundamental values, and the key motivating factors are attachment, cohesion, and belonging. Leaders tend to be participative, caring, and supportive, facilitating interaction through teamwork.

> *"Overall, the fundamental values are shared by all members of the family [...] also all employees. Even in recruitment, we are strict about the company's values, and we try to select individuals who have and could adopt the same values"* [B].
> *"In general, we all share the vision, of course. There are minor differences in the details, questions of 'how to get there.' Each person does it in their own way, but the destination is the same"* [C].
> *"[...] my father wants me to have the same values and the same vision as him"* [D].
> *"Trust is so important for us [...] We do not need meetings or elaborate contracts within the family. A simple call or handshake will get the job done"* [G].
> *"All members of the family share the same vision and have done so since the creation of this company"* [I].
> *"Mutual trust is the backbone of our firm. It's not just about business, it's about upholding the family name and legacy [...] As soon as we become less committed to the company, we*

can announce the decline of the family business!" [J].
"[…] we share the same vision and values towards the company, which is normally what should be done […]" [L].

Criteria for the effectiveness of this type of organization include the development of human potential and family members' commitment.

"With the presence of our father as the leader, we are all committed to the business […]" [E].
"We are fully committed because I hold sacred what we have created here, and my brother does too" [F].
"During the last recession in the COVID pandemic, we had to make tough decisions. But our commitment to our family and employees meant we took measures to ensure that no one was left behind" [H].

The results demonstrate that cultural conservatism in Moroccan family businesses is, first, characterized by a collective culture that promotes solidarity, internal coordination, and blurred boundaries between family and work.

"[…] the success and continuity of the company are based on general interests rather than individual ones" [A].
"Conversations at the dinner table often revolve around business decisions, and holidays become brainstorming sessions […]" [D].
"[…] The language of business prevails even in the family context" [E].
"[…] When you're in a family group, if you don't prioritize the interests of the family above all else, your personal interest won't work. So, I have my father who was also in a family group with my grandfather and his brothers, some of these people may have put their personal interests before the family interest, which led to the demise of this business. But if they had stayed together, I think they could have gone further […]" [I].

In addition, a culture of conformity is prevalent, leading to increased stability of relationships and a shared vision and values within family businesses. Moreover, the culture of conservation emphasizes the protection of identity, preservation of tradition, and continuity of family control. These cultural characteristics shape the strategic decisions and behaviours of family businesses, contributing to their unique competitive advantage.

"[…] because when you talk about our company, you talk about our family name. You talk about the founder and his sons. When you touch the family, you touch the company, and vice versa. Our identity is untouchable; we must preserve it; we must maintain our reputation […] especially succession planning. The key factor for the success of the latter is planning. We are in the third phase now […] My father is starting to disengage […] Ensuring the future of the successor by leaving them an inheritance, a company, so they don't need to look for a job, and ensuring them a significant income […] To preserve, one must maintain control" [A].
"Yes, I even go towards the point where it must be organized during one's lifetime. Because today, even from a fiscal perspective, certain things that need to be optimized in this regard. And then, whether it is decisive or not, definitely yes, because what defines the family group is the fact that it passes from the patriarch to the direct descendants […] My cousin, the direct descendant of the boss, is working precisely on this issue of succession and trying to optimize it" [B].
"I identify with every aspect of the company; my father wanted me to follow in his footsteps to ensure that I do my best to protect our identity […] I remember the day when I wanted to start my own business, but my father didn't want me to. He told me that his businesses are mine too, and I must ensure the continuity of the family heritage […] Keeping family control is very important […] My father tells me that, albeit indirectly" [D].
"[…] We are a very close-knit family with an identity that we have built […] My father loves perfection and what makes our reputation in the market" [H].
"It is imperative to be decisive for continuity. In order to address the degradation of heritage, it is necessary to establish a connection between the company and the next generation, and try to align their vision as closely as possible with that of the firm. Otherwise, in the event of the father death, the heirs will proceed with the sale of the assets in order to pursue their own projects" [K].

The findings show that culturally conservative family businesses have several constants (tradition, values…) that act as filters for strategic initiatives and shape them towards sustainability. However, while tradition has the advantage of avoiding risky strategic manoeuvres, it also leads to rigidity and a risk aversion that can drive it towards immobility and maintaining the *status quo*. The weight of tradition is one of the most important characteristics of culturally conservative organizations.

> *"[…] throughout all of it from the beginning, I haven't had to change our way, because it suits me and suits others as well"* [C].
> *"Now we are trying to replicate the same thing because when we opened the new entities, we copied the same model that my father established"* [D].
> *"It's hard for us to change, but when it is accepted, we adapt to it because we have the same vision […]"* [F].
> *"I haven't had to change our way, because it suits me and suits the others"* [G].
> *"Preserving customs, beliefs, and norms is essential for establishing social harmony within the company since it is a family business, and especially because it is the grandfather's legacy"* [L].

Family businesses in Morocco, as in many other cultures, often rely on personal networks - "*L'maâref*", trust - "*Tiqa*", intention - "*Niyyah*", benediction - "*Baraka*", reputation - "*S'umaâ*", historicity - "*Q'dim*", and contentment - "*Qanaâ*". Additionally, we found a notable adherence to familial hierarchies within religiously conservative family firms, which often emphasize respect for elders and traditional family roles, whereas a more egalitarian or merit-based hierarchy may prevail in non-conservative settings.

> *"Yes, my father wants me to have the same traditional values as him when it comes to business […]"* [D].
> *"Our vision is collectively shared among family members because we hold the same beliefs as the founder"* [E].
> *"My father believes in Baraka, he always tells me to have Niya in business and to maintain good relationships, to have L'kelma. He is very religious and believes that tradition should be upheld"* [G].

Our findings also reveal a pronounced community-oriented ethos in family firms that follow the Islamic ethical framework. They show a great sense of duty towards charitable endeavours, contrasting with a potentially stronger focus on profit maximization seen in less conservative contexts.

> *"The boss is a great patron, he always gives Sadaqa, sends employees on Umrah, gives sheep to employees during Eid al-Adha, and always welcomes everyone […] During the COVID-19 pandemic, he offered the family group hotels to the regional authorities for medical use"* [B].
> *"We made donations for the municipality and the mayor appreciated it […] We've worked with a number of children's associations and doctors for the approximate caravans in the Atlas Mountains"* [H].

In terms of financial practices, we found that conservative family firms align with religious prohibitions, such as the avoidance of interest - "*Riba*", marking a clear divergence from the conventional financial practices embraced in non-conservative settings. In addition, conflict resolution in conservative family firms, as per our findings, often leans towards religious or community structures, diverging from the possibly more formalized legal and business structures employed in less conservative contexts.

> *"We have a tradition of not engaging in usury (Riba). The fundamental idea is self-financing because the core business has generated significant added value, enabling it to maintain a substantial cash reserve. We are aware that debt offers various financial advantages, but because we do not require it, we prioritize self-financing. The owner justifies this by stating that available funds should first be exhausted before considering other means"* [B].
> *"Personally, I have a communication problem with my father, but the behaviour within the family is different from that in a professional setting"* [D].
> *"Purely self-financing. We don't take on debt. My father doesn't like Riba"* [G].
> *"[…] Self-financing is the best way to keep a company out of debt"* [J].

Our results also show that conservative family firms use generosity in their discourse (e.g., *L'kheir, Laâchour, Sadaka, Eid gifts*) to enhance their reputation.

> *"[…] The boss is a great benefactor; he always gives Sadaka, chooses employees to offer them a trip to do El Omera, and provides sheep to the employees for the Eid Al Adha. Unlike rigid structures, the boss welcomes everyone"* [B].
> *"[…] We give Laâchour every year; it's essential, everyone does it here because it exists in our religion"* [G].
> *"You handle it between you and God, while as far as we are concerned, we've done a lot of l'kheir. […] We have collaborated with children's associations and doctors. We made donations to the municipality. It also allows us to hire people and support families, which is very important. We've gained both financially*

and socially" [H].

"Our family name is the same as the company name, so […] Preserving customs, beliefs, and norms are essential for establishing our reputation and social harmony within the company, as it is a family business and, above all, it is the legacy of the grandfather" [L].

According to our findings, cultural value systems also have the potential to foster collectivism. Collectivism places importance on conforming to social norms, whereas individualism encourages autonomy and independence. Furthermore, we found two subtypes of conservatism: horizontal and vertical. In cultures with horizontal collectivism, group members are considered equals, whereas vertical collectivism is more socially conservative as it emphasizes social hierarchies. The findings highlighted this dichotomy, with some cases exhibiting horizontal conservatism, characterized by an egalitarian approach where family members view each other as equals with shared responsibilities, and others manifesting vertical conservatism, where there is a clear emphasis on social hierarchies, authority, and defined roles within the family.

"Our way of organizing is more traditional than experimental, which means they have nothing to do with it […] It's like a father in the family, the members of the family don't ask him what he's doing […]" [B].

"My father, when he wants to decide on something crucial, he doesn't include anyone in the decision because he has over 30 years' experience. […] He sees things that we can't see in business. He has his own system with employees and partners […]" [D].

"Yes, all decisions are taken in consultation with all employees, including family members. We share information with each other and study the different scenarios (opportunities, risks […]) before making any decisions, and we do this in working meetings" [J].

"Yes, major decisions are always made in collaboration with my son. As far as the details are concerned, there's no point wasting time on everyone doing their own thing. If there's a problem, we can discuss it afterwards […]" [K].

Moreover, collectivism, like other forms of social conservatism, fosters a heightened preference for internal groups. For example, collectivism fosters heightened reciprocation among individuals within a group while exhibiting increased differentiation and bias towards members within the group compared with those outside the group.

"[…] There are standards, apart from cost, delivery and payment times, quality and availability, there are friendly or inter-family relationships. For example, we have a family in the same area and we prefer if we want to buy […] We take the family one. It might even be a bit more expensive, but we'll take the family one" [A].

"[…] Yes, standards of competence of quality of deadlines, but for my father, he chooses someone just because he's known him for 25 or 30 years […]" [C].

"Our network is part of the family […] even our main supplier is my mother's family from Agadir, because they give us more lead times and facilities […]" [G].

According to the participants, cultural conservatism was interpreted as a rigid commitment to particular sets of values, which they connected to religious conservatism in some cases. Religious conservatism involves dedicated loyalty to a particular Islamic perspective, encompassing adherence to religious texts, doctrines, and rituals. For example, in the second case (B), since its inauguration, the founder and president of the family group has decided that their hotels will not serve alcoholic products to customers because they are not *halal* according to the religion. Conservative religious leaders see the development path of their companies as both natural and divine, with their corporate culture drawing heavily from Islamic religious precepts. Lastly, the protection of identity and conformity were the only variables common to all interviewees. They naturally result from the leaders' profiles and their involvement in family businesses—they firmly believe in traditional values and often have a sense of nationalism.

"It is in times of crisis where our values have proven effective with collaborators, clients, suppliers […] we have helped our partners and vice versa" [A].

"Islamic tradition is a source of pride, […]" [C].

"Our values are deeply rooted in our family Moroccan traditions […] Everyone, from my grandfather to my youngest cousin, believes in it" [L].

5. Discussion

5.1. Collectivism

This conservative culture promotes collectivism, conformity, preservation, and shared beliefs. As highlighted by Gersick et al. (1997) in their literature review, members of the owning family have a particular interest in the business because it is part of their collective heritage, and often represents one of the family's main assets (Bauer, 1993). Family members work together to ensure the success of the business, as their heritage depends on it. Research on altruism (Schulze et al., 2003) emphasizes the prevalence of a common family interest, with family members concerned about making decisions in the best interest of the family.

Collectivism encompasses the entire network of the business and is characterized by the interdependence of many actors, whether they are from different generations, internal or external to the family, due to the existence of a collective heritage.

Our results demonstrate that collectivism explains the solidarity of conservative family businesses during times of crisis. The influence of conservative family businesses is therefore distinguished by a set of aspects shared among family members. Let us further explore this link on the basis of the results presented in the previous section. According to these results, the collectivism of the conservative family is reflected in three statements. First (a) A collective commitment in which family members tend to be more involved in internal social networks and more engaged in the reproduction of behavioural patterns (habits), and less exposed to stimulating changes or exciting challenges (Glenn, 1974). Second (b) The importance of collective interest. It implies, among other things, the dedication to the group interest at the expense of individual interest, even if collective decisions go against what individuals prefer (Schwartz, 1994). Third (c) The boundaries between family and work. At the family level, conservatism is reflected in the collective culture that results in blurred boundaries between family and professional life. Nordqvist and Melin (2001) discussed the importance of this interaction process. Furthermore, family members in the business have the opportunity to interact outside their workplace, within the framework of family life. Interactions continue in other spaces and times: the boundaries between work and family are unclear. According to Chick and Dow (2005, p. 366), boundaries around and within the social or economic system are changeable. This posture results in effective internal coordination, which is supported by a strong network of reciprocal exchanges between family members and with external and internal stakeholders. At the theoretical level, Lansberg (1983) examined how conservative family businesses provide a high level of tacit coordination and control, and Ye et al. (2020) found that the success rate of internal coordination is indeed higher. Therefore, collective culture leads to better internal coordination because it is based on mutual trust.

> ***Proposition 1****. Conservative family businesses are characterized by a collective culture that promotes solidarity, internal coordination, and blurred boundaries between family and work.*

5.2. Conformity

The existence of shared members within both the family and the collective of the business suggests that the learning that takes place within the family permeates into the business as it is conceived and applied by the family leaders. By strongly contributing to the development of behaviour and thought patterns of its members, the family has a direct impact on shaping the vision of the business. To remain active members, it can be reasonably assumed that there is a mimetic or normative influence. This refers to a certain culture of conformity.

According to the findings of our study, it was observed that a culture of conformity is linked to increased stability of relationships, which is essential for establishing strong social bonds within the family business. The specificity of the family can influence this stability in two ways: the stability of intrafamily relationships independent of the business and the maintenance of ownership and power within the family (dynasty). The first aspect pertains to the family as an institution. According to Kellerhals (1987), the family's role is to endure across generations by maintaining social bonds, which are reinforced by the existence of family norms that recurrently and stably shape the behaviour of family members (Bettenhausen & Murnighan, 1991). The stability of family social capital is perpetuated across generations through shared values, norms, and established trust within familial networks. This inheritance leads to continuity in the relational dynamics of family businesses over time. This is reflected in the following three statements. First (a) shared vision. The vision is probably specific and collectively shared among family members because they hold the same beliefs. For example, conservatives are not easily receptive to change, but when it is introduced effectively through the shared vision of family members, it is then accepted. Second (b) Shared values. Conservative family businesses are distinguished by their commitment to and respect for traditional values. Several studies have confirmed the importance of traditional values in these types of enterprises (Labari, 2011; Madoui, 2005; Mahmoud-Jouini & Mignon, 2010). According to Dyer (1988), culture and values play a central role in determining a company's competitive position. Indeed, family conservatism entails preserving *"traditional"* family values to combat their decline. Conservative businesses generally share common values and strive to preserve those that are most sacred and intangible to replicate their future performance. Third, (c) Model reproduction: As Giddens (1998, p. 40) wrote, *"A major criterion continually reappears to distinguish conservatism: the conservative view society as inevitably hierarchical."* In fact, our cases reveal a significant commonality: a tendency to rationalize existing institutions, especially those that uphold hierarchical authority. Family firms seem to favour individuals who can seamlessly align with such authority structures. Within this context, "mutual adjustment" plays a pivotal role, serving as a subtle yet powerful facilitator of business model reproduction. It is a process of informal coordination, deeply rooted in the family's interpersonal relationships and historical practices, where individuals consciously embody the firm's ethos.

> ***Proposition 2****. The existence of shared members within the family and business collective suggests a culture of conformity, leading to increased stability of relationships and a shared vision and values in family businesses.*

5.3. Conservation

A culture inclined towards maintaining the *status quo* is associated with a culture of conservation. Our findings demonstrate that the desire for conservation is reflected in three themes: (a) protection of identity, (b), preservation of tradition (c) and the continuity of family control.

The family firm's recognizable identity characterizes its conservative nature. Cultural conservatism is reflected here through the protection of identity, even though this identity may be perceived differently. In our cases, a strong identification with the company often leads to a preference for family members in leadership roles and ownership, thereby implicitly discouraging the inclusion of non-family members. In addition, a patronymic image is manifested through a certain reputation management aimed at preserving the family's image in business affairs. Moreover, the image of the founder correlates with that of the company (Allali, 2008; Ibáñez et al., 2022). Researchers have found a direct impact of the family name on the reputation of the family firm (Astrachan et al., 2014; Kashmiri & Mahajan, 2010; Santiago et al., 2019). Yesil and Kaya (2013) argue that the culture of an organization is a blend of ideals, rites, rituals, and stories, each of which forms the distinctive character of an organization and builds its managerial reputation.

According to Hirshleifer and Thakor (1992), when businesses are driven by the desire to maintain a certain reputation, this can lead to an overly cautious approach. This often results in choosing projects with lower risk profiles. For them, conservatism is therefore the result of the management's desire to preserve its reputation. Family involvement in the management of the company has a positive impact on its reputation and strengthens the trust of the family members. Another common characteristic of the studied family firms is their public commitment to social responsibility. Many of them engage in the communities where they operate and are often reluctant to lay off employees, whom they consider to be part of the company (Aragon-Amonarriz & Iturrioz, 2020; Fitzgerald & Muske, 2016). This sense of social responsibility can also extend to their clients, suppliers, and society as a whole. The second conservation aspect of family firms is tradition. The conservative family firm remains deeply rooted in a certain tradition, which is reflected in accumulated experience, know-how, culture, and values specific to this type of enterprise that acts as a constant ensuring its longevity. Indeed, the traditions that conservatives promote and maintain must meet independent criteria. First, they must carry the weight of a successful history. Second, they must engage in the loyalty of other family members, in the profound sense of shaping their idea of who they are and should be. Lastly, they must designate something enduring, something that survives and gives meaning to the resulting actions. Family firms in our study, therefore, operate by avoiding family disputes, following customs and religious beliefs, and respecting group norms. The final aspect of the culture of conservation is the continuity of family control over the business. In conservative firms, the need for conservation is reflected in the desire to preserve and pass on the company and cultural heritage to future generations. Harris et al. (1994) observed that conservative family firms exhibit certain rigidities regarding paradigm shifts because, first and foremost, they prioritize internal succession.

> ***Proposition 3****. The culture of maintaining the status quo in family businesses reflects a culture of conservation, characterized by the protection of identity, maintenance of tradition, and continuity of family control, as well as the preservation and transmission of business and cultural heritage to future generations.*

Moving towards our conclusion, we have explored how collectivism, conformity, and conservation shape the cultural conservatism in Moroccan family businesses. Next, we will synthesize these insights, examining their broader impact and future perspectives.

6. Conclusion

The aim of this study was to explore cultural conservatism in Moroccan family businesses and provide a nuanced understanding of strategic behaviours and organizational dynamics intrinsic to this unique context.

Our results show that cultural conservatism, contrary to popular portrayals, is not a rigid construct. Instead, it emerges as a dynamic and adaptive force, deeply rooted in a collective culture that emphasizes solidarity, internal coordination, and a seamless blend of family and professional realms. Our findings also underscore the importance of tradition preservation alongside the need for adaptation. This balance provides family firms with a distinct competitive position based on stability, shared visions, and values.

From a practical perspective, our research holds significance because of the need to increase the understanding of cultural conservatism among family business leaders and its potential implications for business growth. Furthermore, the insights we have generated can assist these managers in evaluating and adapting their cultural conservatism, enabling them to make more informed choices, particularly about innovation and risk management.

From an international perspective, recognizing these behavioural differences is essential. As businesses increasingly engage in international collaborations, understanding these cultural nuances can enhance the effectiveness of international partnerships by preventing potential misunderstandings and fostering mutual respect. By highlighting these insights, this paper hopes to serve as a bridge, facilitating a more inclusive global discourse on family businesses that celebrates diversity and recognizes the strength inherent in varied cultural contexts.

There are several limitations to our study. First, the paper does not explore the potential influence of the number of family members on the firm's value systems. Second, the study is limited to analysing Moroccan companies, so their results might not be generalizable to companies from other countries. Third, this study treats family firms as a homogeneous category instead of considering the differences that exist between various types of family firms.

This article serves as the foundation for various research extensions. To offer a more comprehensive understanding of cultural conservatism's influence on family businesses worldwide, it is essential to quantitatively validate these findings, conduct cross-cultural studies, and investigate the impact of other stakeholders.

Author contribution statement

The authors contributed equally to the work.

Conflict of interest statement

None.

Ethical statement

The authors confirm that data collection for the research was conducted anonymously and there was not possibility of identifying the participants.

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Leadership Succession and Transgenerational Entrepreneurship in Family Firms: An Evolutionary Perspective of Familiness

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Abstract This article analyses how familiness influences the evolution of entrepreneurial actions undertaken by new-generation family leaders. Despite the recognised importance of familiness in family firms' entrepreneurship, the mechanism by which it influences transgenerational entrepreneurship during leadership succession remains largely unexplored. Through qualitative analysis of the entrepreneurial processes carried out by five multigenerational family firms, we identify how resources associated with familiness shape strategic renewal and their evolution across the transgenerational entrepreneurship process. Our results shed light on the critical role of leaders' managerial capabilities in orchestrating the resources of family firms and engaging key stakeholders to support entrepreneurial ventures and growth opportunities. Among the practical contributions, the article offers a set of strategies for assisting new leaders of family firms in their entrepreneurial pursuits.

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Sucesión en el liderazgo y emprendimiento transgeneracional en las empresas familiares: Una perspectiva evolutiva de la *familiness*

Resumen Este trabajo analiza la influencia de la *familiness* en la evolución de la acción emprendedora de las nuevas generaciones de líderes familiares. A pesar de la reconocida importancia de la *familiness* en la literatura de empresa familiar, su influencia en el emprendimiento transgeneracional durante la sucesión ha sido poco explorada. Mediante el análisis cualitativo de los procesos de emprendimiento de cinco empresas familiares multigeneracionales, el estudio evidencia el rol de la *familiness* en la configuración de las acciones emprendedoras de las nuevas generaciones de líderes familiares. Entre otros, el artículo identifica cómo los recursos asociados a la *familiness* influencian la renovación estratégica y evolucionan a lo largo de los procesos de emprendimiento transgeneracional. Nuestros resultados contribuyen a la literatura de empresa familiar, identificando el papel clave de las capacidades de los líderes empresariales en la orquestación de los recursos y en el logro del apoyo de los principales grupos de interés a las iniciativas emprendedoras y oportunidades de crecimiento de la empresa familiar. Entre las contribuciones prácticas, se identifican un conjunto de estrategias para las acciones emprendedoras de los nuevos líderes familiares.

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1. Introduction

-"I went through a personal crisis (...). I had to decide whether this- the family firm- was my place or not; (...) and if I decided to stay, I had to think about how I wanted to lead this company. I was in search of new ways of doing things, which were more consistent with my character, my style, and my principles..." - General Manager - CaseFIR.

The transmission of family firms (FFs) to the next family generations, both in terms of ownership and leadership, is one of the most relevant characteristics that define the essence of FFs. Therefore, future family leaders play a pivotal role in maintaining entrepreneurial capacity through the generations, achieving what the literature has called transgenerational entrepreneurship (Cabrera-Suárez et al., 2018). The entrepreneurial nature of a company is defined by its ability to proactively assume the risk of developing innovative activity (Andersén, 2021; Hernández-Linares & López-Fernández, 2018; Miller, 2011; Pittino et al., 2017; Rodrigo-Alarcón et al., 2018) and has to be maintained over the FFs' succession processes. Previous studies have attempted to explain how FF`s specific features affect entrepreneurial behaviour. According to the transgenerational entrepreneurship approach, the success of FFs is determined by a combination of their specific resources and capabilities, which result from the structural and cultural coupling of family and enterprise (familiness), along with their entrepreneurial orientation (Basco et al., 2019). However, there is still a need to understand how different configurations of familiness resources (human, social and financial capital) can affect this entrepreneurial orientation (Calabrò et al., 2023). This is particularly relevant during leadership transitions, which are crucial and complex processes for FFs that continue to receive considerable attention in the field (Aparicio et al., 2021).

Building upon these foundations, this work aims to study, with an inductive approach, a set of entrepreneurial processes carried out by the successors in five multigenerational FFs. We examine how various aspects of familiness affect the evolution of these processes, and vice versa, the influence of these entrepreneurial processes on their familiness. Thus, the following research questions are addressed: How do the different resources associated with the family nature of the company (familiness) shape a successor's entrepreneurial initiatives? What aspects are the most relevant for the success of these processes in both the business and family dimensions? How does familiness evolve as a result of the transgenerational entrepreneurship process?

Following recent developments in the field, we adopt a dynamic view on familiness (e.g., Campopiano et al., 2020b), which allows us to make several contributions. First, the paper adds to the literature on the concept of entrepreneurial orientation in FFs, considering the evolution of familiness in the context of intrafamily succession and its effect on the transgenerational entrepreneurship of FFs (Hernández-Linares & López-Fernández, 2018; Zellweger et al., 2019). Indeed, our study responds to the call by Hernández-Linares and Arias-Abelaira (2022) for research into the impact of family succession processes on strategic renewal within FFs. Specifically, we identify both the primary temporal aspects that encompass the transgenerational entrepreneurship process as well as the resources and capabilities required to build alliances so that FFs can renegotiate their organisational goals, overcome family inertia and ensure strategic renewal.

Secondly, taking into account the resources and capabilities encompassed by familiness and observing how they evolve, we explore the relevance of orchestrating competitive resources, such as human and social capital, and how they are interrelated with the entrepreneurial orientation and innovative capacity of firms (e.g., Andersén, 2021; Collins, 2021; Pittino et al., 2017; Rodrigo-Alarcón et al., 2018). Finally, this paper delves specifically into the pivotal role of next-generation family leaders and their dynamic managerial capabilities in motivating organisational members to support entrepreneurial ventures and renew organisational goals, topics particularly well-suited to be studied in the specific context of FFs (e.g., Issah et al., 2023).

2. Background

While FFs are not only the predominant form of business organisation in the world, they differ from non-family companies, for instance, in their objectives, governance structures, behaviour, and results (Priede-Bergamini et al., 2020; Zellweger et al., 2019). Family involvement is the distinguishing feature of these companies, which provides a variety of specific resources and capabilities (familiness) that is the basis for their competitive advantage or disadvantage (Habbershon & Williams,1999; Pearson et al., 2008).

FFs need to maintain their entrepreneurial orientation across multiple generations in order to improve their ability to adapt to change, grow, and gain competitive advantage (Campopiano et al., 2020a; Capolupo et al., 2023; Pittino et al., 2017). By acting entrepreneurially, FFs are better equipped to exploit their current competitive advantage, while also exploring future opportunities and developing the required competencies. Consequently, the next generation of family leaders needs to cultivate their managerial skills so they can successfully carry out entrepreneurial activities that not only allow the company to progress but also meet the economic and non-economic objectives of the business families (Issah et al., 2023). Following Lorenzo-Gómez (2021), the entry of the next generation into management represents an excellent opportunity for reinventing the family venture since they know the business from within and can continue the entrepreneurial spirit of their predecessors through their own ideas. The process of developing leaders in FFs is complex and influenced by multiple factors (Wasim & Almeida, 2022), allowing successors to build the background of knowledge necessary to maintain the strategic viability of the company and is closely associated with the concept of familiness (Basco et al., 2019; Cabrera-Suárez et al., 2018).

In an attempt to analyse familiness, the literature on the subject has gone deeper into identifying the resources and capabilities that make up the construct. In this sense, business families possess the ability to make unique contributions to their firms, providing them with distinct resources and capabilities such as specific human capital (unique training, skills, flexibility, motivation, and commitment from family members, particularly successors); the two aspects of social capital, i.e., bonding (relationships between family members) and bridging or the relationships with employees, customers, suppliers, and other stakeholders that generate goodwill (Cano-Rubio et al., 2016; Sanchez-Ruiz et al., 2019; Zellweger et al., 2019); and physical/financial capital that the family can offer to support the firm and its strategic development (Basco et al., 2019; Campopiano et al., 2020b; Dyer, 2006).

The literature also highlights the importance of evolving and renewing these resources and capacities for FFs to remain competitive. In this regard, familiness cannot only be understood from a static point of view as a stock of resources; the dynamic dimension must also be taken into account. Idiosyncratic resources and capabilities do not generate long-term value on their own. Instead, they must be cleverly managed or orchestrated by a dynamically capable management team (Andersén, 2021; Capolupo et al., 2023; Campopiano et al., 2020b). Thus, familiness can be related to the ability to identify and generate new business opportunities, to be able to respond to these opportunities by developing new products or processes and also to renew innovation processes to keep up with technological and market changes (Barros-Contreras et al., 2022; Camisón-Zornoza et al., 2020).

Within managerial succession processes, the literature has highlighted the significant impact of the family context and familiness in fostering both the human and relational capital of family successors. Consequently, the family plays a decisive role in influencing the successors' development since social integration mechanisms foster knowledge acquisition and exploitation as well as skills improvement (Daspit et al., 2019), thereby enhancing the human capital of the next generation and their ability to discover and exploit opportunities (Nordqvist et al., 2013). In this sense, Barros-Contreras et al. (2022) point out the importance of socio-emotional and relational aspects for family members' accumulation and integration of knowledge.

Among these aspects, it is important to point out that the relationship between predecessors and successors influences the development of skills, commitment and, ultimately, the entrepreneurial orientation of the next generation of family leaders (Cabrera-Suárez et al., 2018). According to Radu-Lefebvre and Randerson (2020), managing the paradox of control and autonomy and the emotional ambivalence that the successors experience when trying to achieve both legitimacy and emancipation from the incumbent's influence is crucial. For their part, Soleimanof et al. (2019) suggest that rigid family structures, authoritarian parenting styles, and conformity in communication patterns tend to stifle entrepreneurial behaviours, whereas greater flexibility in these dimensions can enhance them.

Beyond the dichotomous relationship between predecessor and successor, it is also worth drawing attention to the social capital resources that family involvement facilitates the development of, which include several dimensions: the structural dimension is related to the density and strength of the ties between the individuals who are part of the network; the cognitive dimension includes aspects such as the values, objectives, and norms shared by the members of the network; and the relational dimension refers to fundamental attributes for the functioning of the network such as identification and trust (Pearson et al., 2008; Rodrigo-Alarcón et al., 2018). Access to internal information, supported by a bonded network, a shared language, and accepted norms, enables efficient knowledge sharing among family members and, therefore, enhances the use (transformation and exploitation) of knowledge to drive innovation. Where collective goals and actions exist, the transformation capability is enhanced as family members share a collective objective to transform new, external knowledge to fit the firm and its strategic purposes (Daspit et al., 2019).

Likewise, access to experiences and networks that provide relational resources is crucial for cultivating effective leaders. Consequently, the networks of relationships based on family ties should extend, not only beyond the family, but also beyond the FF by including relationships with relevant external stakeholders (Cabrera-Suárez et al., 2018). In this sense, the involvement of non-family members in the FF can be expected to have both a positive effect on the FF's ability to incorporate new external knowledge as well as a negative impact on its ability to transform this new knowledge into innovative capacity, making it essential to strengthen associability not only among family members but also with non-family members to implement innovative changes successfully (Camisón-Zornoza et al., 2020; Daspit et al., 2019).

3. Research Methodology

Following an inductive approach, our research design is based on a set of five case studies to explore how entrepreneurial processes carried out by the successors in five FFs were influenced by their familiness-related resources and vice versa, the impact of these entrepreneurial processes on these FFs' familiness. The case study method provides rich, detailed data to better understand 'a contemporary phenomenon within its real-life context' (Yin, 2003, p. 13), the objective being to generate or complement theories on complex social phenomena (Eisenhardt, 1989) such as the one analysed here.

3.1. The case studies selection

The cases analysed are from Spain, specifically the Basque Country, where 84.4% of businesses are family-owned, according to the Family Business Institute (2016). Since most of these firms were created in the 1970s (Iturrioz-Landart et al., 2009), they have gone through the first generational transition and are today, on average, in the second generation. Thanks to the transgenerational entrepreneurship developed by Basque SMEs, this region is characterised by a dynamic business fabric and economic activity (Martínez-Sanchis et al., 2021).

Taking into account this context, a purposeful theoretical sampling technique is employed, and the cases are selected based on their probability of providing substantial insights into the examined phenomenon. This method gives voice to the key agents involved in the family succession process and allows analysis within a natural context (Whiteley et al., 2012) by combining different sources of evidence while preserving the complexity and distinctiveness of each case.

Departing from a first set of succession processes of seventeen long-run FFs, five case studies were selected based on their rich evidence of successor-promoted entrepreneurial processes that were completed successfully and where different family and non-family actors agreed to participate. Accessing a minimum of three interviews for each case study allowed us to obtain rich data from directly involved actors in transgenerational entrepreneurship and familiness and to triangulate their versions. In summary, all the FFs selected are SMEs (European Commission, 2009) and at least in their second generation (Table 1). Initially, the successor promoted a radical entrepreneurial process that, after a period of transition, was successfully developed.

Table 1. Case studies: Main characteristics and selection criteria

	CasePOL	CaseSEA	CaseFIR	CaseDRI	CaseCAR
Size & industry	Manufacturing SME	Manufacturing SME	Manufacturing SME	Manufacturing SME	Service SME
Age	>75 years	>75 years	>50 years	>70 years	>45 years
Family context	4th generation FF. The current CEO is the eldest grandchild of the predecessor.	4th generation FF. The current 4th generation CEO is the great-grandchild of the founders. The other potential successor was the younger sibling.	2nd generation FF. The current 2nd-generation CEO is the descendant of one of the two founders and the previous CEO.	3rd generation FF. The current CEO is the spouse of the 3rd generation daughter/son.	2nd generation FF. The current CEO is the descendant of one of the founders.

	CasePOL	CaseSEA	CaseFIR	CaseDRI	CaseCAR
Criteria I: The successor promoted a radical entrepreneurial process	Diversification and new organisation and systems.	Disruptive and ambitious business project.	The successor promoted a new firm culture: values and organisation were changed.	The company radically changed its target customer in the market, requiring the transformation of both the main activity and basic resources.	The successor sought a highly innovative business model within the industry. He/she was a visionary.
Criteria II: The entrepreneurial process is finally successfully completed	An entirely reinvented company. New investments and resources allowed entry into diverse and new market niches.	The company entered a completely new business arena, transforming its products and services to do so.	The transformation allows for competitiveness and success in highly demanding new markets.	The company successfully developed a highly competitive portfolio of new solutions based on its know-how and innovation strategy.	The company is doing well in a very competitive industry. It is in a good position financially.

Source: Own elaboration.

3.2. Data collection

Our data was collected following two distinct methodological steps, building on Yin (2003), Eisenhardt (1989), and Ailon-Souday and Kunda (2003). First, we gathered general and specific material about the empirical context so as to understand the background of the research setting. This initial work allowed us to select the case studies that would better illustrate the research questions. The second step in the data collection was based on the interviews with informants, which followed a semi-structured interview guide and focused on the successor-driven entrepreneurial process and the role played by the family and non-family members in this process (Table 2). Exploratory studies like ours typically rely on small-scale interview-based research that aims to be conceptually generative.

Table 2. Summary of the interview guide: Dimensions and key issues

Dimensions	Key issues
Portrayal of the interviewee	– Interviewee's position in the firm and the family. – Interviewee's experience in the firm or related to the firm.
Description of the succession process	– Family and firm context. – Successor's entrepreneurial initiative: description. – Succession process stages: main events and decisions. – Succession process feelings: emotions and conflicts. – Succession process results: in the firm and the family.
Family social capital in the successor-driven entrepreneurial process	– Structural dimension: description and importance of the family and non-family relationships during the entrepreneurial process. – Cognitive dimension: family and non-family objectives during the entrepreneurial process. – Relational dimension: family and non-family members' level of trust towards the successor during the entrepreneurial process.

Source: Own elaboration.

In this research, we conducted 17 in-depth, face-to-face, semi-structured interviews on succession processes, entrepreneurial activities, and the role of various familiness resources in these processes. We employed a holistic perspective, considering diverse criteria when identifying the profiles to be interviewed: different generations (to obtain information about the succession process from both predecessor/s and successor), diverse levels of involvement in the firm (to capture the diverse family perspective regarding transgenerational entrepreneurship), and family and non-family members (to add the organisational perspective concerning transgenerational entrepreneurship). The output of the interviews was transcribed and codified. The results of the transcriptions were then shared with the interviewees to correct any misinterpretations (Table 3).

Table 3. Characteristics of the interviews and respondents' profiles

Case and Respondent	Date	Researchers number	Duration	Place	Respondent's generation*	Respondent: family or non-family	Respondent's position	Documental support
CasePOL1	July 11, 2014	2	120min	Hotel	3rd	F (CEO's mother)	President of the BoD	Computer. Writing notes
CasePOL2a	June 24, 2014	2	90min	Company	4th	F	CEO and member of the BoD	Computer. Writing notes
CasePOL2b	January 10, 2018	2	90min	University	4th	F	CEO and member of the BoD	Computer. Writing notes
CaseSEA1	April 20, 2015	2	90min	Company	3rd	F (CEO's mother)	Member of the BoD	Computer. Writing notes
CaseSEA2	July 23, 2015	1	90min	Company	4th	F	CEO	Writing notes
CaseSEA3	September 21, 2015	1	45min	Company	--	NF	Production manager	Writing notes
CaseFIR1	October 9, 2018	2	120min	Company	2nd	F	Member of the BoD	Writing notes
CaseFIR2	October 9, 2018	2	90min	Company	--	NF	Production manager	Computer. Writing notes
CaseFIR3	October 16, 2018	2	90min	Company	--	NF	Technical director	Computer. Writing notes
CaseFIR4	October 16, 2018	2	120min	Company	2nd	F	CEO	Computer. Writing notes
CaseDRI1	June 18, 2019	2	150min	Company	1st	F	CEO's father-in-law	Computer. Writing notes
CaseDRI2	June 18, 2019	2	120min	Company	2nd	F	CEO	Computer. Writing notes
CaseDRI3	June 20, 2019	2	120min	Company	2nd	F	Technical director	Computer. Writing notes
Case DRI4	June 20, 2019	2	90min	Company	--	NF	Production engineering director	Computer. Writing notes

Case and Respondent	Date	Researchers number	Duration	Place	Respondent's Generation*	Respondent: family or non-family	Respondent's position	Documental support
CaseCAR1	July 8, 2021	2	210min	Company	2nd	F	CEO	Computer. Writing notes
CaseCAR2	October 7, 2021	2	120min	Company	2nd	F	CEO	Computer. Writing notes
CaseCAR3	October 7, 2021	2	90min	Company	--	NF	IT manager	Computer. Writing notes

*Only in case of family members BoD = Board of Directors

Source: Own elaboration.

3.3. Data analysis

The study uses content analysis of interviews with the participants to identify the primary themes of the phenomenon being examined. The interviews constitute the main data collection for the data analysis, with background documents that can be used for triangulation, which, together with the previously mentioned elements of the research design, are relevant tactics for assessing the constructive validity of the results of the study (Villarreal & Landeta, 2010; Villarreal, 2017). Additionally, following the same authors, we used different tactics regarding the internal validity assessment, and applied Ailon-Souday and Kunda's (2003) procedural advice of 'making sense' of data when analysing the interviews in relation to our conceptual framework.

First, we made sense of the cases, noting their differences concerning the central theme of our research question and determining whether there were substantial variations among the cases. Thus, we coded the empirical categories to identify the key themes defined in the original research questions. Specifically, our aim was to pinpoint the resources mentioned by the interviewers involved in or affected by the successor-driven entrepreneurial process. Each category was marked, and the related verbatims were classified into different groups (for instance, those growing up in the FF and those living within the FF community). Second, we examined this material to gather specifications and sorted the interview quotes. As a result, we generated subthemes, such as successor attachment, expectations, commitment to FF continuity, recognition, and self-empowerment for the successor's human capital. Finally, in developing the data analysis, we moved back and forth between the empirical material and the relevant literature, not only to determine key themes, such as successor commitment and legitimacy or predecessor support, but also to identify open themes that may arise. For example, comparing patient family social capital with patient family financial capital, as well as working with external and internal validity issues, and relating our findings to the extant literature, such as when we added a specific theme (in addition to human, social and financial capital) related to the intergenerational relationship. The final core themes were agreed through discussion based on the results of the open coding process (Table 4).

In summary, we have tried to extract lessons from this back and forth data process and relate our findings to the extant literature. As a result of these processes, and regarding the external validity (Villarreal & Landeta, 2010; Villarreal, 2017), among our findings are a set of top-management capabilities that can be used to align organisations for supporting transgenerational entrepreneurship and strategic renewal.

Table 4. Themes, subthemes, and associated codes

	Themes	Subthemes	Codes
The successor's human capital	**Seeding the successor's commitment**	Seeding the successor's attachment to the FF.	Growing up in the FF. Living within the FF community.
		Nurturing the successor's expectations to take over the FF	The successor feels he/she is expected to take over. The successor is recognised by others.
		Nurturing the successor's commitment to the continuity of the FF.	Understanding the FF as a community support. Fighting for entrepreneurial initiative.
	Building the successor's legitimacy to lead the entrepreneurial initiative	Building the successor's recognition.	The successor's training. The successor's business experience.
		Building the successor's self-empowerment for entrepreneurial initiative.	The successor believes the entrepreneurial initiative is viable. The successor knows he/she is capable.
Intergenerational relationships	**Nurturing the predecessor's support**	Nurturing the predecessor's support.	Access to predecessor's knowledge about the firm and stakeholders.
Family social capital	**Reconfiguring family social capital towards entrepreneurial initiative**		
— Relational family social capital		Revisiting trust in the successor is necessary for entrepreneurial initiative.	Family trust in the successor. Non-family trust in the successor.
		Nurturing a community of trust beyond the family.	Non-family actors are key. Trust in new non-family actors.
— Cognitive family social capital		Enhancing transgenerational vision, leveraging entrepreneurial initiative rooted in family values.	Commitment to entrepreneurial initiative (firm-first). Predecessors and founders set the example.
— Structural family social capital		Weaving new family networks.	New Family member coalitions. Family members entering the FF.
		Opening up to non-family members.	New hirings. New non-family members entering management
	Developing patient family social capital	Additional time needed to overcome family inertia.	Time. Long process.
Patient family financial capital	**Committing patient family financial capital**	Reinvesting in the FF.	Additional financial resources for entrepreneurial initiative. New investments.
		Renewing family ownership structure.	New family ownership. New non-family ownership.

Source: Own elaboration.

The validity is guaranteed through our ad-hoc research design, the appropriateness of the cases selected, and the data collection strategy, all of which support the analysis of data to address our research goals. To avoid research bias, two of the three authors were present at all the interviews (except two), and the three authors participated in the coding process; collective coding gave them the opportunity to discuss potential misunderstandings and palliate the research bias involved in this process. Additionally, the transcription of the interviews, the coding strategy, and the thematic categorisation support the study's reliability.

4. Findings

4.1. The successors and their entrepreneurial action

In all cases, the successor had a higher education in management and extensive experience outside the FF (CasePOL, CaseDRI, CaseCAR) or held different managerial positions within the FF (CaseSEA, CaseFIR). Moreover, they all overlapped with the incumbent for several years and even a very long period (CasePOL, CaseSEA, CaseFIR). Only in CasePOL was the incumbent reluctant to step down and maintained his/her position until he/she passed away. During this time, all the successors expected to become the next FF leader as did the rest of the family.

After becoming the new FF leader, all the successors aimed to implement a radical change and enter a new business arena where new capabilities were needed. Nevertheless, the main difference was that in four out of the five cases, the FF's competitive position was healthy, and only CasePOL presented a very weak competitive position due to the incumbent's lack of strategic management. Here, the successor played the role of business rescuer, and his/her entrepreneurial action was an initiative to save the FF. In the rest of the cases, despite the good current business situation, the successor-to-be had a clear idea of the entrepreneurial action he/she wanted to develop, the changes in the business model he/she wanted to implement and the radical transformation that this change may imply. In this respect, the successor was a visionary who assumed a high risk and had to convince others of the relevance of the entrepreneurial process for the FF's future development, thus enabling transgenerational entrepreneurship.

Regarding the successors' entrepreneurial initiative, it received the family's backing in different ways and levels in three of the cases (CaseSEA, CaseFIR, CaseDRI). However, in CasePOL and CaseCAR, the successor faced great opposition. In CasePOL, the predecessor was highly reluctant to support any initiative that came from the successor-to-be, and it was only after the successor was backed by a new incumbent (offspring of the founder) that his/her entrepreneurial initiative flourished. Again, in CaseCAR, only the predecessor supported the successor's entrepreneurial initiative, which provoked the other owning family members to leave the FF.

4.2. The successor's human capital

a) Seeding the successor`s commitment to the firm and its continuity.

The successor's commitment clearly impacted the entrepreneurial initiative in different ways; in some cases, it was the affective dimension of commitment (CaseDRI):

> -*"My father himself was an entrepreneur [the current CEO is the incumbent's son/daughter-in-law, whose own family is not the studied FF's owning family], and ever since I was a teenager, I was connected to the company in one way or another…(…) As well as being the manager, I wanted to be more committed to the company and so I bought some shares to become an owner. I'm the only shareholder who isn't a family member."*-General Manager-CaseDRI.

In others, it was the normative dimension (CaseFIR, CaseSEA):

> -*"And when the succession issue was raised in 2005, of course, I was prepared and didn't even question it. I think the business was taken over (…), without much talking and no conflicts."* - General Manager - CaseFIR.
>
> -*"The responsibility assumed by the family increases with each new generation that comes into the firm. There's so much history behind you that you don't want to be the one that breaks the chain."* - CEO - CaseSEA.

In some cases, the need to support the firm's continuity had a more significant impact (CasePOL, CaseCAR, CaseDRI).

> -*"The responsibility of the workers was a heavy burden for me. These were skilled workers who had been with the firm for many years. I just couldn't let them down even if we had to compromise the family"* - General Manager - CasePOL.
>
> -*"I'm at the service of the business every day so that the family firm can achieve more. I'm totally committed to the project and to the people I work side by side with. And for me, this is the driving force behind all the daily effort; this is what matters to me. (..)"*- General Manager - CaseCAR.
>
> -*"It goes without saying we choose the company over the family. I mean, obviously, the family is the driving force, which it has to*

be, of course, but what must always prevail is the sustainability, growth, and competitiveness of the business project." - General Manager - CaseDRI.

b) Building the successor's legitimacy to lead the entrepreneurial initiative.

In all cases, the successor was prepared not only by academic training but also by the recognition that their business experiences had meaning and a purpose, i.e., their aim to be the successor to lead the entrepreneurial initiative and be recognised and legitimised as such.

-"I personally have been part of the company all my life. I'd studied Economics, and I wanted a challenge. And when the succession issue was raised in 2005, of course, I was prepared." - General Manager - CaseFIR.

-"[The successor] believed that things should be done differently. [The successor] was a very good salesman/woman. (…) and he/she did it [launched an organisational change]. I think these were the main reasons for the organisational change."- Non-family Manager - CaseFIR.

-"Whether it was collecting outstanding payments or working at my uncle/aunt's machining workshop (…) in the summers with tools like saws, drills, lathes, or the milling machine, it's thanks to all this that the company's environment wasn't foreign to me." -General Manager - CaseDRI.

-"I'd studied French at school, but I didn't have a clue about English. (…), I got on a lorry to Exeter, Great Britain, to learn English. I spent six months knowing no English whatsoever, but I was learning, and then through some friends, I had the chance to enter an international programme at Oxford University. …my father/mother was waiting for me. All the training I had done made sense then, and I felt empowered." - General Manager - CaseCAR.

Additionally, the cases show that the successor strongly believed in the entrepreneurial initiative and its viability. He/she felt capable and had a sense of self-empowerment and an achievement orientation that supported the entrepreneurial initiative over time and despite the difficulties.

-"I was convinced that the system and the business model had to be changed. I studied it and outlined examples of how buying trucks and having our own staff could lead to a new type of profitability. Our in-house lawyer didn't believe in it, and he wasn't the only one. That was a difficult period, trying to convince people who had been in the sector for many years to change their conditions through negotiations, but that's what allowed me to keep the company here instead of opening offices elsewhere as other companies did." - General Manager - CaseCAR.

-"I went through a personal crisis where I didn't feel comfortable. I had to decide whether this was my place or not, and if I decided to stay, I would have to think about how I wanted to lead this company. I was in search of new ways of doing things, which were more consistent with my character, style, and principles, in short, with the kind of leadership I wanted to provide." - General Manager - CaseFIR.

4.3. Intergenerational relationships: the predecessor's attitude regarding the role of the successor

The successors in all five cases overlapped for more than a decade as management team members, usually as functional department directors in the FF. In CaseDRI, this period was 12 years (1988-2000); in CaseCAR, it was 25 years (1995-2020); and in CaseSEA, it lasted for 13 years (2001-2014). In CaseFIR, the duration was slightly shorter (eight years), but following this initial phase, the incumbent continued to mentor the process as a member of the Board of Directors for an additional seven years.

The only case where the overlapping time was scarce was in CasePOL. The successor shared two years with his grandparent, and in the next two years, he/she was moved to other premises due to their incompatible vision.

Regarding the predecessor's attitude towards the role of the successor, in some cases, technical knowledge and managerial knowledge were in different branches of the same family (CaseDRI, CaseFIR).

-"I started at 22 years old and come from the old way of doing business, where control predominated, (…). When [the CEO] took over in 2005, I'd already been working at the company [in the operation area] for over a decade… " - Family manager (not belonging to the CEO's owning family) - CaseFIR

-"[former operation manager from one branch of the owning family] was a genius, his/her technical knowledge was outstanding, and [former CEO, parent-in-law of the current CEO] was totally respected by him/her and everyone…" - General Manager - CaseDRI.

In the case of management knowledge, the incumbent was typically an operations expert (CaseFIR, CaseCAR, CaseSEA, CaseDRI) with limited managerial skills (CasePOL). The successor acquired these skills through a formal trainee, and the knowledge transfer mainly concerned how the business was run. Thanks to the successor's managerial skills, it was easy for this knowledge transfer to take place (CaseDRI, CaseSEA)

-*"[the CEO] understood how the business operated easily, he/she was ready"* - Incumbent - CaseDRI.

During the extensive overlap period, the predecessors in four cases contributed to the successor's human capital, providing the successor with a position that allowed him/her to understand the industry and the firm context. This time working side by side and inside the firm made it possible for the successor to develop and refine his/her project.

-*"My father/mother was waiting for me. All the training I'd done made sense then, and it empowered me... I knew I had my business project."* - General Manager - CaseCAR.

-*"I've always felt supported by the founders, …, as well as by the rest of the family, despite the hard times we've gone through."* - General Manager - CaseDRI.

Only in CasePOL was the predecessor's attitude negative towards the successor. Indeed, he/she did not provide the required personal support to the successor (in this case, this role was assumed by the successor's parent – incumbent's offspring).

4.4. Family social capital

a) Reconfiguring family social capital towards entrepreneurial initiative.

Regarding the relational family social capital, the trust of family and non-family members in the successor should be built not only when the successor takes over but especially when he/she is trying to attract them to the new vision of the firm and the entrepreneurial initiative.

-*"When [the successor] took over (…), I'd already been working at the company for over a decade. I'm older than him/her, and I think maybe that's why I felt a certain fear and resistance to the changes that [the successor] looked upon as necessary. At first, I couldn't see how transparency and trust could be the principles that would help us in the management of [the firm]. However, now it's very clear to me, and I'm very happy working at the new [the firm]."* - Family manager - CaseFIR.

-*"Trust is everything; if you lose everybody's trust, you're left with nothing, (…) you cannot advance if there's no trust."* - Founding partner - CaseDRI.

-*"…the family has always supported the strategic decisions that had to be taken, especially in difficult moments…"* - General Manager - CaseDRI.

However, in CaseCAR, this trust was not established. One of the owning families challenged the successor's vision, resulting in a very difficult period in which the successor had to endure constant criticism and discouragement. Moreover, the difficulties associated with implementing the new business approach were sources of constant conflict with the other owning family. In the end, the so-called revisited trust was never achieved, and eventually, the other family left the FF.

Finally, in CasePOL, the incumbent was the primary opponent to the successor's entrepreneurial initiative. Only when this opposition disappeared did everybody rapidly understand the need for the entrepreneurial initiative, and the successor was able to take it forward. In fact, building trust in the entrepreneurial initiative is less important when the initiative results from transformative action needed to sustain the FF's operations.

Additionally, this trust must be reciprocal; the entrepreneurial initiative needs the successor to rely on others to implement his/her vision, nurturing a community of trust beyond the family to implement the entrepreneurial initiative.

-*"I have faith in people, and I believe that we can always become a better version of ourselves, and if we don't, it's because we always look at things through the same lens and we protect ourselves. First of all, we must let go of all our own fears, the fear of losing everything ... We also need to be very humble to show our vulnerability. For example, we've been helped by external facilitators and some non-family members who have played a crucial role in this cultural transformation, which was not undertaken without considering the business project."* - General Manager - CaseFIR.

-*"I was one of the first engineers to be hired for the new business project (…) I was gradually given more and more responsibilities and they trusted me to lead teams of designers and so on."* - Non-family manager - CaseDRI.

With respect to the cognitive family social capital in CaseFIR, CaseDRI, and CaseCAR, there was a need to enhance the transgenerational vision through entrepreneurial initiatives that leveraged deeply rooted family values (such as commitment to the firm and prioritising the firm).

-*"There were years when there weren't any gifts at home for Christmas, and we didn't know what holidays were. For the founders, everything was for and about the company."* - General Manager - CaseFIR.

-*"We consider ourselves an authentic organisation in terms of values, and [we] are deeply committed."* - General Manager - CaseDRI

-*"In any case, the message I've always received is one of hope. By starting from scratch, working, and believing in the project, it's possible to build a company without anyone's help. My strength is to believe in* *what we do, and thanks to my principles, I've been able to overcome difficulties."* - General Manager - CaseCAR.

In the cases where the successor was not an offspring of the incumbent but a son/daughter-in-law, the parent was also an entrepreneur; thus, the values associated with a small business were common to the owning family and were ones the successor easily assimilated.

-*"…lead by example, I arrive at 8:00 and I'm the last to leave [the firm]."* - General Manager - CaseDRI.

-*"My sibling was like a teacher to all the employees in the workshop. Quality was the most important thing for him/her. Either a top-quality product was delivered, or nothing was delivered at all, and this message has been passed down."* - Founding partner - CaseDRI.

The family and the firm uphold identical values, placing the firm and its inherent values, such as efficiency, alongside the family. This value has been intentionally transferred to the next generation (CaseSEA, CaseDRI, CasePOL).

-*"It's a mentality, a culture... the company is very focused, to the extent that the company's management is highly focused on responding to the needs of the company's survival."* - CEO's mother - CaseSEA.

-*"Our priority has always been the company first, and then the family; precisely, to guarantee the family legacy."* - Founder - CaseDRI.

-*"In my parent's office, there was a plaque with a quote that he/she had inherited from my grandparent. It said: "Get to the point, time is gold."* - CEO's parent - CasePOL.

Finally, regarding the structural family social capital, the leadership succession and the successor's entrepreneurial vision called for the weaving of new family networks.

-*"The transition of the business model required the commitment of more people… We give a lot of importance to selecting the right people and this is the reason why [the owning family] is in charge of people management. We want honest people who are committed to the business project."* - General Manager - CaseDRI.

-*"When I was appointed General Manager three years ago, the first thing I did was appoint a Management Committee [with new family and non-family managers] to accompany me in making decisions so that this was not a solitary or individual process."* - CEO - CaseSEA.

The weaving of these new networks involved opening up to non-family members, as mentioned in relational family social capital.

-*"Workshop responsibilities are now more distributed, and processes are defined. The workshop is managed by projects, with the project manager holding a central position. The new project needed a key set of people outside the family."* - Non-family manager - CaseFIR

-*"I'm a member of the management committee (…), which has ten people, and most of them are not part of the family. The successor has played a pivotal role in opening up the firm. He/she saw that management responsibilities had to be offered to the people who were committed to the project, even if they weren't part of the family."* - Non-family manager - CaseDRI.

b) Developing patient family social capital.

The entrepreneurial initiative implied a new vision, which created tensions inside the FF. However, the successor always found the family's support and commitment in the end, whether total (CaseDRI) or partial (CaseCAR), even if it took time to accept the change involved in the entrepreneurial initiative (CaseFIR).

-*"The family always supported me even in the worst moments."* - Founder - CaseDRI.

-*"The difficulties associated with the first international operations and the fact that the new client in [Spanish city], who was giving us a lot of work, was going to pay in 90 days, which was a completely new practice, were sources of constant conflict with my parents' partner. It was a very challenging period that required me to withstand constant criticism and discouragement. My parents supported me during this time."* - General Manager - CaseCAR.

-*"The change has taken a lot of time, and we have been helped by […] facilitators and some non-family members who have played a crucial role in this cultural transformation, which we didn't undertake without considering the business project. We're still as ambitious as ever when it comes to business, if not more so, but it has taken a lot of time and effort."* - General Manager - CaseFIR.

4.5. Patient family financial capital

The successor's entrepreneurial initiative required a new commitment from the family, which once again compromised additional family financial capital:

-*"We took the plunge and decided to buy the land without having any money or anything. I knew I had my business project."* - General Manager - CaseCAR.

-*"There was a severe crisis (…), and since there were hardly any orders, we had a lot of idle time and took advantage of it, making design and safety improvements and other* *innovations which, during periods of intense activity, we didn't have enough time for. (…) The family has always [financially] supported the company, even in this severe crisis (…). Although these years haven't been easy, the family has always supported the company's project."* - Non-family manager - CaseDRI.

-*"It was vital to develop a new business concept, a new firm… and this wouldn't have been possible if the family hadn't opted for responsible ownership at difficult times and taken risks to keep the firm and ensure the workers' jobs."* - CEO - CasePOL.

-*"All the firm's profits have gone back into the business, which is like our bank. We don't need that much to live off, and we lack for nothing, but it's a mindset, a culture centred on the business."* - CEO's mother - CaseSEA.

Finally, the entrepreneurial initiative has not only impacted the family nature in all the cases but also led to a natural renewal of the family ownership structure, including the successor and its generation. However, in two of the cases, CaseSEA and CaseCAR, the FF radically changed its ownership structure due to the entrepreneurial initiative. In CaseSEA, the investments needed to compete successfully in the new business area exceeded family resources, and so new investors entered into the company, gaining the majority of the capital. In CaseCAR, the FF broke up as the family patient social capital did not support the entrepreneurial initiative, resulting in constant conflicts, and eventually, only one of the families retained its ownership. In fact, the successor owns and leads the firm alone as the only member of the family. The family nature of the firm, nonetheless, remains in its values and mission.

4.6. Cross-case synthesis of familiness-associated resources throughout the entrepreneurial process

The comparative analysis across cases reveals some similarities and sources of divergence in how familiness-associated resources influence entrepreneurial processes across different cases. Meanwhile, the cross-case synthesis provides deeper insights into the common patterns and the variability of the phenomenon analysed.

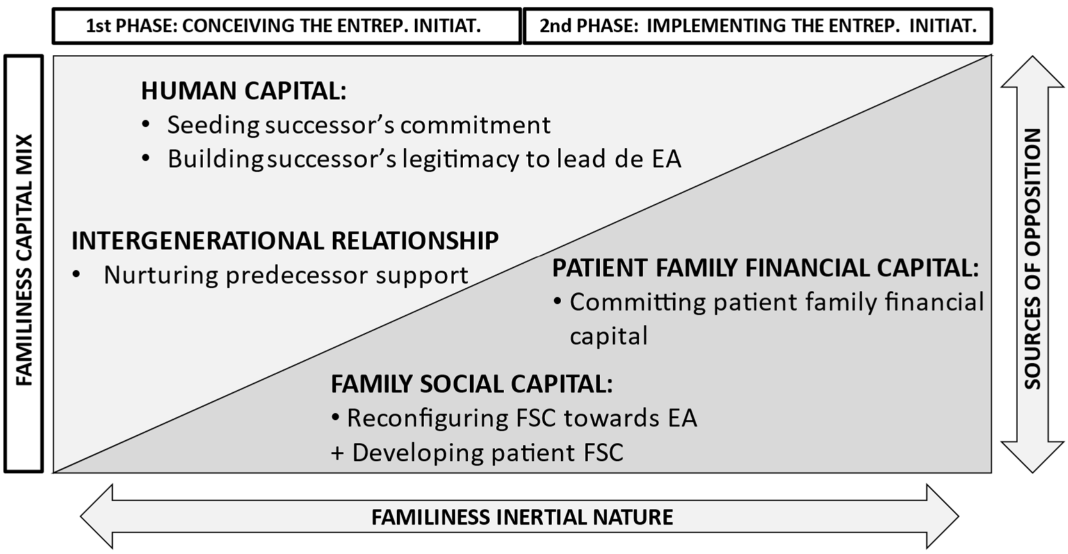
First, the cross-case analysis reveals that familiness mutates along the successor's entrepreneurial process. Specifically, two main temporal phases have been identified in all the cases. In the first phase, the successor envisions the entrepreneurial initiative as a project to be implemented. In the second phase, this vision becomes explicit and is implemented within the organisational context. In each phase, the importance of utilised resources related to timing varies. Notably, during the first phase, the successor's human capital serves as the cornerstone for his/her commitment to the firm, establishing his/her legitimacy to lead the family project and develop entrepreneurial initiatives. Social and financial capital resources play a key role in the second phase, where they are activated and readjusted to synchronise the successor and the family regarding the need for entrepreneurial initiative.

However, this common pattern is not homogeneous in all cases. The temporal phase can be longer or shorter, depending on the inertial nature of familiness and the need for some additional time or resources. This is clearly seen in CaseFIR, where most of the family members did not understand or share the successor's entrepreneurial vision but trusted the successor. In this case, patient family social capital development was required as the family needed time to adopt the new vision as its own and accept the changes involved in the entrepreneurial initiative (CaseFIR). The same is true at CaseDRI, where the successor had to insist on the family abandoning their lifelong business to pursue a new value proposition. In both processes, trust in the successor was a key factor, with additional time needed to regenerate the shared family vision. This inertia can be influenced by circumstances such as the company's survival being at stake. In such instances, all those involved in decision-making may readily support the successor's entrepreneurial initiative because it is related to a higher-order objective: ensuring the FF's survival. On the other hand, when the health of the business is not at risk, the successor's entrepreneurial initiative may be seen as an unnecessary change that could harm other interests. Thus, the inertia of familiness may be exacerbated by the emergence of ego threats, which are quite common in the context of FFs.

Second, the paper shows that a mix of familiness-related resources was operating in all the cases. Indeed, for transgenerational entrepreneurship to be successful, it is paramount to enhance family and organisational trust in the successor, alongside collaboration and other forms of social capital, and organisational commitment (Andersén, 2021). Several capabilities have been identified as critical for gradually establishing the context needed to successfully support and implement the successor's entrepreneurial process. Concerning the successor's human capital, firstly, it is necessary to cultivate his/her affective (CaseDRI) or normative (CaseFIR, CaseSEA) commitment to support the continuity of the FF; additionally, his/her legitimacy must be built based on purposeful managerial experience (e.g., CaseFIR, CaseDRI) and on his/her self-empowerment (CaseCAR, CaseFIR). Moreover, nurturing the predecessor's support for the successor leader is a relevant driver that reinforces the successor's human capital (CaseCAR, CaseDRI, for instance). In terms of family social capital, in all cases, it had to be reconfigured, revisiting family trust in the successor (CaseFIR) and nurturing a community of trust beyond the family (CaseDRI), leveraging entrepreneurial initiative rooted in family values (CaseFIR, CaseDRI, CaseCAR), weaving new family networks (CaseSEA, caseDRI), and opening up to non-family members (caseFIR, CaseDRI). Finally, in all instances, the new entrepreneurial initiative relied on the commitment of patient family financial capital.

Nevertheless, this mix of familiness-associated resources was not homogeneous, and the relevance of the different resources varied depending on the source of opposition that the successors' entrepreneurial initiative was facing. In this sense, the predecessor was opposed to the successor (CasePOL) as he/she did not trust his/her human capital. This lack of trust was compensated by the family's social capital, thanks to the support that the incumbent's offspring provided to the successor's leadership during the entrepreneurial process. Moreover, the cases show the varying importance of different dimensions of family social capital based on the source of opposition to the entrepreneurial initiative. For instance, in the cases where the opposition came from the family who failed to recognise the successor's proposed strategic renewal and where no other resources were activated, familiness could be in danger, as in CaseCAR where the project continues individually. Finally, the confluence of diverse sources of opposition, such as the workers' partial support regarding the entrepreneurial initiative and the demanding financial requirements of the new project (CaseSEA), was hardly compensated by the new family network. Indeed, the family nature of the FF was damaged and currently the firm is no longer a family project (CaseSEA). Figure 1 shows the temporal phases and mixes of familiness-related capital involved in transgenerational entrepreneurship, along with the sources of diversity.

Figure 1. Temporal phases and familiness-related capital across transgenerational entrepreneurship



Source: Own elaboration.

5. Discussion

This paper analyses five entrepreneurial processes carried out by successors in multigenerational FFs, studying how different family resources (human, social, and financial) influence the entrepreneurial initiatives developed by the successors and how those familiness-associated resources evolved during the transgenerational entrepreneurship process.

Alongside the temporal phase and the mix of resources associated with timing, the paper outlines sources of divergence, such as the inertial nature of timing and the sources of opposition, which, respectively, condition the variability of the temporal required and the balance between familiness-resources. The paper also points out the risks derived from familiness itself. If the family is not agile enough to be adapted to the successor's new project, familiness can operate as a liability instead of leveraging the entrepreneurial action. This effect is observed particularly when the family perceive the entrepreneurial action as a threat to the identity of the business and family instead of a vital endeavour for the company's survival. In these cases, the successor requires additional time and financial resources. Unless these additional resources are obtained, for example, in CaseSEA, or if the family (or part of it) is unwilling, or if the term to address the process is not extended, as in CaseCAR, the project, as shared by the family, may fail. CaseCAR exemplifies this issue, given that the part of the family that neither shares the vision nor trusts the successor ends up leaving the FF. Meanwhile, in CaseSEA, the patient family capital proves insufficient, leading them to bring in a new partner and lose the family majority.

5.1. Theoretical contributions

Our paper makes three theoretical contributions. First, we shed light on the process that leads to developing transgenerational entrepreneurship, identifying the way familiness-related resources and capabilities are produced and handed down by the successor, as found in Barros-Contreras et al. (2022) and Hernández-Linares and Arias-Abelaira (2022). In examining the strategic renewal of FFs in the context of family succession, we identify both the main temporal phase that encompasses the transgenerational entrepreneurship process as well as the resources and capabilities required to build alliances for renegotiating the FF's organisational goals and overcoming family inertia (Pittino et al., 2017). By providing not only cases of family agreement on the transgenerational entrepreneurship process but also cases of strategic dissent (Samba et al., 2018), we enrich the understanding of how transgenerational entrepreneurship is constructed, contributing to the emerging literature on the concept of entrepreneurial orientation in FFs (Hernández-Linares & López-Fernández, 2018). Our results align with Zellweger et al. (2019), who present the positive and negative sides of embeddedness in a family in terms of fostering entrepreneurial intentions and activities in the FF.

Second, we also contribute to the scarce analysis of the interplay between individual, team, and organisational levels (Randerson, 2016) in the entrepreneurial initiative (Zellweger et al., 2019), adopting a social constructivist approach to pinpoint the family capabilities employed to increase the commitment of the family and organisation members towards transgenerational entrepreneurship (Mahto et al., 2020). Therefore, we contribute to the scarcely researched topic of coordinating competitive resources, such as human and social capital, and their interrelationship with the entrepreneurial orientation and innovative capacity of the firms (e.g., Andersén, 2021; Capolupo et al., 2023; Campopiano et al., 2020b; Collins, 2021; Pittino et al., 2017; Rodrigo-Alarcón et al., 2018).

Finally, the results offer empirical support and highlight the crucial role of leaders' managerial capabilities (e.g., Collins, 2021; Issah et al., 2023). We focus on the role played by successors in FF leadership positions, and, in line with Pittino et al. (2017), we show the importance of successors' human capital (personality traits and motivations) for developing innovative strategies. In addition, we demonstrate the relevance of other types of resources (social and financial) in supporting the development of a successor's human capital and, ultimately, his/her entrepreneurial initiatives. Therefore, we contribute to the literature on top-management leaders' dynamic managerial capabilities –managerial cognition, human, and social capital- that motivate organisational members to support entrepreneurial ventures and renewal of organisational goals. These issues are especially relevant to be studied in the specific context of FFs.

5.2. Practical contributions

The paper identifies six critical capabilities to support the successor's entrepreneurial ventures in FFs (seeding the successor's commitment, building his/her legitimacy, nurturing the predecessor's support, reconfiguring family social capital towards the new ventures, developing patient family social capital, and committing patient family financial capital). From a practical point of view, assessing their supportive role in transgenerational entrepreneurship within FFs can be helpful for successors when navigating strategic renewal.

Furthermore, regarding the processes of selecting and training leaders, particularly next-generation leaders in FFs, it is essential to find the appropriate configuration of human capital (training, personality traits, commitment, and motivation) and social context (trust, values, and relational networks). This configuration must be flexible and evolve coherently to support the development of entrepreneurial initiatives.

Finally, adequate governance processes should be put in place to ensure the optimal configuration of management teams in terms of family and non-family participation. When it comes to family involvement, actions in the field of family governance (e.g., family councils and family protocols) would allow family influence to generate resources and capabilities of distinctive familiness. These lessons aim to increase the degree of identification and commitment to the FF as well as its entrepreneurial development.

5.3. Limitations and future research

The qualitative methodology used in this work has been deemed adequate for investigating the phenomenon of entrepreneurial activity and entrepreneurial orientation, exploring its context and a key event related to this context, namely the change in the leadership of companies (e.g., Miller, 2011). Nonetheless, a first limitation is that, although the aim of this study was not to generalise the results obtained, we acknowledge that the number of the cases analysed (five) is not representative, and none of the participants (17 interviewees) were selected randomly. Second, the longitudinal approach could be enhanced by analysing the successive entrepreneurial actions that a successor launches during his/her leadership to determine whether inertia or fatigue can erode the resources involved in familiness. This longitudinal approach would be particularly useful for encouraging the exploration of the dynamic nature of familiness and its impact over time. Third, different perspectives of employees (blue collar versus white collar, workers across generations, among others) could expand the findings of this paper by considering their specific role in entrepreneurial actions. Also, the social capital perspective could be enriched by examining the alliances and cooperation of FFs with other stakeholders, such as suppliers and customers, which could enhance the resources and capabilities available for pursuing innovation strategies (e.g., Priede-Bergamini et al., 2020). Taking advantage of the theoretical advances in the field of organisational behaviour, such as those related to leadership styles, power dynamics, or conflict management, would be helpful in all these endeavours. The results of this paper indicate the importance of these aspects, and it would be advisable to treat them explicitly. Finally, studying other geographical contexts with different cultures regarding risk and entrepreneurship could add new insights to our findings (e.g., Yildirim-Öktem et al., 2023).

Author contribution statement

The authors contributed equally to the work.

Conflict of interest statement

Declaration of interest: none.

Ethical statement

The authors confirm that informed consent was obtained from all participants involved.

The authors confirm that data collection for the research was conducted anonymously and there was not possibility of identifying the participants.

Declaration on the use of generative AI in the writing process

The authors have not used generative AI.

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Generational Attitudes in SME Family Hotels: Practical Implications for Employer Brand Profiles

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Abstract The hospitality workforce is characterized by various generations working together, who share different values and expectations towards their employer. The purpose of the study was to examine which attitudes differentiate Generations X, Y and Z employed in SME family hotels. A quantitative method using an online questionnaire was used to collect data from former and present employees in the Austrian hospitality industry. In this context, an eight-dimensional model derived from a systematic literature review, was tested. The results of the study illustrate that Generations X, Y and Z differ significantly in their attitude towards work ethic and values, career opportunities, task attractiveness, and instrumental and symbolic characteristics. As practical implications, we created employee personas to represent the values and expectations of each generation working in SME family hotels.

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Actitudes generacionales en los pequeños y medianos hoteles familiares: implicaciones prácticas para determinar el perfil de la marca de empleador

Resumen El sector de la hostelería se caracteriza por la coexistencia de varias generaciones entre su personal, que comparten valores y expectativas diferentes con respecto a su empleador. El objetivo del estudio es examinar qué actitudes diferencian a las generaciones X, Y y Z empleadas en pequeños y medianos hoteles familiares. Con la utilización de una metodología cuantitativa y datos procedentes de un cuestionario online se han recopilado datos de antiguos y actuales empleados y empleadas del sector hostelero austriaco. En este contexto, se puso a prueba un modelo de ocho dimensiones derivado de una revisión sistemática de la literatura. Los resultados del estudio muestran que las generaciones X, Y y Z difieren significativamente en su actitud hacia la ética y los valores laborales, las oportunidades profesionales, el atractivo de las tareas y las características instrumentales y simbólicas. Como implicaciones prácticas, los resultados señalan que las personas empleadas representan los valores y expectativas de cada generación que trabaja en pequeños y medianos hoteles familiares.

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1. Introduction

In recent years, the workforce landscape has evolved significantly, with new generations entering and older employees retiring, a trend evident in the tourism industry, including family-run hotels (Gursoy et al., 2013; Hayes et al., 2018). As a result, the working environment is currently characterized by a multi-generational structure, where different generations are working side by side (Glass, 2007; Hayes et al., 2018; Heo et al., 2018). This leads to numerous opportunities but also challenges for companies, since each generation has unique values, characteristics and capabilities (Anderson et al., 2017; Becton et al., 2014; Bujan, 2020; Gursoy et al., 2013; Ismail et al., 2018). Understanding these generational nuances is crucial for individuals involved in family-run hotels and businesses in the tourism industry to optimize their workforce management (Barron et al., 2014; Goh & Lee, 2018; Heo et al., 2018). Moreover, the job market in the tourism industry is experiencing a decline with a notable high fluctuation rate. This underscores the importance of specifically addressing the needs of new employees in order to navigate these challenges effectively (Goh & Okumus, 2020; Heo et al., 2018).

Currently, Generation X, Generation Y and Generation Z represent the three largest generational cohorts of the hospitality industry workforce (Self et al., 2019) and have different motivations regarding their employment (Kim et al., 2016). Thus, the individual motivations, work values and the engagement differ between those generations (King et al., 2017; Park & Gursoy, 2012; Winter & Jackson, 2016). Therefore, it is a challenge for both family-run and non-family businesses in the industry to be an attractive employer for each of these generations (Arijs et al., 2018). By understanding the values and attitudes of different generations, businesses are able to improve the work atmosphere and employee motivation through targeted activities. The needs of the different employees can thus, be better evaluated and their work performance can be improved (Costanza et al., 2016; Gursoy et al., 2013; Smola & Sutton, 2002). In addition, companies also have to consider the generational differences of the workforce, to establish an employer brand (Alnıaçık & Alnıaçık, 2012). Accordingly, it can be assumed, that the age of the employees is a significant criterion of differentiation and is just as important as their culture and gender (Gursoy et al., 2008; Wong et al., 2017). As a result, it is essential, that companies focus on a generationally conscious approach, when recruiting and retaining employees (Lub et al., 2012; Murray & Ayoun, 2011). Especially in the hotel industry, where human interactions are significant and where here the service space is a critical component of the customer experience, it is even more important to address employees according to their generation and meet their expectations at the workplace (Barron et al., 2014; Chi et al., 2013; Goh et al., 2017; Penny-Wan et al., 2014). Given that hospitality employees essentially embody the brand to the public, it is imperative for companies to understand and leverage the motivating factors that resonate with their staff (King et al., 2017; Konu et al., 2020; Solnet et al., 2016). For family-run establishments, acknowledging and integrating the diverse values and characteristics of each generation is key to creating a harmonious and productive working environment (Babin et al., 2017; Deery & Jago, 2015; Frye et al., 2020; Konu et al., 2020). By recognizing and catering to these generational dynamics, hotels can enhance employee engagement, satisfaction, and ultimately, the quality of service delivered within the service space (Ismail et al., 2015). This approach aligns with the principles of service marketing (Berry & Parasuraman, 1991; Kandampully & Solnet, 2018; Palmer, 2014;), where the intangible and inseparable nature of services necessitates a deep understanding of employee motivations and their impact on brand perception.

Internal marketing strategies play a crucial role in shaping and projecting the external employer brand in service companies, particularly within the hospitality industry (Zeithaml et al., 1996). This involves ensuring that employees, serving as brand ambassadors, understand and embody the core values and mission of the brand and are more likely to reflect these values in their direct interactions with customers when delivering the service (Byju, 2013). And engaged and satisfied employees are more likely to deliver exceptional high-quality services, which positively impact the reputation of the employer brand (Tsai & Tang, 2008).

Therefore, a significant focus for family businesses in the hospitality sector is on adopting a generationally conscious approach in their recruitment and retention strategies. This approach ensures that the unique needs of different generational groups are met, fostering a workplace where all employees, irrespective of their age, feel valued and engaged (Gursoy et al., 2013). Thus, to identify the differing attitudes of Generations X, Y, and Z employed in SME family hotels and to understand how these differences can be effectively managed in the unique context of family business operations, we pose the following research question: *Which attitudes differentiate Generations X, Y and Z employed in SME family hotels?*

2. Theoretical Foundation and Hypotheses Development

2.1 Employer branding and generational attractiveness in family businesses

In today's competitive marketplace, corporate branding is essential for competitive advantage, enhancing recruitment, employee retention, and productivity (Ahmad & Daud, 2016; Aldousari et al., 2017; Balmer & Gray, 2003; Fernandez-Lores et al., 2016; Lievens & Slaughter, 2016; Mölk & Auer, 2018; Sullivan, 2004; Theurer et al., 2018; Tkalac Verčič, 2021). Employer branding is crucial for attracting and retaining talent (Alnıaçık & Alnıaçık, 2012; Backhaus & Tikoo, 2004; Berthon et al., 2005; Chhabra & Sharma, 2014; Maxwell & Knox, 2009; Moroko & Uncles, 2008). The brand image, which is a combination of both tangible and intangible attributes such as pay, job security, innovativeness, and prestige, is conceptualized within the instrumental-symbolic framework (Arijs et al., 2018; Lievens & Highhouse, 2003; Lievens et al., 2007).

Facing a skilled worker shortage, companies are focusing on enhancing their employer brand and attractiveness (Baum & Kabst, 2013; Berthon et al., 2005; Chapman et al., 2005; Chhabra & Sharma, 2014). Employer attractiveness, as defined by Berthon et al. (2005), is the perceived benefits of working for a specific organization. A study by Baum and Kabst (2013) highlights the importance of factors like working atmosphere, career opportunities, and work-life comfort in shaping employer attractiveness and influencing job application intentions. However, preferences for organizational characteristics vary across generations, indicating that the desirable attributes of an employer evolve with the employees' age (Alnıaçık & Alnıaçık, 2012; Chhabra & Sharma, 2014).

With a focus on family businesses, recent studies highlight that both instrumental and symbolic attributes significantly influence employer attractiveness across generations (Botero, 2014; Danler & Zehrer, 2017; Hauswald et al., 2016; Lievens et al., 2007). The concept of 'familiness' and the identity of being a family business are seen as competitive advantages, affecting the company's success and its public image (Covin, 1994; Krappe et al., 2011; Moreno-Menéndez et al., 2021; Zellweger et al., 2010, 2012). Family businesses are generally perceived as more sustainable, long-term oriented, and fairer than non-family firms, yet also as less flexible and more stagnant. The impact of these perceptions on the decision-making processes of potential job applicants, particularly in relation to different generations, is an emerging area of interest, indicating a need for further research in understanding how family business identity influences employer branding and attractiveness from both consumer and employee perspectives (Babin et al., 2017).

2.2 Hypotheses development

According to the literature, Generations X and Y are similar in their intention to work in SME hotels in general. For these two generations, the hotel industry is not seen as a privileged sector, as highlighted by Chen and Choi (2008), Kim et al. (2016), and Lub et al. (2012). This perspective likely stems from their shared experiences and socio-economic influences during their formative professional years.

In contrast, Generation Z perceives the hotel industry very positively, as demonstrated by Goh and Okumus (2020) and Self et al. (2019). This generation particularly values the interaction with people, the varied work tasks, and the travel opportunities, which are aspects further supported by Goh and Lee (2018) and Goh and Okumus (2020). Such positive attitudes suggest that Generation Z might be seeing and experiencing the hospitality sector through a different lens compared to their predecessors.

Hypothesis 1 (H1). *The attitude towards intention to work in SME family hotels differs between Generations X, Y and Z.*

With regard to loyalty, it is observed that none of the three generations exhibit a strong allegiance to their employer. However, literature suggests that Generations X and Z demonstrate a relatively higher degree of loyalty compared to Generation Y, as outlined in studies by Berkup (2014), Chillakuri and Mahanandia (2018), Gursoy et al. (2008), and Park and Gursoy (2012). Factors such as respectful treatment (Goh & Okumus, 2020; Ozkan & Solmaz, 2015), job security (Kim et al., 2016; Lub et al., 2012; Ozkan & Solmaz, 2015), and a certain degree of autonomy in the workplace are valued across all generations (Berkup, 2014; Brown et al., 2015; Chen & Choi, 2008).

Additionally, the inclination to multitask and a pronounced emphasis on technology usage are characteristics that distinguish the younger generations (Generations Y and Z) from the older ones (Generation X), as highlighted by Berkup (2014), Chillakuri and Mahanandia (2018), and Self et al. (2019). Therefore, the following hypothesis will be tested:

Hypothesis 2 (H2). *The attitude towards work ethic and values differs between Generations X, Y and Z employed in SME family hotels.*

Generations Y and Z are found to prefer teamwork, as supported by findings from Goh and

Okumus (2020), Kim et al. (2016), and Ozkan and Solmaz (2015). In contrast, Generation X tends to favor working independently, a preference documented by Gursoy et al. (2008). All three generations value a close contact with management and a friendly workplace atmosphere, evidenced by studies from Glass (2007), Gursoy et al. (2008), Schroth (2019), Chen and Choi (2008), Chi et al. (2013), Kong et al. (2015, 2018), and Park and Gursoy (2012). Yet, it is the younger generations, particularly Generations Y and Z, who particularly seek out more frequent interaction and regular feedback from management, as highlighted by Glass (2007), Ozkan and Solmaz (2015), and Schroth (2019).
Additionally, differences in work communication styles are evident among the three generations, as detailed by Berkup (2014), Glass (2007), Schroth (2019), and Stewart et al. (2017). Therefore, the following hypothesis will be tested:

***Hypothesis 3 (H3)**. The attitude towards work atmosphere differs between Generations X, Y and Z employed in SME family hotels.*

Various training and development opportunities are highly valued across all three generations, as evidenced by studies from Berkup (2014), Chi et al. (2013), Goh and Lee (2018), and Kong et al. (2015, 2018). Similarly, all generations appreciate recognition of their achievements, a sentiment supported by research from Brown et al. (2015), Glass (2007), Goh and Lee (2018), Gursoy et al. (2008), and Kim et al. (2016).
However, there are notable differences in how each generation views recognition and rewards. Generations X and Y, in particular, show a strong desire for recognition and tangible rewards, as documented by Barron et al. (2014), Brown et al. (2015), Glass (2007), and Gursoy et al. (2013). On the other hand, Generation Z is characterized by a distinct performance orientation and a drive for continuous growth and achievement, as found in studies by Goh and Lee (2018) and Schroth (2019). Based on these differences, the following hypothesis emerges:

***Hypothesis 4 (H4)**. The attitude towards career opportunities differs between Generations X, Y and Z employed in SME family hotels.*

The literature highlights that both Generations X and Y place a high value on maintaining a good balance between their professional and personal lives. Studies such as those by Barron et al. (2007), Brown et al. (2015), Cennamo and Gardner (2008), Chen and Choi (2008), Glass (2007), and Lub et al. (2012) all suggest that these generations prioritize personal goals over work-related ones, indicating a preference for jobs that allow for flexibility and time for personal pursuits. In contrast, Generation Z appears to have a different approach to work-life balance. Unlike their predecessors, this generation does not prioritize a strict separation between professional and private life. According to Iorgulescu (2016) and Schroth (2019), Generation Z is characterized by a willingness to invest more time and effort into their work, driven perhaps by different economic conditions or career aspirations that favor job security and career progression over immediate work-life balance. Thus, the following hypothesis is derived:

***Hypothesis 5 (H5)**. The attitude towards work-life balance differs between Generations X, Y and Z employed in SME family hotels.*

Fulfillment emerges as a critical factor influencing the attractiveness of work tasks, as emphasized by Brown et al. (2015), Chillakuri and Mahanandia (2018), and Kim et al. (2016). The desire for fulfilling work transcends across all generational lines, highlighting its universal appeal as a motivator. Moreover, different generations also share a common desire for achievement, challenge, and variety in their professional roles. This is supported by literature from Brown et al. (2015), Chen and Choi (2008), Goh and Lee (2018), and Ozkan and Solmaz (2015), which suggests that these factors significantly contribute to job satisfaction and employee retention. The following hypothesis should provide further insights:

***Hypothesis 6 (H6)**. The attitude towards attractiveness of tasks differs between Generations X, Y and Z employed in SME family hotels.*

Regarding salary expectations, literature indicates that Generations X and Y value adequate compensation for their work, as demonstrated by studies from Chen and Choi (2008) and Kim et al. (2016). However, these generations also show a willingness to prioritize work-life balance over high pay. For instance, Glass (2007) and Kim et al. (2016) found that these individuals are open to accepting lower-paying jobs if such positions offer greater flexibility and a better balance between their personal and professional lives.
In contrast, members of Generation Z, who are at the outset of their careers, typically have lower salary demands. According to Iorgulescu (2016), this generation's current focus may not be on achieving high income immediately but rather on opportunities for learning and growth that can later translate into career advancement. Based on the findings from the literature, the following hypothesis is derived:

***Hypothesis 7 (H7)**. The attitude towards attractive income differs between Generations X, Y and Z employed in SME family hotels.*

Moreover, Lievens and Highhouse (2003) evaluate the perception of instrumental and symbolic characteristics of the employer image between the different generations. Based on this evaluation, the following hypothesis is derived:

***Hypothesis 8 (H8)**. Generations X, Y and Z have different views on the attractiveness of an employer brand, based on instrumental and symbolic characteristics.*

3. Methodology

In accordance with the methodology employed in analogous studies (Brown et al., 2015; Cennamo & Gardner, 2008; King et al., 2017; Richardson & Thomas, 2012), this study adopted a quantitative approach and utilized a standardized online questionnaire as its primary survey instrument, hosted on the EFS Survey platform by Questback (Questback, 2021). Participants, comprising current and former employees in family-run hotel businesses, were asked about eight dimensions related to their employment. These dimensions, comprising between four to twelve items, were derived from literature and existing studies on generational differences in the workplace (Häder, 2022). The following validated item batteries were used in order to test the dimensions: intention to work in SME family hotels (Arijs et. al, 2018), work ethic and values (Lub et. al, 2012), working atmospehre (Baum & Kabst, 2013), career opportunities (Baum & Kabst, 2013), work-life balance (Gursoy et. al, 2013), task attractiveness (Lub et. al, 2012), income attractiveness (Baum & Kabst, 2013), and instrumental and symbolic employer brand characteristics (Lievens & Highhouse, 2003).

The questionnaire was structured in three sections. The first part determined the employment status (current or former) in family-owned hotels, the size of the hotel, country, and department, using nominal scales. The second section assessed the eight dimensions on a five-point Likert scale, ranging from ‘strongly disagree’ to ‘strongly agree’. This ordinal scale approach was chosen to gauge the intensity of each attribute (Häder, 2022). The final section gathered demographic information such as gender, education level, and age, categorized into Generations X, Y, and Z, using nominal and ordinal scales.

The survey was distributed through social media channels and direct email to various Austrian family-owned hotels, primarily reaching industry professionals from Austria, Italy, and Germany. The target population consisted of SME employees in the Austrian hotel industry, born between 1981 and 2002. A total of 226 participants (n = 226) completed the survey. The completion rate, which corresponds to the proportion of completed questionnaires in the adjusted sample, is 42.34 percent. A total of 68.6 percent of the respondents were female and 31.4 percent male. In terms of the different generations, 23.5 percent of the participants are assigned to Generation X (born between 1965 and 1980), which corresponds to 53 participants. 22.1 percent of the participants are allocated to Generation Y (born between 1981 and 1994), which corresponds to 50 participants. The largest number of participants can be attributed to Generation Z (born between 1995 and 2002) with 54.4 percent, which corresponds to 123 participants.

4. Study Results

The data was analyzed utilizing the statistics and analysis software SPSS. To evaluate the generational differences of the three generations, a multivariate analysis of variance (MANOVA) was conducted (Lub et al., 2012) for each of the eight dimensions. Regarding the multivariate tests, the Wilke’ lambda statistic was chosen for the interpretation of the result. This statistic is considered as a good compromise between the four given statistics and provides credible results, independent of the data (Ateş et al., 2019). The significance level of the values is $p < .05$. This analysis is followed by a post-hoc univariate analysis of variance (ANOVA), in order to evaluate the significant differences between the generations in the individual dimensions more precisely (Chen & Choi, 2008; Gursoy et al., 2013). Thereby, a significance level of $p < .05$ was assumed. For the pairwise comparison between the individual generations, a Tukey’s Honestly Significant Difference (HSD) post-hoc test is subsequently performed for each dimension. Also, for this evaluation, the mean difference is significant at the .05 level. The affected values are marked with an asterisk in the respective statistics. This test has already been used in similar studies investigating generational differences and is therefore appropriate for the present paper (Cennamo & Gardner, 2008; Chen & Choi, 2008; Gursoy et al., 2013).

4.1. Intention to work in SME family hotels

As assessed by Levene’s test, the dimension intention to work in SME hotels shows homogeneity of the error variances based on mean for all items ($p > .05$), except the item “I find that the hotel industry has a good employer image”. In addition, there was homogeneity of covariances,

as assessed by Box's test ($p > .001$). The one-way MANOVA found no statistically significant differences between the generations on their intention to work in SME hotels, $F(14, 434) = 1.372$, $p = .163$, partial $\eta^2 = .042$, Wilk's $\Lambda = .917$.
In summary and based on the statistical analysis, H1 is not confirmed with regard to the dimension intention to work in SME hotels. This means, that there is no significant difference between Generations X, Y and Z regarding their attitude towards the intention to work in SME hotels.

a. Work ethic and values
The dimension of work ethic and values, as indicated by Levene's test, shows homogeneity of error variances for most items ($p > .05$), except for the item emphasizing personal values alignment with the company's values. However, Box's test ($p < .001$) indicates a lack of homogeneity of covariances, suggesting significant generational differences in this dimension. The one-way MANOVA supports this, revealing significant differences between generations in attitudes towards work ethic and values, $F(24, 424) = 1.924$, $p = .006$, partial $\eta^2 = .098$, Wilk's $\Lambda = .813$.
Post-hoc tests from univariate ANOVAs show significant generational differences in specific items: 'My acceptance of bureaucracy and rules at work is low', 'I am loyal and therefore find it difficult to change jobs', and 'I would describe myself as self-confident', with respective F values of 4.050 ($p = .019$), 5.032 ($p = .007$), and 3.412 ($p = .035$). Tukey HSD tests reveal significant differences between Generation X and Generations Y and Z in these items, particularly highlighting Generation X's lower acceptance of bureaucracy and higher loyalty and self-confidence compared to younger generations.
Descriptive statistics further underscore these findings. For example, Generation X reports lower acceptance of bureaucracy (mean 2.85) compared to Generation Y (mean 2.22) and Generation Z (mean 2.36), and higher loyalty and self-confidence than Generation Z, with means of 3.96 versus 3.41 for loyalty and 4.40 versus 4.02 for self-confidence.
In conclusion, based on these statistical analyses, H2 is confirmed, establishing a significant difference between Generations X, Y, and Z in their attitudes towards work ethic and values.

b. Work atmosphere
Levene's test revealed no homogeneity of error variances for the work atmosphere dimension across most items ($p < .05$), except for two items related to teamwork preference and SMS/WhatsApp communication. Box's test ($p < .001$) also indicated no homogeneity of covariances. Consequently, a significant generational difference in work atmosphere attitudes was confirmed, as evidenced by the one-way MANOVA results, $F(20, 428) = 2.810$, $p = .001$, partial $\eta^2 = .116$, Wilk's $\Lambda = .781$.
Post-hoc analysis of the univariate ANOVAs identified significant generational differences in four items related to work atmosphere. These include perceptions of bonding with the entrepreneurial family, $F(2.223) = 6.592$, $p = .002$; importance of support in everyday work problems, $F(2.223) = 7.112$, $p = .001$; preference for personal or telephonic conversations over emails, $F(2.223) = 5.932$, $p = .003$; and suitability of social media for company communication, $F(2.223) = 4.898$, $p = .008$. Tukey HSD tests showed significant differences in these aspects particularly between Generations X and Z.
Further analysis of descriptive statistics highlighted that Generation X feels a stronger bond with the entrepreneurial family and prefers personal conversations or phone calls more than Generations Y and Z. Generations Y and Z, in comparison, showed a lesser preference for support in work problems and use of social media for company communication than Generation X. These findings suggest notable variations in work atmosphere preferences and communication styles among different generational cohorts.
In summary and based on the statistical analysis, H3 is confirmed with regard to the dimension of work atmosphere. This implies a significant difference between Generations X, Y and Z regarding their attitude toward the work atmosphere.

c. Career opportunities
As assessed by Levene's test, the dimension career opportunities show no homogeneity of the error variances based on mean for all items ($p < .05$). In addition, there was no homogeneity of covariances, as assessed by Box's test ($p < .001$) and the one-way MANOVA found no statistically significant differences between the generations and their attitudes towards career opportunities, $F(14, 434) = 1.505$, $p = .105$, partial $\eta^2 = .046$, Wilk's $\Lambda = .910$.
In summary and based on the statistical analysis, H4 is refuted with regard to the dimension career opportunities. This means, that there is no significant difference between Generations X, Y and Z regarding their attitude towards career opportunities.

d. Work-life balance
As assessed by Levene's test, the dimension work-life balance shows homogeneity of the error variances based on mean for all items ($p > .05$), except the item "I am willing to work hard and accept overtime". In addition, there was homogeneity of covariances, as assessed by Box's

test ($p > .001$). The one-way MANOVA found no statistically significant differences between the generations on their attitude towards work-life balance, $F(10, 438) = 1.556$, $p = .117$, partial $\eta^2 = .034$, Wilk's $\Lambda = .933$.
In summary and based on the statistical analysis, H5 is not confirmed with regard to the dimension work-life balance. This means, that there is no significant difference between Generations X, Y and Z regarding their attitude towards work-life balance.

e. Attractiveness of tasks
Levene's test showed no homogeneity of error variances for the attractiveness of tasks dimension across most items ($p < .05$), with an exception for the item related to feeling connected to work tasks. Box's test ($p < .001$) also found no homogeneity of covariances. Consequently, a significant generational difference in attitudes towards task attractiveness was evident, as confirmed by the one-way MANOVA, $F(16, 432) = 1.676$, $p = .048$, partial $\eta^2 = .058$, Wilk's $\Lambda = .887$.
Post-hoc univariate ANOVAs identified significant differences between generations in valuing challenging work tasks, $F(2.223) = 3.417$, $p = .035$, and feeling connected to work tasks, $F(2.223) = 4.661$, $p = .010$. Tukey HSD tests showed significant differences between Generations X and Z for both items, with Generation X placing higher importance on challenging tasks and feeling connected to work.
Descriptive statistics further revealed that Generation X, compared to Generation Z, places significantly more importance on the challenge and connection to their work tasks, with means of 4.30 vs. 3.99 and 4.64 vs. 4.22, respectively. This indicates a stronger preference in Generation X for engagement with their tasks. Thus, H6 is confirmed, indicating a significant difference between Generations X, Y, and Z regarding their attitudes towards the attractiveness of tasks.

f. Attractive income
The dimension attractive income shows homogeneity of the error variances based on mean for all items ($p > .05$), except the item "Good payment is important to me", as assessed by Levene's test. As shown by Box's test ($p > .001$), there was homogeneity of covariances. The one-way MANOVA found no statistically significant differences between the generations on their attitude towards an attractive income, $F(8, 440) = .742$, $p = .654$, partial $\eta^2 = .013$, Wilk's $\Lambda = .974$.
In summary and based on the statistical analysis, H7 is not confirmed with regard to the dimension attractive income. This means, that there is no significant difference between Generations X, Y and Z regarding their attitude towards attractive income.

g. Instrumental and symbolic characteristics
Levene's test indicated homogeneity of error variances for most items in the dimension of instrumental and symbolic characteristics ($p > .05$), with an exception for the item on the influence of social and team activities. However, Box's test ($p < .001$) showed no homogeneity of covariances. Consequently, a significant generational difference in attitudes towards instrumental and symbolic characteristics was confirmed by the one-way MANOVA, $F(16, 432) = 1.763$, $p = .034$, partial $\eta^2 = .061$, Wilk's $\Lambda = .881$.
Univariate ANOVAs revealed significant differences between generations in two key items: the influence of social and team activities, $F(2.223) = 4.220$, $p = .016$, and the importance of cultivation and sustainability, $F(2.223) = 7.538$, $p = .001$. Tukey HSD tests showed significant disparities between Generations Y and Z in valuing social and team activities, and between Generation X and both Generations Y and Z in prioritizing cultivation and sustainability.
Further analysis of descriptive statistics highlighted that Generation Z values social and team activities more (mean 3.93) than Generation Y (mean 3.22), and Generation X places higher importance on cultivation and sustainability (mean 3.94) compared to Generations Y (mean 3.12) and Z (mean 3.51).
In conclusion, the statistical analysis confirms H8, establishing significant differences between Generations X, Y, and Z in their attitudes towards instrumental and symbolic characteristics.

5. Discussion

This study addressed the question, "*Which attitudes differentiate Generations X, Y, and Z employed in SME family hotels?*" and found significant generational differences in attitudes towards work ethic and values, career opportunities, task attractiveness, and instrumental and symbolic characteristics.
In the realm of work ethic and values, Generation X exhibited lower acceptance of bureaucracy than Generations Y and Z, aligning with literature that portrays Generation Y as rule-questioning and both Y and Z valuing individuality (Chillakuri & Mahanandia, 2018; Gursoy et al., 2008). The overall low mean response to bureaucracy across generations indicates a general trend towards disagreement or neutrality. Regarding loyalty, our findings support Lub et al. (2012), showing Generation X as more loyal than Y and Z, contrary to views of Generation Z's loyalty (Chillakuri & Mahanandia, 2018; Park & Gursoy, 2012; Self et

al., 2019). The study also substantiates the literature's indications of Generation Z's diminished self-confidence, a characteristic attributed to less work experience, especially in more demanding and challenging situations (Goh & Lee, 2018; Schroth, 2019).

Concerning career opportunities, an interesting finding was Generation X's higher valuation of mentoring programs, traditionally associated with Generation Y (Cennamo & Gardner, 2008; Chen & Choi, 2008). This suggests a universal need for mentorship irrespective of age. However, Generation X seems more receptive to such programs. Contrary to expectations, Generation Y demonstrated a lower demand for feedback compared to other generations, possibly reflecting their desire for autonomy and confidence in the workplace (Barron et al., 2007; Brown et al., 2015; Glass, 2007; Gursoy et al., 2008; Kim et al., 2016; Ozkan & Solmaz, 2015).

In task attractiveness, Generation X placed more importance on challenging tasks and connection to work, resonating with the literature highlighting their pursuit of achievement and fulfillment (Chen & Choi, 2008; Kim et al., 2016). Conversely, for Generation Z, aspects like technology and dynamism are more pivotal (Goh & Lee, 2018; Ozkan & Solmaz, 2015).

Lastly, in the dimension of instrumental and symbolic characteristics, Generation Z showed a higher preference for social and team activities than Generation Y. Meanwhile, Generation X was more influenced by an employer's cultivation and sustainability practices than the younger generations, underlining distinct generational preferences.

6. Conclusions

This study underscores significant generational differences in work-related attitudes within SME family hotels, emphasizing the importance of tailored and generation-specific strategies for effective employer branding and operational management. Understanding nuanced differences in work ethics, values, and preferences among Generations X, Y, and Z is crucial for attracting and retaining a diverse workforce in family-owned hospitality businesses. Implementation of such insights can contribute to the development of more targeted and inclusive approaches to human resource practices in the dynamic landscape of family-owned businesses in the hospitality sector.

However, the research faced limitations, primarily due to its timing during the spring of 2021 amidst the Covid-19 pandemic. The sample size was constrained as many hotels were preparing to reopen after prolonged closures, affecting participation rates (Alnıaçık & Alnıaçık, 2012; Baum & Kabst, 2013; Chhabra & Sharma, 2014; Gursoy et al., 2013; Maxwell et al., 2010). This also led to the fact that convenience sampling had to be applied by directly contacting some hotels, which distributed the questionnaire to employees, but also by directly contacting employees. Of course, this is a limitation. Also the uneven generational distribution and lack of differentiation by gender, education, or department, suggests that the findings should be interpreted with caution. The study's focus was mainly on comparing generational differences across eight dimensions without delving deeply into each aspect.

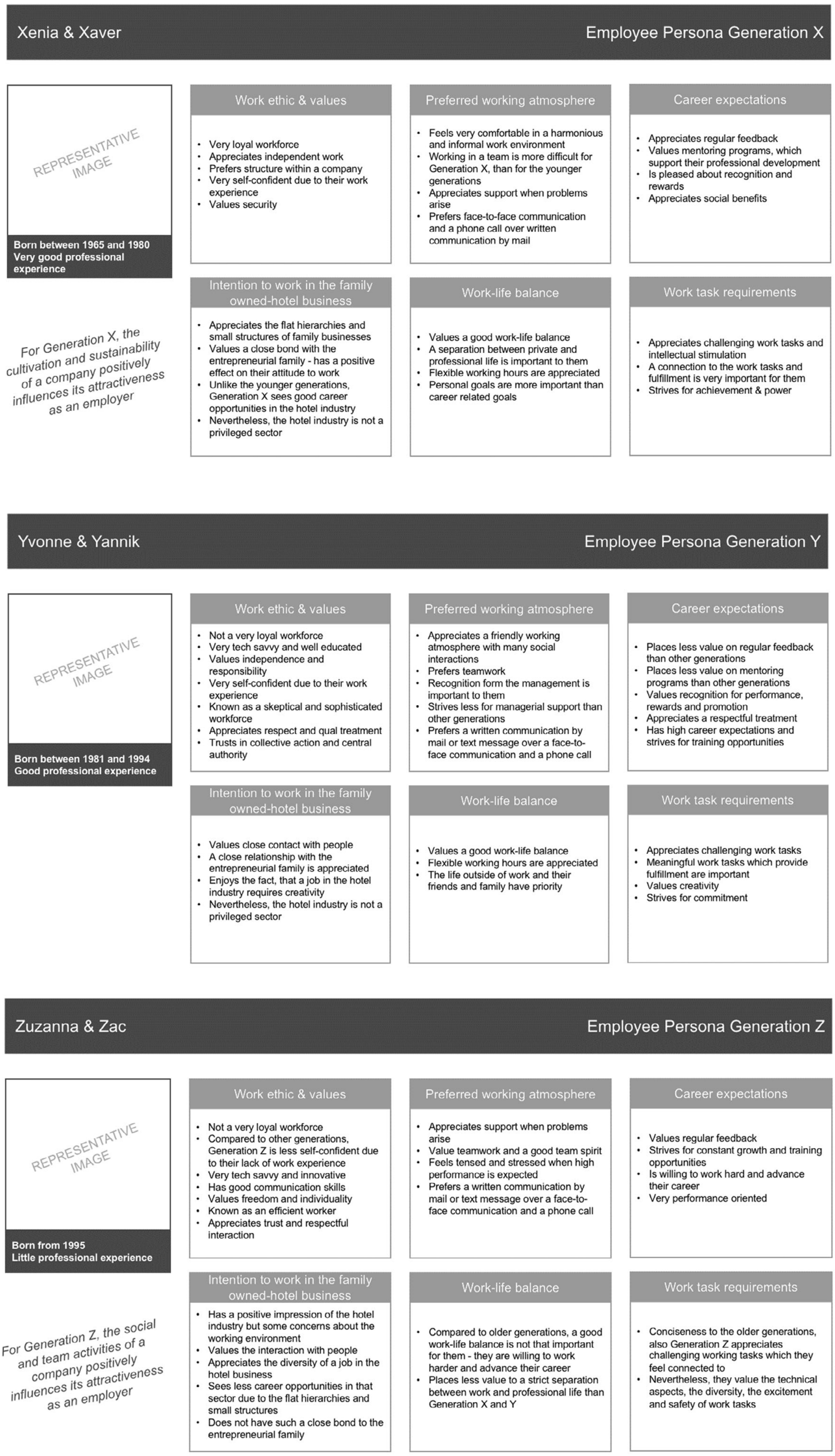
Future research must continue to explore generational differences in SME hotels, particularly considering the dynamic nature of workforce demographics and the evolving societal contexts. Future studies should aim for more comprehensive analyses, including deeper dives into the distinctions among generations and the inclusion of more diverse sociodemographic variables such as gender. Expanding the research to include different countries and comparing family-run with non-family-run hotels could provide broader insights into generational attitudes and values (Alnıaçık & Alnıaçık, 2012; Baum & Kabst, 2013; Chhabra & Sharma, 2014; Gursoy et al., 2013; Maxwell et al., 2010). Other avanues for further research could be to look at the group-level and analyze different generational teams in SME family hotels regarding their attitudes and other relevant variables. In addition, looking at generational differences in attitudes for non-family and family SME hotels would be interesting.

This would not only enhance the understanding of generational dynamics in the hospitality industry but also contribute to the development of more effective human resource strategies tailored to diverse employee needs.

7. Practical Implications

The findings of this study aim to provide SME family hotels with insights into the diverse needs and preferences characteristic of different generational cohorts in their workforce. As part of this effort, we have utilized the data from our literature review and survey to create respective employee personas for Generations X, Y, and Z (see Figure 1).

Figure 1. Defining the prototype employees of generations X, Y, and Z: Traits, values, and workplace dynamics



These personas are intended as general representations, capturing key traits and tendencies commonly associated with each generation. These personas are designed to serve as a reference point for understanding generational differences in the workplace. They are not definitive models but rather illustrative tools that synthesize broad tendencies into accessible profiles. The purpose is to offer family-run hotels a framework to consider when developing strategies to engage with a multigenerational workforce effectively. By considering these personas, family hotels can gain a clearer perspective on the varied expectations and motivations that characterize their diverse employee base.

Author contribution statement

The authors contributed equally to the work.

Conflict of interest statement

None.

Ethical statement

The authors confirm that informed consent was obtained from all participants involved. *The authors confirm that data collection for the research was conducted anonymously and there was not possibility of identifying the participants.*

Declaration on the use of generative AI in the writing process

During the preparation of this work, the author(s) used ChatGPT (GPT-4) in order to revise spelling and grammar. After using this tool/service, the authors reviewed and edited the content as needed and take full responsibility for the content of the publication.

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Data availability statement

The data that support the findings of this study are available from the corresponding author, upon reasonable request.

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SAFER Methodology: A Proposal for the Identification of Family Firms in Spain Based on the SABI Database

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Abstract Although family firms represent a large percentage of all companies worldwide, methodological contributions regarding their identification are very scarce. This paper offers a new methodology (labelled as "SAFER methodology") for identifying family versus non-family firms using the SABI database (Spanish version of Orbis) as a source of information, primarily considering ownership and corporate governance variables. The SAFER methodology can be applied without the need for massive data extraction, which contributes to its accessibility and ease of use by researchers. Furthermore, the proposed methodology has been tested using a sample of 500 companies, with a classification error of less than five percent. This methodology has also been discussed and assumed by the IEF (*Instituto de la Empresa Familiar*), becoming standard in Spain. The value-added of this work is to provide researchers with a widely accepted strategy for the selection of family firm samples. The methodology can also be used with equivalent databases that cover other specific countries (e.g., AIDA for Italian company data or Markus in Germany) or that have an international coverage (e.g., Orbis). Our results represent an important step forward in facilitating the work of professionals and policy makers in the development of reports on family businesses through a rigorous process of identification and classification.

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PALABRAS CLAVE
Empresa Familiar, Identificación, Definición, Empleo, Valor Añadido Brutomiliares, Valor del trabajo

Metodología SAFER: Una propuesta de identificación de las empresas familiares en España a partir de la base de datos SABI

Resumen A pesar de que las empresas familiares representan un gran porcentaje del conjunto de compañías a nivel mundial, las aportaciones metodológicas para identificarlas son muy escasas. El presente trabajo ofrece una metodología (denominada "metodología SAFER") de identificación de empresas familiares versus no familiares utilizando como fuente de información la base de datos SABI (versión española de Orbis), considerando fundamentalmente variables de propiedad y de gobierno corporativo. La metodología SAFER permite su aplicación sin necesidad de realizar una extracción masiva de datos, lo que contribuye a su accesibilidad y facilidad de uso por parte de los investigadores. Asimismo, la metodología propuesta ha sido contrastada utilizando una muestra de 500 empresas, con un error de clasificación inferior al cinco por ciento. El valor añadido de este trabajo es ofrecer a los investigadores una estrategia ampliamente aceptada para la selección de muestras de empresas familiares. La metodología también puede utilizarse con bases de datos equivalentes en otros países (p.ej., AIDA para datos de empresas italianas o Markus en Alemania) o bases de datos que tienen una cobertura internacional (p.ej., Orbis). Nuestros resultados representan un avance importante al facilitar la labor de los profesionales y responsables políticos en el desarrollo de informes sobre empresas familiares a través de un proceso riguroso de identificación y clasificación.

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1. Introduction

The study of family firms (FFs) has evolved rapidly in recent decades (Evert et al., 2016; Short et al., 2016), but there are still some important unanswered questions such as the estimation of more accurate numbers on the relevance of FFs in national economies based on the existing databases. Several academic papers have attempted to address this question. A first group of studies have used data from listed firms (e.g., Claessens et al., 2000; Faccio & Lang, 2002; La Porta et al., 1999; Villalonga & Amit, 2010), but these works offer only a limited view of the real importance of FFs. There have also been some attempts to obtain a global cross-national idea of the relevance of FFs (IFERA, 2003), although aggregating data of diverse nature and reliability comes with its own challenges. Finally, a smaller number of academic papers have tried to obtain a comprehensive estimate of the relevance of FFs in specific economies. In particular, we find the fundamental work of Shanker and Astrachan (1996), updated in Astrachan and Shanker (2003), for the case of the U.S. economy. Other works have similarly attempted to measure the presence of FFs in the United States (e.g., Chang et al., 2008). In Europe, Bjuggren et al. (2011) estimate the relevance of FFs for the Swedish economy. In addition, there has been some projects launched at governmental or institutional level (e.g., Flören et al., 2010) including the action "Statistics for family businesses" carried out with the support of the *Program for the Competitiveness of Small and Medium-sized Enterprises* (2014-2020) (COSME) (European Commission) by seven European countries (Bulgaria, Denmark, Finland, Italy, Malta, the Netherlands, and Poland). The aim of this action has been to identify FFs in order to assess their relevance, scope and nature.

Three main reasons explain the lack of accurate estimates of FFs' importance at an economic level (Astrachan & Shanker, 2003; Bjuggren et al., 2011; Chang et al., 2008; Shanker & Astrachan, 1996). First, there is lack of a generally accepted definition and operationalization of FF (European Commission, 2009; 2015; Sarkar et al., 2014). Second, we do not have any government statistics or secondary data sources that directly identify FFs as such, whatever the definition used (Bjuggren et al., 2011; Chang, et al., 2008). Third, and related to the latter, there is no generally accepted methodology for calculating indicators that measure the weight of FFs across countries (Franks et al., 2015).

These are the reasons why previous works employ different methodologies adapted to the type of data available in each country. In the case of the United States, data from various sources (e.g., various statistics and censuses) have been used, which have allowed scholars to calculate the contribution of FFs to gross domestic product (GDP) and employment (Astrachan & Shanker, 2003; Shanker & Astrachan, 1996). Survey data (Chang et al., 2008) have also been used to estimate the relationship between economic development and the prevalence of FFs. In Sweden, data collected by the Swedish government to identify and tax business owners, in addition to data from listed companies, enable researchers to calculate the contribution of FFs to the country's GDP and total employment (Bjuggren et al., 2011). Flören et al. (2010), in their report for the *Dutch Ministry of Economic Affairs*, applied a telephone survey to a representative sample of Dutch companies and identified FFs using the GEEF (*European Group of Owner-Managed and Family Enterprises*) and FBN (*Family Business Network*) definition of a family business, which follows the recommendation of the European Commission (2015). Finally, the seven European countries involved in the *Statistics for Family Businesses Action* have used the GEEF/FBN definition but operationalized it in different ways (ownership being the main used criterion); the authors of this report follow different measurement approaches to identify FFs, analyze their geographical and/or sectoral distribution, identify their characteristics and, in most cases, assess their economic importance.

In Spain, the *Instituto de la Empresa Familiar* (IEF), with the invaluable support of the existing *Network of Family Business Chairs* in most Spanish universities, promoted a study to directly estimate the reality of FFs in Spain in general and in each of the regions (i.e., autonomous communities) in particular (Casillas et al., 2015). The report had several objectives. Firstly, the authors wanted to estimate the weight of Spanish companies in the national economy, in terms of gross value added (GVA) and employment, considering the whole population of Spanish enterprises and using a data source that is relevant, rigorous, systematic and regularly updated, even if not provided by the government. Secondly, the study identified the defining characteristics of FFs, broadening the knowledge of business and family management. This IEF study was based on the SABI (*Sistema de Análisis de Balances Ibéricos*) database, an extensive version of Orbis for Spain, developed by Informa-Bureau van Dijk. The 2015 report promoted and conducted by the IEF, which took the pioneering work by Rojo-Ramírez et al. (2011) in Spain as a reference point, represents a relevant qualitative step in the estimation of the importance of Spanish family businesses.

This study, almost ten years later, aims to improve the methodology used in the work by Rojo-Ramírez et al. (2011), incorporating the ideas developed by other researchers who have used the same data source for similar purposes (Arosa et al., 2010; Diéguez-Soto et al., 2015; López-Delgado & Diéguez-Soto, 2015). The current paper is the result of the work conducted by a commission created within the *Spanish Academy of Family Enterprise Researchers* (SAFER) who has been collaborating for almost a year on the development of the present methodology. We recognize that the proposal we are making is not perfect and we are aware that there could be classification errors in both possible directions (i.e., classifying truly family companies as non-family and vice versa, classifying truly non-family companies as family). These errors are due, on the one hand, to the fact that there is no clear boundary between the two types of companies, with firms that could be put in a kind of "gray zone", and, on the other hand, because the quality of the information available in SABI is not always the desirable one. However, these errors are less than five percent, according to tests carried out on a sample of 500 companies, which are detailed in Section 5. Our methodology has also been discussed and adopted by the IEF (*Instituto de la Empresa Familiar*), which represents the majority of Spanish family businesses, thus becoming standard in Spain.

The SAFER methodology will contribute to the development of studies on family businesses, helping both researchers that wish to conduct academic research, and consultants and business managers, as well as professionals and policy makers, in the preparation of reports on FFs through a rigorous process of identification and classification. The SAFER methodology provides simple, objective and rigorous criteria to distinguish family from non-family businesses, and can be applied without the need for massive data extraction, which contributes to its accessibility and ease of use by researchers and other potential users. This carefully thought and designed methodology for the selection of samples of FFs can be transferred to similar databases in other countries (such as AIDA in Italy or Markus in Germany) or applied with the global Orbis database. In this sense, despite being developed for a country such as Spain, the SAFER methodology has broader applicability and its potential goes beyond the national scope in which it has been formulated and tested.

2. Identification of Spanish Family and Non-Family Businesses

2.1. Source of information and analysis process

For the development and application of the FF identification methodology (from now on, the SAFER methodology), the SABI data source developed by Informa-Bureau van Dijk has been used, which can be regarded as the Spanish version of the global Orbis database. SABI contains the firms' financial statements deposited in the Commercial Registry for more than three million companies. It is therefore information at the company level, with both quantitative and qualitative historical data. Orbis (and SABI) is a reliable and widely used database (Ahmad et al., 2018; Diéguez-Soto et al., 2015; Rojo-Ramírez et al., 2011), although it has some biases that are worth mentioning (Martínez-Romero & Rojo-Ramírez, 2017; Pindado & Requejo, 2015). In particular, its coverage is higher in companies with at least 10 employees, with Spain (SABI) being one of the countries with a better coverage rate internationally (Bajgar et al., 2020). Specifically, SABI incorporates information on approximately one million active companies with financial and qualitative data (1998-2022), of which more than 120,000 are companies with at least 10 employees in 2021.

Based on this source, we propose a process divided into four stages to estimate the weight of FFs in the Spanish economy: (i) selection of the population of firms with available data; (ii) classification of these firms into family and non-family; (iii) extrapolation of the data resulting from the classification to the rest of the firms; and (iv) segmentation of FFs into different types, thus considering the widely accepted heterogeneity among FFs (Arteaga & Basco, 2023).

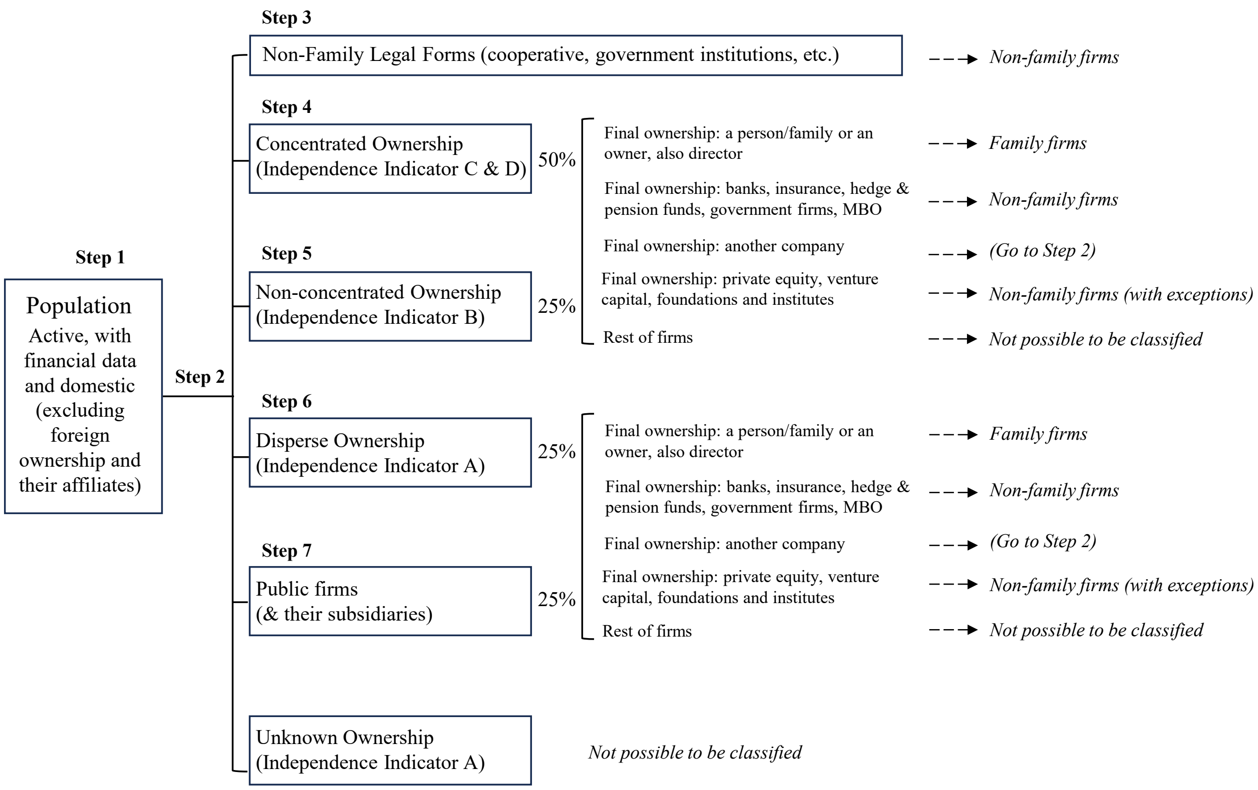
These four stages are developed in the following sections. The application of the SAFER methodology to a set of companies of any type and legal form (trading companies, cooperatives, listed companies, etc.) will result in a classification into three groups: family, non-family and unclassified (due to lack of information). The treatment of companies according to their ownership structure will give rise to a specific analysis of some firms, such as listed corporations, which is discussed in Section 2.3.4. The fourth stage, which consists of the segmentation of family companies, makes it possible to capture their heterogeneity, according to criteria such as size, sector, geographical scope, age, ownership structure or corporate governance structure. The result will be a double list of family and non-family companies that can be classified by different criteria, thus considering their heterogeneity.

2.2. Selection of the population of companies with available data

As previously mentioned, the source of information to be used is SABI. Despite having a very broad coverage, the incorporation of data in the database is not homogeneous for all the firm variables it includes. Being aware of this limitation, the first step in the proposed methodology consists of identifying the population of companies to be classified into two large groups: family and non-family.

In this sense, we propose to establish a series of initial filters, summarized in Figure 1. The first of these refers to the status of the company, i.e., whether the company is active or not. Not being active implies that the company is in a process of suspension of payments, bankruptcy, insolvency proceedings, closure of its registration, extinct, untraceable, etc. Inactive companies (e.g., due to dissolution, extinction or ex officio deregistration) are not considered. This information is updated by SABI on a regular and prompt basis as it does not depend on the registration of the annual accounts (in other words, the "active/inactive" status does not suffer from the usual delay derived from the filing and recording of the annual accounts in the database, which takes approximately two years).

Figure 1. Process for classifying family and non-family businesses



The second initial criterion refers to the availability of annual accounts in SABI. To this aim, we include all companies that have submitted their annual accounts, whether consolidated (C1), non-consolidated (U1) or both types of accounts (C2/U2). In short, the objective is to exclude those companies whose accounts have not been filed or are not available.

The third delimitation criterion consists of the exclusive consideration of family companies whose ultimate owner is Spanish. The aim is to remove foreign-owned companies for which SABI does not present sufficient information. To this end, the criterion established is the exclusion of those companies in which a foreign parent company is the shareholder (definition of parent company: minimum percentage of the chain of control from the focal company to its parent company greater than 50%)[1].

Finally, in order to ensure the availability of information in the annual accounts, we recommend to impose the requirement that the company has

1. For more information, see the SABI Help Guide. It is available at https://help.bvdinfo.com/mergedProjects/122_ES/Home.htm

available data on general accounting items in the years to be analyzed as a fourth criterion. As a general rule, a good criterion may be to require operating income to have a minimum value of, for example, 10,000€ and, in any case, always greater than zero. The more historical years are requested and the higher the amount of accounting data (e.g., operating income), the higher and better the quality of the data will be, since larger companies provide higher quality information (Bajgar et al., 2022). In this sense, it should be noted that the use of these filters could bias the sample towards companies that provide better information and over a longer period of time. Table 1 shows the degree of representativeness of SABI by employee stratum. It can be seen that the database covers almost all companies with more than 10 employees, but far fewer of those with less than 10 employees.

Table 1. Comparison between data available in SABI and the DIRCE business census (Spanish *Office for National Statistics*, INE)

Type of company (by size, considering the number of employees)	Number of companies in the INE census	Number of companies present in SABI	Number of active companies with financial data present in SABI
Without employees	1,942,319	0	0
Micro-firms (2-9 employees)	1,340,792	376,602	368,713
Small firms (10-49 employees)	122,838	100,592	99,414
Medium-sized firms (50-249 employees)	19,994	15,659	15,374
Large firms (250 or more employees)	4,720	3,299	3,266

Note 1: Data from year 2022.
Note 2: In this work, it has been assumed that the most appropriate criterion for classifying companies by size is the number of employees. However, an approximation to size could be adopted based on the value of operating income, which would allow us to start from a larger initial population.

2.3. Classification of companies into family and non-family businesses

Once the initial filters have been established to ensure the quality and reliability of the information to be used, we begin considering the legal form of the companies as a criterion for identifying non-family firms. We automatically classify some specific legal forms as non-family companies. The most relevant group is the one formed by cooperatives, to which we must add other less frequent types such as professional associations and mutual funds, among others.

Once this step has been completed, we address one of the fundamental issues in establishing a practical process for identifying FFs. Companies with a highly dispersed ownership structure and those with a highly concentrated structure should be examined separately. We do not believe it is appropriate to apply the exact same criteria to all companies. In this regard, SABI provides interesting information on the ownership structure of companies through what it calls the “independence indicator”. According to this indicator, it is possible to differentiate between three major groups of companies[2]:

Companies with a concentrated ownership structure: these companies are classified in SABI with an independence indicator C (companies with a registered shareholder with a total percentage or calculated total ownership percentage greater than 50%) and D (an identified shareholder with direct ownership greater than 50%).

Companies with a non-concentrated ownership structure (independence indicator type B): these companies have known shareholders without an ownership percentage (direct, total or calculated total) of more than 50%, but with one or more

2. In addition to the indicators listed below, there is the U indicator, which refers to companies with insufficient information on their ownership structure.

shareholders with an ownership stake of more than 25%.

Companies with a dispersed ownership structure (independence indicator type A): in these companies, there is no single shareholder accumulating more than 25% of ownership, direct or total.

2.3.1. Classification of companies with concentrated ownership

Companies with concentrated ownership are those in which there is a single ultimate shareholder (non-group) that holds at least 50.01% of the ownership. These companies are classified by SABI with the independence indicator codes D (known shareholder with a direct shareholding of over 50%) and C (registered shareholder with a total shareholding - known or calculated - of over 50%). It should be clarified that the ultimate owner is being considered and not the direct shareholder, i.e., we account for the existence of a chain of control through intermediate companies between the company to be classified and its final owner.

When classifying a company with concentrated ownership as family-owned, we propose to consider the combination of two criteria. The first is that the ultimate owner of the company (maintaining 50.01% as the ownership control threshold) is of the type "a single person or family" (in SABI: Financial ties. owned by a parent. (50%): one or more individuals or families). However, companies in which a shareholder is also a director who owns at least 50.01% of the company shares should be considered as FF as well. Both criteria are combined with the operator "or" in the "Boolean search" of the SABI search strategy, which in practice implies the combination of both sets of companies.

In a second step, we proceed to identify those companies that can be classified as "non-family" using a criterion similar to the previous one. To this end, we propose to consider as non-family companies those in which the ultimate owner (owning at least 50.01% of the shares) is one of the following types: "banks and financial companies", "insurance companies", "hedge funds", "investment and pension funds / nominees / trusts / trustees", "public authorities, states and governments" and "employees / administrators / directors (management buy outs)".

In addition to the previous two groups, a third group to be classified consists of those companies whose ultimate owner is another company (always based on a chain of control of more than 50.01%). This set of companies requires a more detailed analysis, which will be explained in Section 2.4.

Finally, there are three other possible types of ultimate owners, according to the classification provided by SABI, which are "private equity firms", "venture capital" and "foundations/ research institutes". These three groups include a small percentage of cases and are difficult to classify automatically. In these groups, it is possible to find some foundations related to a family business, as well as some family offices, although in general terms, they should be classified as non-family, given their nature and objectives. For this reason, we propose to classify them manually using other criteria that will be detailed in Section 2.5.

2.3.2. Classification of companies with non-concentrated ownership

We label all firms in which the main ultimate owner holds between 25.01% and 50% of the shares as companies with non-concentrated ownership. In other words, no single shareholder ultimately owns more than half of the company, but there are owners with significant stakes, who can be assumed to exercise effective control over the company. SABI classifies these companies with the type B independence indicator. For these companies, we apply a process similar to the previous one, although the threshold required in the chain of control is reduced to 25.01% in this case. Thus, we propose to classify as family companies with non-concentrated ownership those whose ultimate owner is of the "one or more individuals or families" type. Moreover, following a process similar to the one described above, we also consider as family companies those with a shareholder who is also a director and who additionally owns a minimum of 25.01% of the shares and less than 50%. Finally, after various tests, we have found that this process would exclude companies in which there is a direct shareholder who owns more than 50% of the company and falls in the "individual and family" category. Therefore, together with the two previous criteria, we incorporated a third criterion to be added (operator "or") to the previous ones as follows: there is a direct shareholder with more than 50.01% of the ownership in the hands of a shareholder of the "one or more individuals or families" type. The difference between this criterion and the two previous ones is that we refer to the direct shareholder, not the ultimate owner (in which case there are intermediate companies), nor do we consider the participation in management.

Following the same process as for closely held companies, the next step is to identify companies that can be classified as "non-family". The proposal is to follow the same criteria as above, only modifying the ownership control threshold, now set at 25.01% ("banks and financial companies", "insurers", "hedge funds", "investment and pension funds / nomenclatures / trusts /

trustees", "public authorities, states and governments" and "employees / administrators / directors (management by outs)".
Within the group of companies that we analyze, there are those in which, having a non-concentrated capital, the largest shareholder is another company. Once again, we find a group of firms that are difficult to classify, insofar as they are firms owned by a parent company (also a company), with an ownership control of more than 25% but less than 50%. For these companies, we suggest a specific analysis that will be detailed in Section 2.4.
Finally, a small group of companies remains unclassified after the previous classification process. They are firms in which the ultimate owner (considering the aforementioned interval of between 25.01% and 50%) is one of the following types: "private equity companies", "venture capital" and "foundations/research institutes". As mentioned above, the companies belonging to this group should be studied according to other criteria on a case-by-case basis, although, in general terms, they could be classified as non-family.

2.3.3. Classification of companies with dispersed ownership

Companies in which there is no ultimate owner with more than 25% of the capital are classified by SABI with the type A independence indicator. When considering FFs in this group of companies, we cannot identify their ultimate owner given that the shareholdings are too low (below 25%). However, it is possible to identify companies in which there is a direct shareholder of the "one or more individuals or families" type that owns a minimum of 50.01% of the shares. These may be classified as family companies.
Once these are classified, we propose to consider as non-family those companies in this group in which at least 50.01% of their direct shareholding is a shareholder of the type "banks and financial companies", "insurance companies", "hedge funds", "investment and pension funds / nominees / trusts / trusts", "public authorities, states and governments" and "employees / administrators / directors (management buy outs)".
Similarly, when the largest direct shareholder of a company with an A independence indicator is another company, with an ownership control of more than 25%, it is necessary to conduct a more in-depth analysis of the parent company, in order to determine whether it is a family or non-family company (see Section 2.4). Finally, as in the previous cases, a small group of companies will remain at the end of this classification process, which are those whose ultimate owner is not one of the types mentioned above, so that they need to be analyzed individually (see Section 2.5).

2.3.4. Classification of listed companies and their subsidiaries

In the case of listed companies, in which ownership is usually much more dispersed, our proposal incorporates the definition of the GEEF/FBN for this type of company, according to which listed companies could be considered family-owned if the person who founded or acquired the company, or his or her relatives or descendants, hold 25% of the voting rights deriving from their participation in the capital. Following this recommendation, we classify a listed company as family-owned when it meets one of the following three conditions: (1) it is owned by a parent company (ultimate owner) of the "one or more individuals or families" type with a shareholding of more than 25.01%; (2) a managing shareholder owns at least 25.01% of the shares; or (3) there is a direct shareholder of the "one or more individuals or families" type and they own at least 25.01% of the shares.
On the other hand, we will classify as "non-family" those listed companies in which either their ultimate parent company or their direct shareholder (with an ownership of more than 25%) falls in one of the following types: "banks and financial companies", "insurance companies", "hedge funds", "investment and pension funds / nominees / trusts", "public authorities, states and governments", and "employees / administrators / directors (management buy outs).
In the case of those listed companies that are actually firms owned by another company (more than 25% ownership threshold), it will be necessary to analyze the latter. To properly classify the remaining firms, a more detailed and individual analysis is required.
Finally, we still need to analyze companies that are owned by listed firms. It must be taken into account that listed companies are usually large groups that control other companies. Our proposal consists of classifying the investees of listed companies (with control greater than 50.01%) in the same group as their parent company, so that we will regard the subsidiaries of family companies as family-owned and vice versa.

2.3.5. Companies in which their ownership structure is unknown

SABI assigns a type U independence indicator to all companies in which their ownership structure has not been identified. In this case, it does not seem to make sense to try to analyze them manually, since there is simply not enough information. For these companies, our proposal is to exclude them from the analysis when the objective is simply the identification or classification as family or non-family.
On the contrary, if the objective of the analysis

goes beyond identification/classification and you wish to estimate the weight of FFs in the country's economy based on certain variables such as employment, GDP, etc., our proposal consists of conducting a process of extrapolation of the data of these remaining companies using the information on the previously classified firms. However, this extrapolation process must be implemented considering the greatest possible number of identifying variables related to the demographic characteristics of the firms. In Section 2.5, we make a specific proposal for the extrapolation process.

2.4. Classification of companies owned by another company (parent company)

In the previous steps, we have not been able to classify a set of companies because their known ultimate owner, according to a certain ownership threshold (25% or 50%), is another company. In this case, the proposal we make involves carrying out a new analysis of the ultimate owner (company), according to the same criteria proposed in the previous steps. Thus, those companies whose parent company has been assigned an independence indicator A will be classified as family or non-family in line with the criteria set out for this type of company; a similar approach will be followed for companies with an independence indicator of B, C, D and U. Once the parent company has been classified as family, non-family or unclassifiable, the initial investee company will also be put in the same category.

In this second classification stage we have just explained, there could be some companies whose ultimate owner is again a company; this could lead to a new round of classifications, which could be repeated indefinitely. In order to maintain some parsimony in the process, we understand that new rounds will not lead to significant improvements, making the implementation of the classification process overly complicated. In this case, and after reviewing a sample of companies that fit in this situation, we propose that companies whose ultimate owner is another company in the second round should be classified as non-family.

2.5. Individual classification of companies with complex structures

In the processes described above, it is really risky to classify some companies as family or non-family, not due to lack of information but because they have complex ownership structures (circular participations, extreme fragmentation of shareholders, etc.). In these cases, we propose to carry out an individual analysis of the companies since the number of cases is manageable. We suggest to basically analyze two aspects: (1) their ownership structure and (2) their administrators/board of directors.

Regarding the analysis of shareholders, a company should be considered as family when shareholders with the same or similar last names have effective control of the business. By effective control we mean that the sum of the shares of shareholders with the same last name exceeds that of any other individual shareholder. Regarding the similarity of last names, the aim is to see if a pattern can be identified that allows us to reasonably assume that they are members of the same family. In Spain, there is the advantage that people use two family names, which makes this process easier and more precise.

When the previous step does not give clear results, a second analysis consists of focusing on the company's administrators (board of directors). In this case, we will classify a company as family when the majority of the directors appear to have a family connection, again based on their last names. Likewise, if those who appear to be members of the same family are not the majority but are in turn owners of a significant percentage of the business and hold the highest responsibility position (e.g., president, CEO), we propose to classify the company as family.

Finally, the rest of the companies will be classified as "non-family" or otherwise as "not classifiable" if there is insufficient information to classify them.

3. Extrapolation

The SABI database has a very broad coverage in relation to the financial information of companies, but coverage is relatively lower when it comes to the ownership structure data and the firm governance structures. For this reason, a significant percentage of companies lack reliable and complete information regarding these aspects, making it virtually impossible to classify them, not even with an acceptable error margin. This situation is not too relevant if the objective is to classify companies, but it is important when it comes to estimating the contribution of FFs to a country's economy. To this goal, we must add the contribution of all companies, family and non-family, so it is necessary to also make an estimate of those companies that could not be classified following the previous steps.

Our suggestion consists of making an estimate of the rest of the unclassified companies based on an extrapolation process by using the information of the previously classified companies. In this sense, it is interesting to apply a method similar to the one proposed by Raghunathan et al. (2001) for estimating missing values. In our case, we seek to estimate the classification of companies into two groups; for example, think of a dummy variable as follows: 1 = family; 0 = non-family. It would be feasible to use a logistic regression model that allows us to estimate parameters based on known variables for the vast majority of companies, for those already classified and for those that cannot be classified (Crespí-Cladera et al., 2016). We recommend to first estimate the parameters with the population of companies already classified, leaving a sub-sample of companies that allow the predictive validity of the model to be verified.

There are two alternative ways for the selection of the variables. The first is to work only with data included in SABI. In this case, the list of variables could include, among others: employees, assets, operating income, sector (dummy variables), etc. After the estimation of the predictive model, the estimated parameters can be used to classify companies that could not be classified in the previous steps. An alternative way would be to try to apply the model to the group of companies in the DIRCE (*Central Directory of Companies*) elaborated by the INE (Spanish *Office for National Statistics*). In this case, the model could only include variables included in the DIRCE for the segmentation of companies: employee stratum, legal form and sector. Although this option might reduce the explanatory power of the estimation model, it allows the model to be applied to all existing companies.

4. The Heterogeneity of Family Businesses

Family businesses do not constitute a homogeneous group. There is currently high agreement in assuming the heterogeneity of family businesses (Chua et al., 2012; Daspit et al., 2021; Jaskiewicz & Dyer, 2017; Neubaum et al., 2019). Therefore, beyond the possible media interest of having a global percentage of FFs, what is really relevant is to identify different types of FFs, giving the possibility of making comparisons between them. In this sense, we must recognize that, in this work, we will only refer to those variables that allow family businesses to be segmented using the SABI database in a relatively acceptable way when working with the set of companies it contains; that is, we do not contemplate the possibility of carrying out manual segmentations or analyses company by company. With the options currently offered by SABI in its online version, it is not feasible to establish segmentation criteria based on the people who form the firm's ownership structure or who are among the list of administrators/directors. It is only possible to use certain criteria related to the percentages of ownership in the hands of the first shareholder or the type of existing administrative body (sole director versus board of directors).

Specifically, based on the previous considerations, we propose to establish the following segmentation criteria for family businesses identified through the steps detailed above:

Firm size: mainly using the number of employees, its turnover and its assets. According to this criterion, it will be possible to differentiate between large, medium, small and micro FFs, making it feasible to compare them with each other and with the corresponding non-family businesses.

Industry: according to the CNAE 2009 (*National Classification of Economic Activities*). In this sense, it is possible to establish different groups of companies, simply based on the large branches of activity to which they belong - primary, industry, construction, commerce, services - as well as through the analysis of certain specific sectors, for example, sectors intensive in technology or circular economy sectors.

Geography: beyond the segmentation of companies by region (i.e., autonomous community) or province, it is interesting to address the differentiation between large cities (or metropolitan areas) versus small municipalities (or rural areas).

Age as a proxy for the generational stage of the FF: there are studies that estimate the generation in charge based on the age of the company. Most of them approximately establish a rule that assigns 25 years to each generation (Arrondo-García et al., 2016; Blanco-Mazagatos et al., 2016; López-Delgado & Diéguez-Soto, 2015). However, within the first 25 years, it would be interesting to distinguish between different types to the extent that a newly created company, closer to a start-up, is not comparable to a company with more than two decades, which will be closer to its first generational change. Therefore, we propose to differentiate the following types of companies: family start-ups (< 3 years old); young FFs (between 3 and 10 years old); FFs in the hands of the founder (between 10 and 25 years old); FFs in the hands of siblings (between 25 and 50 years old); FFs in the hands of cousins (between 50 and 75 years old); long-lived FFs (between 75 and 100 years); centennial FFs (> 100 years).

Ownership structure: in this sense, it is possible to establish different types of segmentations, among which we propose the following: (1) listed versus unlisted companies; (2) companies with concentrated ownership versus companies with non-concentrated or dispersed ownership; (3) classification based on the firm's legal form (SA versus SL, using the Spanish terminology); (4) different types of family businesses based on the percentage of family ownership.

Governance structure: it is possible to differentiate between companies with and without a board of directors.

5. Control of Errors

The evaluation of the quality of the process to classify companies as family and non-family through the SAFER methodology is based on a sample of 500 companies. As in any binary classification (only two categories: family versus non-family businesses), it is possible to make two types of errors, which we will call type 1 error—companies that are really family-owned but that the methodology classifies as non-family—and type 2 error— companies that are really non-family but that the methodology classifies as family.
For the quality control, we have followed a double strategy: (a) starting from the real data (companies for which there is external information on their family or non-family nature) and checking whether or not they have been correctly classified or not according to the SAFER methodology; and (b) starting from the classification conducted using the filters of the methodology, we have analyzed each company individually, carefully investigating its ownership and management structure, thus allowing us to check whether the firm has been correctly classified.
For the implementation of strategy (a), 250 companies have been selected: 200 family-owned and 50 non-family-owned. The selection of the 200 family businesses has been carried out through the websites of those family business associations that provide lists of members. We have considered a proportional distribution of the sample by autonomous community. To this aim, we have started from the total number of companies classified by the SAFER methodology and calculated their distribution by autonomous community. Regarding the 50 non-family companies, since there are no lists, we have turned to companies and entities that are known and whose non-family nature is beyond any doubt. In this case, it has not been possible to maintain geographical proportionality. Regarding strategy (b), we have started from the classification carried out by the SAFER methodology developed in this article and, maintaining the same proportion, we have individually analyzed 200 companies classified as family and 50 as non-family. We have implemented the process of selecting the FFs using a random number extraction method. The same procedure has been followed for non-family businesses.
The result from the application of these two strategies shows an error of approximately 4.4% when using the SAFER methodology (see Table 2). However, it must be noted that the error increases as the size of the companies rises. This phenomenon is fundamentally due to the greater complexity of corporate and ownership structures (intermediate companies that hide the real ultimate ownership of the companies); in light of this finding, our recommendation is to take extra care if you want to/need to work with larger companies.

Table 2. Control of errors

		Information extracted from factual data					
		Strategy (a)		Strategy (b)		Joint analysis	
		Family	Non-Family	Family	Non-Family	Family	Non-Family
Methodology	Family	191	9	194	7	385	16
	Non-Family	0	50	6	43	6	93
Methodology	Family	76.4%	3.6%	77.6%	2.8%	77.0%	3.2%
	Non-Family	0.0%	20.0%	2.4%	17.2%	1.2%	18.6%

6. Conclusions, Limitations and Future Lines of Research

Although FFs represent a large percentage of all companies worldwide, estimates of their importance in terms of wealth and employment are scarce. In this work, we address the main barriers to identify FFs and measure their economic relevance with the goal of proposing an appropriate methodology for the Spanish case, called SAFER methodology. The FF definition is based on the proposal of the European Commission (2015) and the data come from the SABI database, which contains information about the financial situation of companies and their corporate governance structures.
Using the information available in the database, we propose a set of automatic filters (based on the definition of the GEEF and FBN) to identify companies as family or non-family. The suggested

methodology has a margin of error of less than five percent, although this error increases with the size of the company.

This study contributes to both academic literature and professional work regarding the classification of large samples of family and non-family businesses, without the need to download the companies from the original source (SABI). We are aware that massive downloads of data would allow for more granular analyses of ownership and governance structures, using, for example, the last names of owners and/or managers to identify family ties (Amore et al., 2023). However, this option entails different types of contractual and operational inconveniences that the SAFER methodology avoids; nonetheless, we recognize that the relative simplicity of the SAFER methodology entails some limitations.

The methodology that we propose expands the options to investigate the relevance and idiosyncrasy of FFs, as well as their heterogeneity. SABI is distributed by Informa-Bureau van Dijk, but this provider also distributes other products such as Orbis (global) that can be used in international studies. The application of the SAFER methodology could be adapted to different international contexts, considering cultural or national specificities, which can open an interesting debate among scholars willing to delve more deeply into the heterogeneity of FFs (Jaskiewicz & Dyer, 2017). Once FFs have been objectively identified through automated filters, further comparisons can be made with non-FFs, looking for differences based on sector, size, performance, business strategies, etc. The availability of data also allows for longitudinal studies. The application of the SAFER methodology facilitates academic research in the family business field by providing simple, objective and rigorous criteria. In addition, the methodology can also be very useful for family business professionals and consultants, as well as policy makers and national and regional associations of family businesses, by making the identification of potential new partners more affordable. In a nutshell, the objectivity that characterizes the SAFER methodology will be useful for new international and longitudinal studies that aim to describe the situation and evolution of FFs. It will be equally helpful to identify different FF typologies based on various criteria that reflect their heterogeneity.

Author contribution statement

The authors contributed equally to the work. All the authors have made substantial contributions to the conception or design of the work, drafting the work and reviewing it critically for important intellectual content. They also gave the final approval of the version to be published and agreed to be accountable for all aspects of the work in ensuring that questions related to the accuracy or integrity of any part of the work are appropriately investigated and resolved.

Conflict of interest statement

There is not competing interest in this research.

Ethical statement

Not applicable.

Declaration on the use of generative AI in the writing process

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Is "Something Else" Needed Before Establishing a Family Council? The Role of Communication in Business Families

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Abstract Establishing a family council can be beneficial for business families. However, determining the optimal circumstances to do so can be challenging. While some experts argue that a family council always provides long-term benefits, recent research on family councils suggests that there are certain prerequisites for successful family council implementation. This paper explores the nature of these prerequisites by examining communication dynamics within business families. Olson's Circumplex Model is transferred from family therapy to the context of the family council by applying Habermas's criteria for an ideal speech situation. Within this framework, a communication continuum on which to position business families is developed. This continuum is then applied to three Spanish business families. The findings suggest that a family council is functional only when minimum communication standards are met within the business family. Otherwise, the family council may have a minimal or even a negative impact. Families with an active family council should prioritise its use as a space for dialogue to enhance the business family's functionality before tackling any other tasks or functions.

CÓDIGO JEL
L20, L29

PALABRAS CLAVE
Consejo de Familia, Familia Empresaria, Comunicación, Diálogo

¿Se necesita «otra cosa» antes de un consejo de familia? El papel de la comunicación en las familias empresarias

Resumen Establecer un consejo de familia puede ser beneficioso para las familias empresarias. Sin embargo, determinar las circunstancias óptimas para hacerlo puede ser todo un reto. Aunque algunos expertos sostienen que un consejo de familia siempre aporta beneficios a largo plazo, investigaciones recientes sobre consejos de familia sugieren que existen ciertos requisitos previos para que la implantación de un consejo de familia tenga éxito. Este artículo explora la naturaleza de estos prerrequisitos examinando la dinámica de comunicación dentro de las familias empresarias. El Modelo Circumflejo de Olson se traslada de la terapia familiar al contexto del consejo de familia aplicando los criterios de Habermas para una situación ideal de diálogo. Dentro de este marco, se desarrolla un continuo de comunicación para situar a las familias empresarias. Este continuo se aplica a tres familias empresarias españolas. Los resultados sugieren que un consejo de familia sólo es funcional cuando se cumplen unas normas mínimas de comunicación dentro de la familia empresaria. De lo contrario, el consejo de familia puede tener un impacto mínimo o incluso negativo. Las familias con un consejo de familia activo deberían priorizar su uso como espacio de diálogo para mejorar la funcionalidad de la familia empresaria antes de abordar cualquier otra tarea o función.

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1. Introduction

In the mainstream family business literature, it is assumed that the family council provides benefits for the business family such as family harmony, adherence to a common purpose (Carlock & Ward, 2001), conflict management (Berent-Braun & Uhlaner, 2012) and commitment (Gnan et al., 2015; Scholes et al., 2021). A family council is also supposed to facilitate complex processes such as succession (Jaffe & Lane, 2004) and enable next-generation involvement, while protecting intangible assets such as trust and values that are crucial for the family-business relationship (Scholes et al., 2021). As a governance structure, the family council reportedly has significant potential to produce positive outcomes when family complexity is high (Gersick et al., 1997; Matias & Franco, 2021; Suárez & Santana-Martín, 2004). Accordingly, business families establish a family council when the family reaches a "critical size" (Nordqvist et al., 2014, p. 195).

In addition to size, the literature cites other factors that drive the establishment of a family council, such as professionalisation. Professionalising the business family involves regulating family relationships and defining organisational structures (Stewart & Hitt, 2012). In relation to the origins of professionalisation (Wilensky, 1964), a business family becomes professionalised when it includes a fair set of rules and standards. The family council enshrines this set of rules to formalise family relationships and establish clear roles (Polat & Benligiray, 2022). According to Poza (2013), in a family business, the family council performs the same function for the family as the board of directors does for the company. This dual professionalisation separates corporate governance functions from family council roles (Gnan et al., 2015).

Given these multiple professionalisation benefits of family councils, practitioners seem to accept the assumption that the time is always right to implement a family council (Beltrán, 2021). However, in the only handbook on family councils published to date, Eckrich and McClure (2012) explain that not all business families need a family council. According to the handbook's authors, some business families might need "something else" first (Eckrich & McClure, 2012, p. 13). This statement refutes previous thinking by implying that the family council does not necessarily bring positive outcomes. But what do these authors refer to by "something else"? Are there situations where it is inappropriate to establish a family council?

This research question is relevant for at least two reasons. First, family business scholars need theoretical frameworks to understand family group dynamics and their effects on family council implementation. Second, the absence of theoretical advancements means that practitioners lack a clear framework when consulting with business families about developing, starting or renewing family councils.

Because the literature pays scant attention to the vaguely defined concept of this "something else" that is needed to implement a family council, further exploration is required to discern when the family council capitalises on inherent family strengths or when it arouses underlying threats. This paper explores the factors contributing to the complex phenomenon of "something else", recognising that, to comprehend a family business, it is crucial to examine the dynamics of the business family (Taylor & Norris, 2000) and the ways in which family members interact with each other (Paskewitz & Beck, 2017). These interactions can be captured to some extent through family communication patterns. Therefore, the research question addressed by this paper is as follows: What are the communication prerequisites to establish a functional family council?

This study is built on a solid framework consisting of ideas from family therapy and the sociology literature to explore the level of communication within the business family and understand what circumstances prevent the family council from being functional. This paper starts with Olson's Circumplex model (Olson, 2011) as a template to provide a structured yet flexible framework for data interpretation (Langley, 1999). However, the proponents of this model did not develop a communication dimension. Therefore, such a dimension is developed using the five criteria defined by Habermas (1982) for an ideal speech situation. The developed communication dimension emulates Olson's continuums for cohesion and flexibility. Accordingly, the communication dimension is proposed as a continuum with two extremes (silence and noise), with any given business family positioned at some point along this continuum. Based on analysis of three real-life cases of business families, the findings confirm the expected results based on the theory developed in this paper. Namely, the family council generates desirable outcomes only when the business family is balanced on the communication continuum (i.e. when certain conditions are met for the family council to ensure communication interaction among family members). The paper thus shows that effective communication is a requirement for the optimal functioning of the family council. Meeting communication prerequisites is essential for business families. Failure to do so can negate positive effects and lead to counterproductive outcomes. The paper also reveals that when communication prerequisites are not met, the family council must be used as a forum to seek effective dialogue.

The rest of the paper is structured as follows. Section 2 describes the development of the communication dimension. Section 3 specifies the method, including the empirical setting, case description, measures and case analysis. Section 4 presents the findings. Section 5 elaborates on the propositions and main outcomes of the research. Section 6 addresses limitations and opens new avenues of research.

2. Theoretical Framework

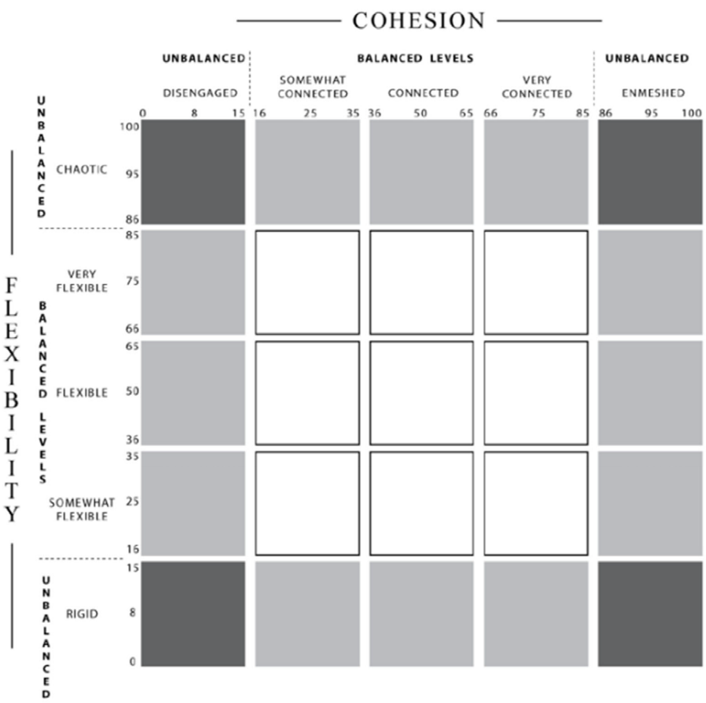
Communication plays a crucial role in business families, especially in terms of family dynamics. According to Afifi and Nussbaum (2006), effective communication is the foundation of family dynamics because it helps maintain strong bonds between family members. Likewise, business family communication is crucial to the continuity of family businesses (Paskewitz & Beck, 2017). In particular, intergenerational communication throughout the succession process is important for ensuring a smooth transition (Leiß & Zehrer, 2018). Otherwise, communication traps can disrupt family harmony during transition (Michael-Tsabari & Weiss, 2015).

Regarding the family council, Poza (2013) has argued that having open and safe communication processes among family members in family council meetings is a prerequisite for the family council to act as a mediating and conciliating mechanism. Building on Olson's Circumplex model (Olson, 2011) and Habermas's theory of communicative action (Habermas, 1982), this paper explores situations where business families do or do not meet those communication prerequisites and investigates how doing so affects the outcomes of family councils.

2.1. Olson's Circumplex model in family business research

Olson and collaborators proposed the Circumplex Model of Family and Couple Systems to assess family functionality based on the dimensions of cohesion and flexibility (Olson, 2011; Olson et al., 2019). Each dimension is conceived as a continuum. Any extreme of either dimension represents an unbalanced position of the family system, while the centre represents a balanced position (Figure 1). The model consists of the curvilinear dimensions of family cohesion and flexibility (Olson et al., 2019), as well as a third facilitating dimension: communication. The facilitating role of this third dimension means that communication is conceived as helping business families move from one position to another in the model.

Figure 1. Olson's Circumplex model



Source: Olson (2011).

The Circumplex model has three main assumptions (Olson, 2011; Olson et al., 2019). First, balanced family systems are more functional than unbalanced systems. Second, balanced families are more likely to manage stress and change. Third, unbalanced families must seek balanced positions through communication-based therapy (Olson, 2011).

This paper builds on this model because of its use in previous family business research. For example, Daspit et al. (2018) acknowledged the application of the Circumplex model to family firms in 13 articles. In some papers, it is used to characterise the first generation (Michael-Tsabari & Lavee, 2012) and to build a family's emotional archetypes (Labaki et al., 2013). However, although these studies advance the understanding of family dynamics, the Circumplex model has never been used to assess the functionality of family governance mechanisms such as the family council. The current study addresses this gap by focusing on the communication prerequisites for a functional family council. For this purpose, the communication dimension of Olson's Circumplex model is considered.

The cohesion and flexibility dimensions of Olson's Circumplex model offer insights into the business family's operational patterns. In this model, communication is considered part of the therapy process, so the authors did not develop a communication continuum. To diagnose the business family's underlying communication patterns, this paper extends the model by developing the communication dimension. The following sections describe the criteria for an ideal speech situation and develop the communication continuum.

2.2. Communication dimension: Criteria for an ideal speech situation

To develop a continuum to diagnose a family's communication situation, Olson's Circumplex model (Olson, 2011) is complemented with the postulates of Habermas's theory of communicative action (Habermas, 1982). In this theory, Habermas provides a series of conditions for an ideal speech situation. Speech (also referred to more broadly in this paper as dialogue) is a process of active listening and the search for agreement. For Habermas, dialogue consists of putting forward arguments and ensuring understanding on the other side, thus reaching intersubjective agreements. These agreements are only valid when all those affected by the agreed norm are represented in dialogue and consensus. In addition, there is a public forum to review and modify agreed norms.

For a speech situation to drive mutual understanding, it must meet five criteria. Despite often differing from honest family communication, these five criteria offer a guiding reference for ideal communication. Table 1 details the five criteria.

Table 1. Conditions for an ideal speech situation

Validity	***Cooperative search for truth*** *All affected by the norm must commit to **truth-seeking** through mutual trust, **prioritising truth over individual desires**. For example, lying prevents the establishment of valid relationships with others because it entails information asymmetries between speakers.*
Intelligibility	***Disposition to understanding*** *The purpose of communicative action is **understanding** in a double sense, **to reach an intersubjectively recognised agreement**. All speakers must grasp each other's arguments. Language is the tool for presenting ideas and facilitating understanding. For example, if technical terms are used in a family council meeting, the younger generation may get lost in the discourse.*
Symmetry	***Equality of speakers*** *All participants in speech must be **equally represented and recognised as equals**, ensuring balanced representation and consensus. All arguments have the same validity, and the **argumentation's strength comes from the weight of reasons**. For example, when the arguments of some members in a family council meeting are ignored, the equity of speakers is threatened.*
Seriousness	***Communication responsibility*** *All involved should aim for collective consensus, **eliminating any attempts to boycott dialogue**. All members are aware of their communicative responsibility and are open to sincerity. For example, when specific topics are avoided at a family council meeting (unresolved conflicts, nonvalidity of other's experiences, etc.), the seriousness of communication is threatened.*

Freedom of expression	***Recognition of freedom of expression for all subjects*** *All **speakers recognise each other as free subjects**. In the action of communication, there is no coercive or manipulative behaviour on the part of any of the speakers. The only criterion determining the agreement reached through communication is the weight of reasons. If the arguments of any member are not validated, freedom of expression is threatened.*

Source: Authors based on Habermas (1982).

Development of the communication continuum

This paper presents a continuum for the communication dimension by analogy to the cohesion and flexibility dimensions of Olson's Circumplex model (Olson, 2011). This continuum enables assessment of business families' level of communication. As shown in Table 2, the ideal speech situation is represented by a balanced position (i.e. equilibrium), whereas the two extremes represent unbalanced positions.

Table 2. Communication dimension: Conditions for silence, an ideal speech situation and noise

Conditions	(-) Silence	COMMUNICATION Ideal speech situation	Noise (+)
Validity	*There is a lack of trust to express individual interests and pursue collective interests.* • *Is there a lack of trust in family members to express your interests and concerns?* • *When there is a conflict, is there rarely collaboration to find a joint solution?*	***Cooperative search for truth*** • *How important is it in your family to tell the truth?* • *Is there a willingness to seek the truth cooperatively in your family?* • *In your family, are the arguments of other members generally recognised?*	*The cooperative search for truth reaches such levels that individual needs are not considered.* • *When there are differences of opinion, are individual interests overridden and the collective benefits put first?* • *In a debate situation in your family, is there no room for everyone to express their point of view?*
Intelligibility	*There is a lack of expressiveness, arguments and common thread to facilitate dialogue. There is a lack of willingness to reach an understanding to find intersubjective agreements. Logical arguments are lacking.* • *When there is a diversity of opinions, do you usually find it challenging to understand the arguments of the other side?* • *When discussing an important issue, are there few ideas and no clear arguments?*	***Disposition to understanding*** • *When there is a diversity of opinions, is there usually a willingness to understand the opposing side?* • *In a discussion, does each side use rational and feasible arguments to explain its position and try to convince the other?* • *When discussing an important issue, are ideas presented clearly so that all family members can understand what has been said?*	*The number of communicative stimuli is so high that it is difficult to put together a clear, concise and direct argument that all parties can understand.* • *When talking about an important topic, are many ideas presented in a disorderly way, preventing the understanding of the message?* • *In conversations in your family, is there usually too much noise so as to prevent you from understanding the messages?*

Conditions	(-) Silence	COMMUNICATION Ideal speech situation	Noise (+)
Symmetry	*There is unbalanced representation. Some people have greater responsibility, and their arguments are more valuable than those of others. Some people affected by the rules are not represented in the dialogue.* • *When there is a disparity of opinions, are there family members whose arguments carry more weight?* • *Are there any family members who have more authority than others?* • *Do the arguments of any family members outweigh others?*	***Equality of speakers*** • *In a family conversation, do all arguments carry the same weight, regardless of who they come from?* • *When making a decision, do all voices carry the same weight?*	*There are people who are not affected by the rule. The absence of certain limits (age of majority, family status, etc.) hinders dialogue and consensus among stakeholders.* • *When you must make a decision, are there any members who participate in the decision, even if it does not affect them?* • *In critical situations, are there people not affected by the situation who take part in the discussion?*
Seriousness	*Dialogue, arguments and communicative action are undervalued. There is a lack of communicative responsibility and a lack of interest in consensus building.* • *When you must decide, do some family members shirk their responsibility?* • *When there is an important issue, do some family members adopt a passive attitude towards the matter?* • *In your family, are dialogue and the search for consensus usually undervalued?*	***Responsibility in communication*** • *Are you normally open and honest when expressing your concerns and interests?* • *Are you usually aware of how your words can influence other family members (communicative responsibility)?*	*All communicative action is measured, analysed and counter-argued at such high levels that it hinders dialogue and makes it difficult to reach a consensus. There is a lack of accountability and communicative engagement.* • *When a situation requires action, are there too many arguments and analyses to the point of hindering communication?* • *In family group dialogues, is there too much noise so as to prevent reaching clear conclusions?*
Freedom of expression	*There is no common space where speakers can communicate their concerns, interests and desires. They do not recognise each other as equals.* • *When there are different points of view, are there any family members who feel shy about expressing their opinions?*	***Recognition of freedom of expression for all subjects*** • *When there are different points of view, do all family members feel free to express themselves openly?*	*There is a common space where any idea is communicated without regard to the reasons. Coercive behaviour is often used to influence the other parties.* • *When there are different points of view, is there a family member who influences the opinions of the rest?*

Source: Authors based on Habermas's Theory of Communicative Action (Harbermas, 1982).

3. Method

The current study uses a **qualitative approach** to gain insight into the intimate details of communication patterns in business families following a **case study structure**. According to De Massis and Kotlar (2014), most qualitative studies of family business use the case study format because it can shed light on the intricacies of the company-family system. In addition, the case study method effectively explores hitherto unknown, complex and difficult-to-observe phenomena, as is the case of the family communication logic. Given the lack of consolidated theory on family councils and communication patterns, the exploratory case study method offers a way to understand family dynamics (De Massis & Kotlar, 2014; Yin, 1993). Building on a model from family therapy, this paper explores communication patterns in business families. In line with this approach, the alternate templates strategy (Langley, 1999) acknowledges that using a priori theoretical lenses can coexist with inductive analysis, providing a structured yet flexible framework for data interpretation.

Given the exploratory nature of the analysis, the interviews had a **semi-structured format**. While an interview protocol was used, questions were flexible and open ended to allow findings to emerge organically from the data. The interview protocol was refined as the data collection process advanced.

3.1. Empirical setting

The study examines **three business families**. To ensure the validity and reliability of the research, a case-selection, data-gathering and analysis protocol was designed. Specific business family characteristics were sought to seek contrasting communication patterns in the selected cases. The protocol defines both homogeneity and heterogeneity in the characteristics of the cases.

The research focused on business families that had family councils that had been active for at least five years, that were active in a Spanish cultural context and that provided access to at least three family informants. The study also considered different communication patterns, family council dynamics and family life cycles to ensure maximum heterogeneity. The degree of professionalisation, defined by clarity of the organisational structure, varied across the three cases. Two families (Bennu and Philia, described later) had a high level of professionalisation. The third (Nenia, described later) had a low level of professionalisation, often mixing the business and family spheres. Table 3 gives more information on the protocol.

Table 3. Research and interview protocol

Case selection	**Maximum homogeneity**	Spanish cultural context
		Perceived family complexity business family 2.0 (Kleve et al., 2023)[1]
	Maximum heterogeneity	Different business family profiles (Olson's Circumplex Model)
		Different family council functions, structure and content
		Different family life cycle and generations
	Access to business families	Family Business Advisors Association (*Club de Asesores de Empresa Familiar*, CAEF)
	Unit of analysis	Business family
Construct validity	**Triangulation**	Access to a minimum of three family informans in each business family
	Methodological tools	FACES IV scales (Olson, 2011)
		Communication continuum with two extremes (noise and silence)
Reliability	**Moving from individual to group level**	Coorientation criteria from social cognitive theory: agreement, accuracy and congruence (Koerner & Fitzpatrick, 2006)
	Codification	Textual quotations, themes and aggregate dimensions
	Research protocol	Non-verbal communication and interview protocol; delimitation and definition of constructs
	Interview panel	Research team (two authors and one collaborator with a PhD in Business Management)
	Recording and transcription	Authors with the support of Transkriptor software
	Analysis of discourse and codification	Authors
	Research protocol validation	Meeting of authors after each interview to discuss main findings and refine the interview protocol for future iterations

Source: Authors.

1. Family 2.0 refers to the business family, which is distinct from the nuclear family, in part because not all family members are involved or active in the business.

Data collection took place from **February to April 2023** and consisted of **18 interviews** providing **1,255 minutes** of interview data. The research team took care to maintain the confidentiality of the business families, using fictitious names for all informants to ensure anonymity. The interview protocol was the same for each informant. Table 4 provides the characteristics of all informants.

Table 4. Interviews with family members

	No.	Interviewee	Generation	Interview duration	Interview format	Official role in family council	No. interviews
BENNU FAMILY	1	Osiris	6G	2 h 52 min (1st interview)	In person	Active support to chair	2
				1 h 45 min (2nd interview)	Online		
	2	Isis	6G	1 h 05 min	In person	Chair	1
	3	Maat	7G	55 min	In person	Attendant	1
	4	Horus	7G	1 h 15 min	In person	Attendant	1
PHILIA FAMILY	5	Poseidon	2G	26 min	In person	Attendant	1
	6	Hermes	2G	41 min	In person	Attendant	1
	7	Heracles	3G	1 h 16 min	In person	Chair	1
	8	Athena	3G	1 h (1st interview)	In person	Active support to chair	2
				42 min (2nd interview)	Online		
	9	Hera	3G	49 min	In person	Secretary	1
	10	Hefesto	4G	43 min	In person	Attendant	1
	11	Apollo	4G	55 min	In person	Attendant	1
	12	Artemis	4G	47 min	Online	Non- attendant (younger than 25 years)	1
	13	Cronos	External consultant	1 h 18 min	Online	Facilitator if applicable	1
NENIA FAMILY	14	Jupiter	3G	1 h 02 min	Online	Active support to chair	1
	15	Juno	3G	2 h 5 min	In person	Chair	1
	16	Minerva	3G	1 h 19 min	In person	Attendant	1

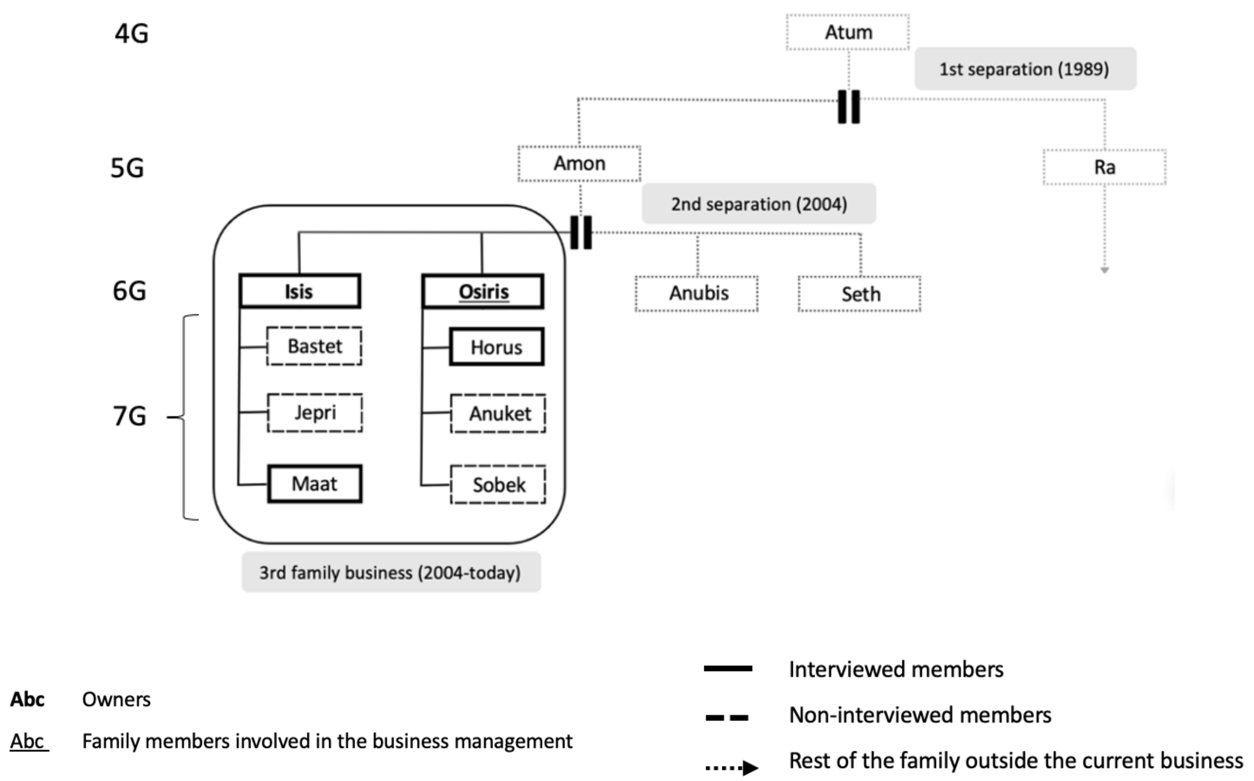
Source: Authors.

3.2. Case description

3.2.1 Bennu

Bennu family business was founded in 2004 by siblings Osiris and Isis (6G) to manage the family's wealth. Currently, the 6G is active in the management and ownership of the business, and the 7G is active on the family council (currently without ownership or management). Eight family members attend the family council meetings. Bennu is the third family business of the family group. Its business strategy is diversified across liquid assets, real estate and corporate assets. Figure 2 shows the family tree of the current business family, considering its two previous separations.

Figure 2. The Bennu family tree



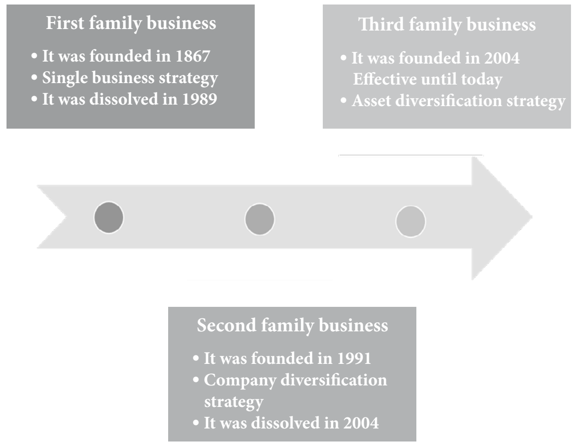
Source: Authors.

The first family business was started in 1867 by the founder (1G), the founder's child (2G) and the founder's grandchild (3G). In the 4G, a single family member (Atum) led the company. The strategy of this first company was focused on being a **single business**. When the 4G passed away, the company was led by the two brothers of the 5G. In 1989, the company was dissolved and sold. At that time, the two family branches opted for **different corporate strategies**.

As the strategies differed, separate companies were created. In 1991, Amon (5G) set up a new company with four children. Based on the corporate priorities, the strategy of this new company was based on **company diversification.**

After a few years operating in various industries, the company was sold in 2004. This time, the second family business was dissolved. Osiris and Isis (6G) sold their shares to start a new project together, with a different strategy from the previous one. At that point, the two siblings formed a new company based on an **asset diversification strategy**. Figure 3 shows the family business history.

Figure 3. The Bennu family business history



Source: Authors.

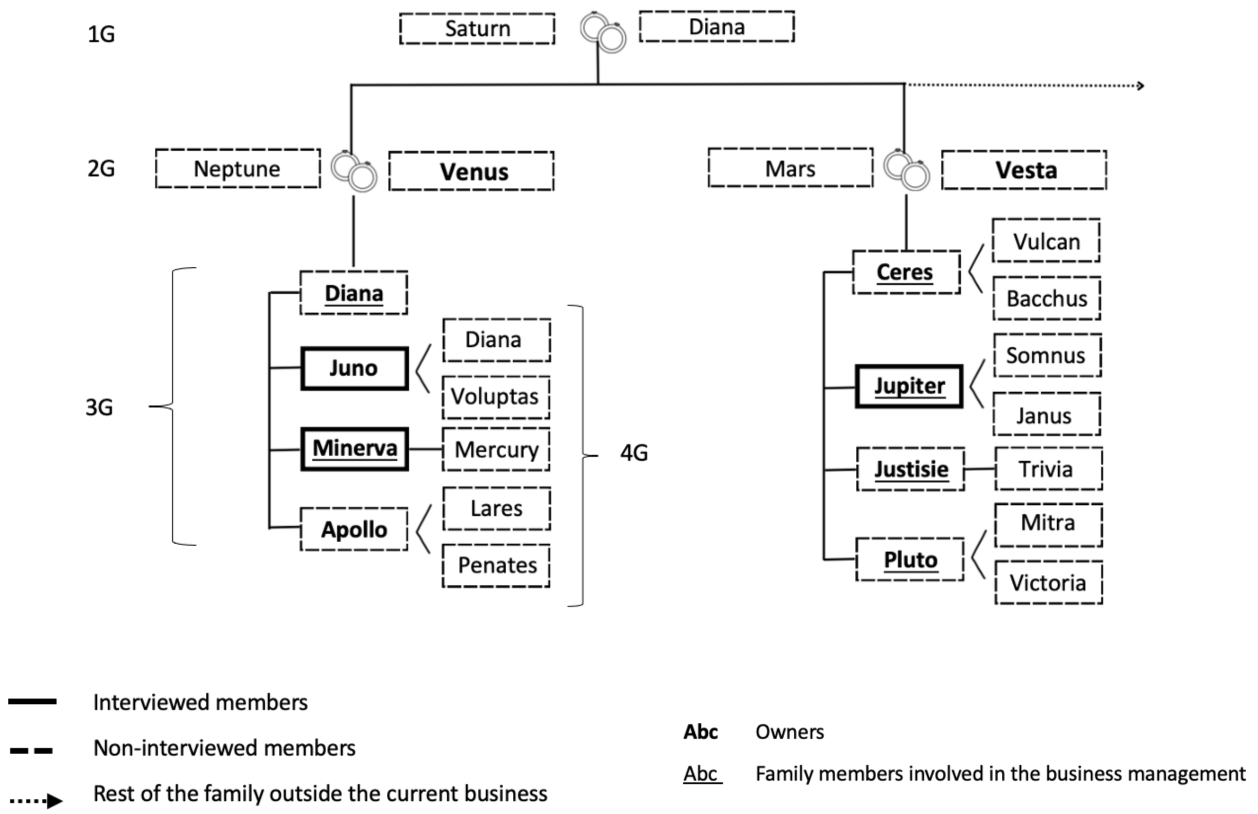
3.2.2. Nenia

Nenia, with the 3G at the helm, has over 80 years of experience in the food industry. 1G and 2G were also involved in corporate governance. The company markets its products in almost 50 countries and has production sites all aorund Europe. and has 13 production sites in Spain, Italy, Poland, Turkey and the United Kingdom. By 2022, the group had a turnover of over 700 million euros. The group's international workforce comprises 2,300 professionals.

The family business was founded in 1930 when the founder (1G) started buying and selling products in the food sector. In 1961, the siblings Neptune and Mars joined the business during the generational transition from 1G to 2G. The assignment of tasks was aligned with the temperament and character of each sibling. Mars oversaw purchasing and executive duties, drawing on an analytical profile. In contrast, Neptune managed commercial activities and production, exploiting a sociable nature.

The 3G gradually joined the business until, eventually, all members became involved in management. Two members (Juno and Apollo) have left the management. However, the rest remain in management positions. They are currently defining the company management model and drawing clear lines between the family, ownership and management spheres. Figure 4 shows the Nenia family tree and their involvement in the business. Currently, eight family members attend the family council meetings.

Figure 4. The Nenia family tree



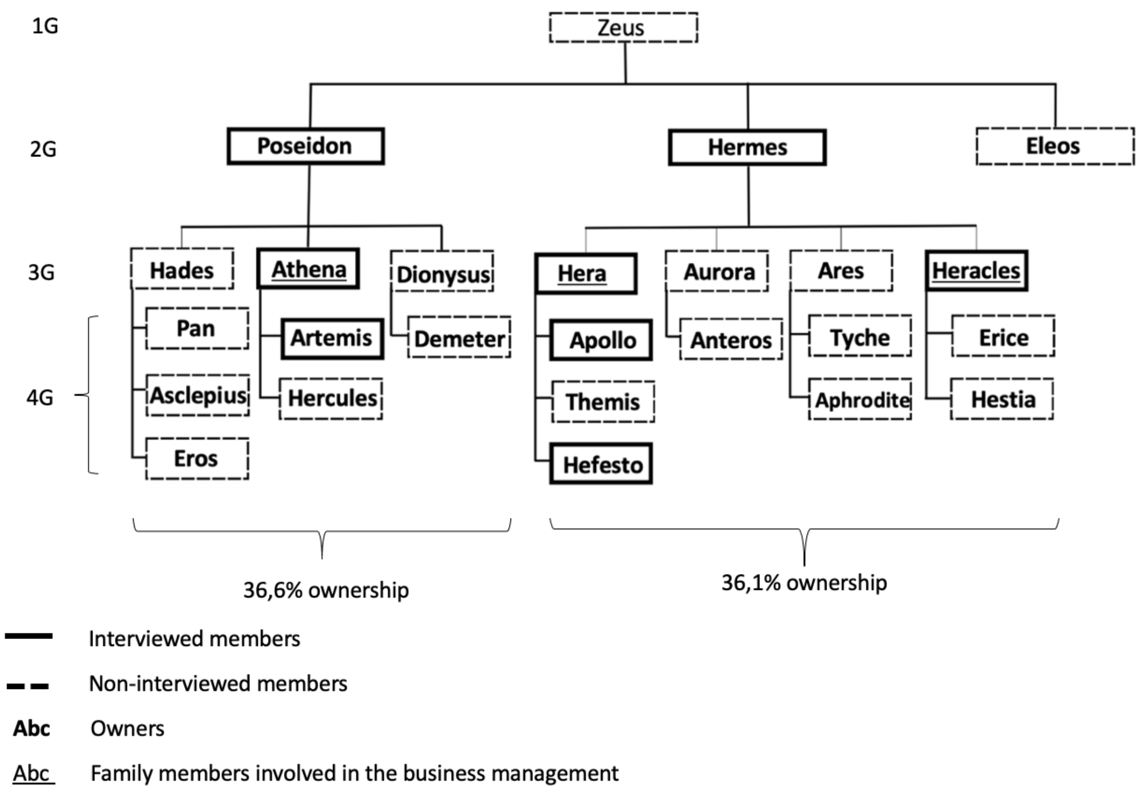
Source: Authors.

3.2.3. Philia

Philia is in the 4G of active ownership. Three generations have been involved in the business governance system. They have been in the family business for 100 years and have provided textile processing solutions for 60 years. At present, all its activities focus on textile treatment solutions. The company is expanding internationally and provides services in more than 130 countries. Around 85% of turnover is generated outside Spain. Philia has production centres in Spain, France and China and employs 800 people. Estimated turnover in 2022 was 180 million euros, and 4.5% of turnover is allocated to research and

development (R&D).
The family business was founded in 1920 by the grandfather (1G) of the current managers (3G). Years later, the children (2G) started what is the main activity today. The shift from 1G to 2G followed a functional approach, where each child took responsibility for a different business area. Hermes (2G) took over production, Poseidon (2G) took over commercial duties, and Eleos (2G) was responsible for human resources.
During the transition to 3G, the siblings Poseidon and Hermes decided to divide positions between the two branches, ensuring the balance of power. Finally, in 2008, Heracles and Athena were appointed managing directors. The rest of the 3G members developed their professional careers in other fields. The 4G members are all in the process of defining their professional paths. The 4G has a broad artistic identity and a keen interest in music, painting and sculpture. Figure 5 illustrates the Philia family tree. All 2G, 3G and 4G members are business owners. The 2G gave 10 shares to each member of the 4G at birth. Therefore, each member of the 4G has 0.1% ownership. The Poseidon family branch owns 36.6%, and the Hermes branch owns 36.1% of the business. There is therefore a balance of ownership between the branches. In total, 16 family members attend the family council meetings.

Figure 5. The Philia family tree



Source: Authors.

3.3. Case analysis

Communication patterns differ across the three business families, as reflected by Table 5. The table highlights key quotations corresponding to the five conditions of an ideal speech situation.

Table 5. Key quotations reflecting communication conditions in Bennu, Nenia and Philia

	Bennu	Nenia	Philia
Validity	**Balanced position (*tending towards noise*)** “Having different points of view in decision making is inevitable, and even a good thing, because it enriches the outcome of the decision. This only happens if the goal is consensus” (Osiris, 2nd interview, h 1 min 37)	**Unbalanced position (*silence*)** “There was quite a lot of friction between the two branches when my uncle passed away and we matured a little bit. Perhaps each branch was dragged by two or three people more than by all the cousins of each branch . . . because although we have many things in common, we’re different in each branch” (Juno, min 37)	**Balanced position (*ideal speech situation*)** “When there is an argument, I explain it more delicately to find a balance. I keep educational minutes of the family council meetings. If it is very difficult for someone to speak and say something, then I make a record in the minutes that this person has said this. I do this to help and take care of all the people who are part of the family council” (Hera, min 24)
Intelligibility	**Balanced position (*ideal speech situation*)** “For us, it is important to talk the same language. So, my sister and my cousin took more business-oriented courses to catch up with everyone else” (Maat, min 27) “We invited the 7G to listen in on the stakeholder meetings so that they could learn about the strategic plan of the business” (Osiris, 2nd interview, min 5)	**Unbalanced position (*noise*)** “When developing the protocol, we had a hard time because everything was debated, even leading to some ridiculous situations” (Juno, min 26)	**Balanced position (*ideal speech situation*)** “Our family council is a place where there is very open communication, with no boundaries. It is like a spiral of communication in every sense because if you ask something, it is explained perfectly, with attentiveness and respect. Our family council is a lot of wheels [representing the spiral of communication] going up and up” (Hefesto, min 12)
Symmetry	**Balanced position (*tending towards noise*)** “In a family council, I said that I did not agree with that [a clause of the family constitution] because I thought it was not equitable for all family members” (Horus, h 1 min 2) *They seek symmetry among family council participants, even though the 6G members lead the meetings*	**Unbalanced position (*silence*)** “I only talk to a family member if they see me as an equal. That is, I respect you as a person because each one of us has some bad things, but also some good things. Neither my opinion nor yours is best” (Minerva, h 1 min 11)	**Balanced position (*tending towards silence*)** “The 3G asked us [4G] to what extent we see ourselves connected to the family and the business and in what way. Then they could see what our interests are” (Artemis, min 4) “Sometimes the 4G have little to say because our grandparents are still very active and make most of the decisions” (Hefesto, min 47)
Seriousness	**Balanced position (*ideal speech situation*)** “In our case, the six of us (7G) have a perfect mix. I believe we can achieve great things if we organise ourselves and learn to reach a consensus” (Horus, min 43) “When you get together and talk constructively, you come to meaningful conclusions” (Isis, min 42)	**Unbalanced position (*silence*)** “The potential of sincerity is huge, but we don’t currently have the capacity to be sincere on the family council, which would be the point where there would be real changes . . . I mean, when we’re honest, we get to a point where the relationship breaks down” (Minerva, min 36)	**Balanced position (*tending towards silence*)** “We respect each other a lot, their time to talk, their silences . . . Sometimes when I want to say something, I feel like I’m on the road waiting to overtake and cars are overtaking while I need a bigger gap to get in. Then I feel like I’m stepping on someone’s toes, and I feel uncomfortable with that” (Apollo, min 12)
Freedom of expression	**Balanced position (*ideal speech situation*)** “The fact that we (7G) are involved, ask questions and make comments helps give them (6G) an idea of our weaknesses, where they have to push the hardest, what is clearest to us . . . ” (Horus, h 1 min 4)	**Unbalanced position (*silence*)** *In practice, there are no spaces for family members to express themselves* “We don’t have any informal forums. Within the organisation, we don’t have enough of a relationship to build the relationship back up. So, it can only be through the family council because it is formal” (Minerva, min 29)	**Balanced position (*ideal speech situation*)** “I suppose because we have a good relationship, but sometimes if someone disagrees, they are given time to express their opinion” (Hefesto, min 36)

Source: Authors.

3.3.1. Communication in Bennu

The Bennu family is very aware of transmitting family values and traditions to successive generations through informal and formal means. So far, the members of the 6G, as leaders of the family group, have been in charge of the running and content of the family council meetings. However, the situation has changed. The members of the 7G have already internalised the family values and have more emotional maturity and judgement to raise issues, concerns and expectations about their connection to the business. The 7G members are beginning to express their concerns, interests and expectations in family council meetings. Therefore, the 6G is also learning to make space to discuss these issues. At Bennu, they underscore the importance of "speaking the same language" to ensure that they are aligned with each other. This alignment makes communication between all parties more direct and transparent. Considering these arguments and the key quotations in Table 5, the Bennu family is in a balanced situation. Specifically, it is in **the upper balanced position**, towards noise (Figure 6).

Figure 6. Position of the Bennu family in the communication dimension

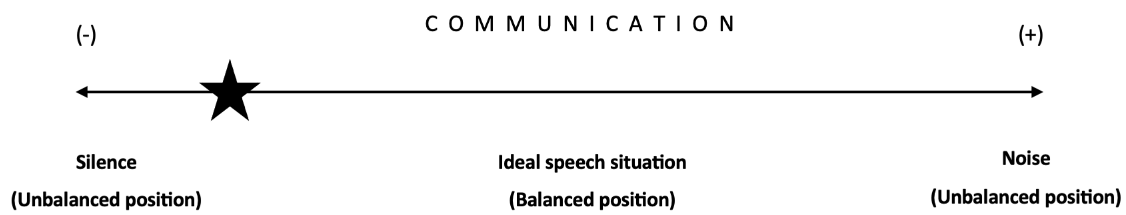
Source: Authors based on Olson's Circumplex model (Olson, 2011) and Habermas (1982).

3.3.2. Communication in Nenia

Consistent evidence indicates that the Nenia family is in an unbalanced position. First, speaker representation is unequal. For instance, 2G women typically do not attend family council meetings. However, the outcomes of these meetings still apply to them. This fact highlights asymmetries in communication and suggests that there may be a non-resolved conflict.

One of the main reasons for this unbalance is the rigid mental framework of the family group, which prevents the establishment of an ideal speech situation. Fixed, socially constructed labels from childhood hinder the assessment of other speakers' arguments based on the weight of reasons. This situation prevents collective consensus. Sincerity is scarce in family gatherings. When members are sincere, conflict arises. As a result, family members avoid key issues for the family and its relationship with the company (e.g. next-generation involvement). Informal communicative interactions are minimal. Accordingly, the family council serves as a space to conduct these critical conversations. However, the family members do not legitimise what is discussed on the family council nor take the outcomes seriously. Considering this evidence, the Nenia family is at the **unbalanced extreme of silence** (Figure 7).

Figure 7. Position of the Nenia family in the communication dimension



Source: Authors based on Olson's Circumplex model (Olson, 2011) and Habermas (1982).

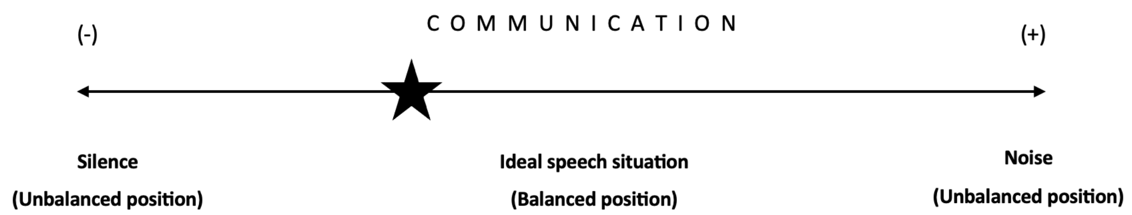
3.3.3. Communication in Philia

In Philia, communicative acts fully meet the five criteria of an ideal speech situation. The level of trust between all family members is high, which is a prerequisite for the search for validity in discourse and freedom of expression. Respect permeates all communicative acts in Philia. There is so much respect in interactions that family members sometimes fail to express their feelings to avoid the potential discomfort of other members. This situation shows that although there is freedom of expression, some contributions remain in the background. Usually, the younger generation's opinions are the ones that are overlooked. In practice, despite symmetry between speakers, decisions are primarily made by the 2G.

Philia is in a ***balanced position in all conditions, towards the lower end of the continuum*** (Figure 8). The interviews reveal some nuances of family communication patterns. For example, some issues that everyone is aware of have not yet been addressed. These issues include the addition of stepfamilies to the family council.

"We have an element to work on: my wife has a daughter, and this daughter is not a blood descendant. She feels excluded, but for me, she is my family" (Heracles, min 18).

Figure 8. Position of the Philia family in the communication dimension



Source: Authors based on Olson's Circumplex model (Olson, 2011) and Habermas (1982).

4. Findings

The right moment to establish a family council remains unclear. While some practitioners argue that the business family will always benefit from the family council, the literature suggests that business families usually start to think about the family council when family complexity increases. To bridge the gap between academia and practice, Eckrich and McClure (2012) explain that a family council must be built on solid family foundations.

Thus, as a family governance mechanism, the family council is not organically functional. Instead, the business family must first meet some minimum requirements. This paper explains that these necessary conditions are tied to the dynamics of the business family. Specifically, this paper advances the understanding of business family communication dynamics by answering the following question: What are the communication prerequisites to establish a functional family council?

This research advances the understanding of communication patterns in business families by identifying the necessary conditions for a functional family council. Specifically, if communication within business families is not well balanced, the family council may be counterproductive. Propositions 1 and 2 suggest the requirements for establishing a family council. Propositions 3, 4 and 5 suggest the requirements for ensuring the functionality of an existing family council.

4.1. When should a business family establish a family council?

Poza (2013) listed some prerequisites for the family council to be an effective decision-making governance structure. These prerequisites are defined as open and clear communication processes. This paper expands on that research, defining and evaluating the conditions for effective communication. It explains that the communicative acts of business families must meet minimum criteria of validity, intelligibility, symmetry, seriousness and freedom of expression. If these prerequisites hold and the criteria of an ideal speech situation are met, the family members will be more likely to understand each other. Understanding is the basis for consensus. It is therefore necessary for decision-making on family issues and involvement with the company (Pereira-Otero & Gallo, 2023). Unless these minimum communication standards are met, the business family will struggle to address complicated issues or make decisions on complex matters (e.g. succession and inclusion of in-laws and next-generation members).

Proposition 1. Effective communication within the business family is contingent on meeting the five criteria for an ideal speech situation.

Practice-oriented guides on family councils state that it is always a good time to establish a family council (Beltrán, 2021). In this paper, it is argued that families should incorporate governance structures when desired. According to Frankenberg (1999), the family council provides an effective platform for facilitating discussions in the business family and reaching a consensus. However, building on Proposition 1, this study offers a cautionary message that it is only advisable to establish a family council when the family meets certain requirements. Otherwise, the results may be counterproductive.

If the family is unbalanced in terms of communication, the family council will be unlikely to have a positive outcome. For example, if communicative acts are not sincere or the opinions of other family members are not respected, the decision-making process of the family council will lack validity. As reflected by the case of Nenia, when families are at the extreme of silence, family members avoid interactions with other members, there are destructive communication patterns and individual interest is prioritised over family interest. In contrast, families that are at the noise end of the spectrum engage in endless conversations with no apparent purpose. In these two scenarios, although the family council provides a forum for family discussion, it fails in its purpose of providing a mechanism to reach a practical consensus. In both cases, the focus should be on what is not said. Inconsequential talk (or not talking at all) is a strategy for deviating from what matters, such as addressing unresolved conflicts deriving from previous generations or involving the next generation. The family must ensure that certain conditions regarding communication are met so that the family council effectively addresses relevant issues.

Proposition 2. A family council must only be established when the business family meets certain communication requirements.

4.2. Does the family council improve communication?

Numerous family-controlled companies have established a family council to dismantle the culture of secrecy instilled by preceding generations (Poza, 2013). The family council is believed to improve family communication (Labaki, 2011). However, the evidence supporting Propositions 1 and 2 refutes the idea that the family council always improves communication.

A family's logic and communication patterns are often invisible and are shaped by different expectations and structures within the family and business contexts. In families with a family council, the family council unveils the interactions and communication patterns within the family. For example, some topics may not naturally be addressed by the family council if there is avoidant behaviour in the family. Such avoidance is exposed when members share space on the family council because it is where communication patterns become explicit. In contrast, when informal communication is fluid, it becomes explicitly fluid within the formal family council. Thus, the family council simply reveals communication patterns that had otherwise remained hidden. Accordingly, the research suggests that the family council improves communication in business families when the family group already starts from a balanced position in the communication dimension. This starting position means that the family is ready to leverage its communication dynamics. If a family is in an unbalanced position, the family council will simply make existing negative hidden communication patterns more explicit. This situation is described in Propositions 3, 4 and 5.

Proposition 3. The family council does not naturally improve communication. Instead, it reveals hitherto invisible communication patterns within the family.

4.3. What should a business family do when an active family council is not working?

When the family council does not work, it may be a symptom of the family's lack of balance in the communication dimension (or cohesion and flexibility in the Extended Olson Circumplex Model). In such situations, the business family should identify its weaknesses by conducting a diagnosis based on three dimensions: cohesion, flexibility and communication. By identifying and labelling any unbalances, the family can effectively address the key issues it faces. This process is typically supported by an external consultant who provides advice and guidance to help the family achieve a balanced position. Returning to the original motivation of the current research, this family diagnosis can be regarded as the concept of "something else" that Eckrich and McClure (2012) identify as essential for a family council to function.

The theory suggests that the communication dimension can facilitate family stability and help with the transition from unbalanced to balanced positions. For this purpose, consultants can lead family members to work on self-awareness, emotion regulation, active listening and assertive communication. In fact, Ward (2016) suggests that developing these skills individually and together as a family is essential for family governance success.

> Proposition 4. Families should undergo diagnosis to understand their cohesion, flexibility and communication, under the supervision of a consultant.

According to the family governance literature, a public space is needed for family members to interact and communicate effectively (Suess, 2014). If informal communicative acts are dysfunctional or non-existent, the family council provides such a public space, offering a formal solution to redirect communicative acts. For example, in a fragmented family where informal meetings have disappeared, a consolidated family council is the primary place for rebuilding family bonds. In an unbalanced business family, the presence of a consolidated family council can foster dialogue and enable the exploration of potential scenarios for reconciliation within the family. **The family council becomes the public space for dialogue and a mechanism for starting to restructure the business family**.

As explained by Olson et al. (2019), dialogue is crucial in therapy sessions to help families transition towards balanced positions in terms of cohesion and flexibility. In a consolidated family council, the therapy sessions that Olson refers to essentially equate to council meetings. Through proper training, the family council can potentially restore balance within the business family by making dialogue skills more effective. Doing so can in turn lead to increased comfort among members during family council meetings, resulting in greater satisfaction with the family council. Moreover, discussions within the group are likely to become more constructive and productive as a result.

To foster dialogue within the family council and ultimately rebuild family relationships, the family must legitimise the family council's role. Members must have faith in its potential and recognise its long-term benefits, even if they may not be immediately visible (Suess, 2014). This long-term focus poses a challenge, particularly in a business environment where the emphasis is frequently on immediate results and where reward systems often lead to overstimulation. Nonetheless, legitimising the family council is the primary way of ensuring the functionality of the business family.

> Proposition 5. The family council offers a space for dialogue to rebuild family bonds. Through dialogue, unbalanced families can transition towards a balanced position.

5. Conclusions

This article explores the dynamics of business families and family governance, with a focus on communication. The literature does not explain when a business family is prepared to establish a family council and whether a consolidated council is functional. While some studies suggest that family size (Nordqvist et al., 2014) and complexity (Suárez & Santana-Martín, 2004) are key drivers of family council implementation, the situations that make it unadvisable to establish a family council remain unexplored. By extending Olson's Circumplex model (Olson, 2011), this paper reports the study of three business families, identifying the communication requirements under which a family council can have positive outcomes. The Circumplex model has been used in the family business literature to show that unbalanced family systems are associated with dysfunctional practices in terms of commitment, performance and survival (Daspit et al., 2018). However, no study has explored the effect of unbalanced family systems on family governance. To fill this gap, this paper explores family communication dynamics (Michael-Tsabari & Weiss, 2015), revealing several key findings, captured in this paper as propositions. First, when business families think about establishing a family council, they must initially meet the five criteria for an ideal speech situation (Propositions 1 and 2). Second, when families are unbalanced and already have an active family council, they are urged to use the family council as a space for dialogue (Propositions 3, 4 and 5).

This study makes a dual contribution. First, it provides a conceptual framework to identify and categorise business family communication. This framework can help academics and consultants perform diagnoses of business families. Second, the study offers strategies to enhance communication conditions to meet the requirements for a functional family council.

The insights gained from this research are not limited to the academic literature. They are also relevant for practitioners and consultants working with business families. For instance, the findings highlight effective communication as a necessary condition for establishing a family council. Thus, communication diagnosis helps determine the family's readiness for establishing a family council or identify the functionality of an existing family council. If the family is balanced on the communication continuum, establishing a family council makes sense. However, if the family is unbalanced on the communication continuum, then "something else" is needed. The consultant should thus identify the unbalanced dimension (cohesion, flexibility or communication) and work on the family members' listening and communication skills so that they feel prepared for effective discussions on the family council. Otherwise, poor communication can disrupt family harmony (Michael-Tsabari & Weiss, 2015), preventing the family from reaching a balanced position.

This study has some limitations. For instance, the sample only included families rooted in the Spanish culture. Therefore, additional research should test these propositions in other contexts to determine their validity. Also, conducting retrospective research introduces potential biases such as post hoc rationalisation. To counteract such forms of bias, interview data were cross-referenced with other sources (Eisenhardt, 1989) such as archival documents, direct observations and testimonies from practitioners who knew the business family. Including informants from the same family provided a comprehensive and balanced view, reducing individual bias. Also, nonverbal communication was evaluated following a linguistics and psychological template to consider "possible emotional attachment" (Golden, 1992, p. 855) to the topics discussed.

Advancing the understanding of communication on the family council opens new avenues for future research. Considering the business family profile, we encourage authors to investigate how the level of heterogeneity among family members attending the family council influences the overall position of the business family. With family diversity being the norm, viewing the family council as a space for dialogue is imperative, as reflected by this journal's conversation on cohabitating couples (Dyer et al., 2023). Crucially, different communication logics between family members can result in conflicts. Researchers should focus on the type of conflict (i.e. task, relational, process or status) in unbalanced families (Frank et al., 2011), while exploring how dialogue on the family council can help address each type of conflict.

Overall, this study offers a valuable resource for academics, consultants and practitioners working with business families. Its value lies in the insight it provides by highlighting the importance of communication prerequisites for family councils and by offering strategies to enhance family balance for positive outcomes.

Author contribution statement

The authors contributed equally to the work.

Conflict of interest statement

Declaration of interest: none

Ethical statement

The authors confirm that informed consent was obtained from all participants involved.

The authors confirm that data collection for the research was conducted anonymously and there was not possibility of identifying the participants.

Declaration on the use of generative AI in the writing process

During the preparation of this work the author(s) used ChatGPT in order to find synonyms and find alternative structures to express the same idea. After using this tool/service, the author(s) reviewed and edited the content as needed and take(s) full responsibility for the content of the publication.

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Data availability statement

The data that support the findings of this study are available from the corresponding author, M.R.G, upon reasonable request.

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The Impact of Mentorship and Funding Support on Stimulating Entrepreneurship Motivation among Family Members

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Abstract This study investigates and assesses factors that influence entrepreneur's motivation to start up a project and explores government support programs. A study model was developed, and a quantitative approach was used for this purpose to collect data from potential entrepreneurs among family members. Two influential factors were used in the study that would impact entrepreneur's motivation which are mentoring and funding support. This study is based on the expectancy theory to investigate impact on entrepreneur's motivation. A simple random sampling approach was used on the targeted population and study results were tested to determine their validity. The findings show that the existence of mentorship and accessible funding support have a favorable relationship and remarkable impact on motivation of entrepreneurs especially in the early stages of the project. The study indicates that entrepreneur's ideas and goals would not be achieved without proper funding. Potential entrepreneurs may not be able to start their own business people and face the risks in the absence of financial support. It is critical to enhance the understanding of potential entrepreneurs in the early stages on how such substantial efforts might benefit their entrepreneurial journeys. The study suggests focusing on mentorship and funding support programs to stimulate potential entrepreneurs in Bahrain. This step can attract and increase investment in the market and contribute to economic growth of the country.

CÓDIGO JEL
L20, M14, M16

PALABRAS CLAVE
Emprendimiento, Mentoría, Apoyo financiero, Economía, Motivación de la persona emprendedora.

Mentoría y apoyo financiero: Impacto en la motivación empresarial familiar

Resumen Este estudio investiga y evalúa los factores que influyen en la motivación de las personas emprendedoras y explora los programas de apoyo del gobierno. Se utiliza un enfoque cuantitativo para este propósito, recopilando datos de personas empresarias posibles de miembros de la familia. En el estudio se utilizan dos factores influyentes que afectan la motivación de las personas emprendedoras, que son la tutoría y el apoyo financiero. Este estudio se basa en la teoría de las expectativas para investigar el impacto en la motivación de las personas emprendedoras. Se utilizó un enfoque de muestreo aleatorio simple en la población objetivo y se probaron los resultados del estudio para determinar su validez. Los hallazgos muestran que la existencia de tutoría y apoyo financiero accesible tienen una relación favorable y un impacto notable en la motivación de las personas emprendedoras, especialmente en las primeras etapas del proyecto. El estudio indica que las ideas y los objetivos de las personas emprendedoras no se lograrían sin la financiación adecuada. Las personas emprendedoras posibles pueden no ser capaces de iniciar su propio negocio y enfrentar riesgos en ausencia de apoyo financiero. Es fundamental mejorar la comprensión de las personas emprendedoras potenciales en las primeras etapas sobre cómo esos esfuerzos sustanciales podrían beneficiar sus trayectorias empresariales. El estudio sugiere centrarse en los programas de tutoría y apoyo financiero para estimular a las personas emprendedoras potenciales en Bahréin. Esta medida puede atraer y aumentar la inversión en el mercado y contribuir al crecimiento económico del país

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1. Introduction

Entrepreneurship is the creation of goods and services that have a positive impact on economy and society. Entrepreneurship among family members to take place needs entrepreneurs to carry out projects and seize opportunities conditional to availability of support that make such projects successful (Shane & Venkataraman, 2000). An entrepreneur is someone who starts an original business in the marketplace. Many researchers demonstrate entrepreneurs as self-employed people who needed a wide range of managerial skills to flourish since they function as a complement to the entrepreneur's own strengths. Some have stated that entrepreneurship among family members necessitates bravery and the capacity to deal with the unpredictability that comes with the process of the entrepreneurial (Foss, 1994). It is vital to motivate and support a potential entrepreneur in the early stages of his/her project to succeed (Canedo et al., 2014). Support of entrepreneur is therefore very important to make him creative and work hard to succeed and contribute to economic growth of the country (Aldy, 2017). According to a poll conducted by the Youth International Business (YBI, 2020), 37% of youth entrepreneurs around the world consider their mentor to be more important than money in the survival and success of their business, while 93% of SMEs recognize that mentoring can help them succeed, but only 28% of entrepreneurs presently use business mentors (Sage Business Navigators, 2014). Mentoring is a relationship between a mentor who is usually a senior person/body who can guide and share some knowledge with a mentee for a specific purpose such as professional development, The notion of entrepreneurship among family members has risen in popularity because of multiple benefits it may provide in terms of increasing economic wealth and lowering unemployment (Ball, 2005). In the past, Bahrain's economy depended on the pearl industry and marine trade. Bahrain was an important country due to its strategic location in the heart of the Gulf, and it was called the Gateway to the Gulf. In 1932, the first oil discovery was made in Bahrain. This finding bolstered Bahrain's economy, but due to its limited oil reserves, it was projected to become the very first country to exhaust its oil reserves (Gillespie, 2002; UNDP, 2018). Bahrain needed to diversify the country's economy; as a result, His Majesty King Hamad bin Isa Al Khalifa introduced the Economic Vision 2030 in October 2008 with the goal of creating a coherent strategy for developing Bahrain's economy and focusing on increasing the standard of living for Bahraini citizens (Ministry of Foreign Affairs, 2022).
Currently, there is a scarcity of suitable employment. Massive numbers of fresh graduates are currently seeking work. Moreover, if this situation remains, there will be insufficient employment opportunities (UNDP, 2018). The government of Bahrain has realized the unstable oil income to the economy. Therefore, the government made significant steps toward encouraging private-sector economic development and investment. This includes improving the infrastructural and regulatory environment, making government procedures simpler to comprehend, attracting foreign direct investment (FDI) from other countries, and assisting the private sector and the labor market (Government of Bahrain, 2022). Activating other economic sectors has been obvious, thus optimizing the use of available resources. The rise of the public knowledge and advocacy of economic growth and development aided the essential function of entrepreneurship (Gartner, 1988; Shane & Venkataraman, 2000).
The Economic Vision 2030 in the Kingdom of Bahrain has emphasized the significance of entrepreneurs and underlined their role in the economy. Entrepreneurial activities are recognized as a key driver of the country's economic development. A competitive private sector that confirms the importance of entrepreneurship among family members is seen as the major engine of long-term growth in the kingdom's economy (Salindo, 2018). Furthermore, with Bahrain's population of 1.8 million people entrepreneurship among family members is seen to improve and develop the country's economy (Worldometer, 2022). As the number of studies conducted on this subject in Bahrain is limited, this study aims to comprehend two of the most important factors that influence an entrepreneur in the Kingdom of Bahrain: mentorship and funding support. These factors could affect the potential entrepreneur's set of expertise, the educational system, or even their values and beliefs. As a result, knowing those characteristics helps entrepreneurs in having a clear understanding of the challenges they may face, which in turn influences the entrepreneur's level of motivation throughout the pre-phase of the entrepreneurial journey. This, in turn, has an impact on ensuring the entrepreneur's growth and reduces risk of failure especially in the early stages of the project.
There are several factors that influence potential entrepreneurs' motivation, and the literature review in this study focuses on the impact of two key factors in the pre-entrepreneurial path, namely mentoring and funding support. These factors may influence the potential entrepreneur in many aspects. Consequently, recognizing such factors helps the entrepreneurs in having a clear idea of the problems he/she might face. The main contribution of this study is to know

the main factors that motivate Bahraini entrepreneurs who want to begin their commercial careers and create their own enterprises. It also helps understanding related entities in Bahrain that support an entrepreneurial journey. A conceptual framework has been developed to add to these contributions by piecing together important constructs to achieve the aim of this study. The remainder of this article is organized into five sections. First, we review the literature to have in-depth understating on mentorship, funding, and motivation, second develop a conceptual model and put forward study hypotheses, third, we outlined research methodology along with reliability test to keep items ready for analysis, fourth, we present the findings and discuss research hypotheses, and finally we put the concluding remarks along with study implications, limitations, and future research.

2. Literature Review

Entrepreneurship among family members was recognized as a dynamic contributor to long-standing economic growth, as it does not only provide careers but also increase market consumption, innovation, knowledge transfer, and employment. Entrepreneurship among family members appears to have a major role in building diverse economic structures, and acts as an important economic pillar (Meyer & Jongh, 2018). Kremel and Edman (2019) believe that entrepreneurship among family members fosters both educational advancement and societal contribution. However, Costa et al. (2018) claimed that entrepreneurs are responsible for producing jobs as well as fostering creative ideas. In any country, flexible thoughts and entrepreneurial propagation are crucial. According to Dvouletý (2018), entrepreneurship is a method of reducing poverty and demonstrating participatory change. Thus, professional background in addition to increasing national revenue can be key prospects of entrepreneurship.

As it was highlighted by Segal et al. (2005), motivation is recognized as being the most crucial role in the establishment of new entrepreneurial businesses and drives entrepreneurs to start a well-established company creation. The main motivation for an entrepreneur is to work on his own for better value creation. In this case, he is ready to take the risk with an aim to create an impact on the economy. Segal et al. (2005) stated that many entrepreneurs are motivated to open their own business due to reasons such as dissatisfaction with their present job, salary, or unemployment. However, others go for entrepreneurship, that could be attributable to a desire for self-fulfillment, and autonomy.

Individuals who want to be entrepreneurs believe that the benefits they will receive will be more than their present pay. Entrepreneurs may be motivated by the prospect of being self-employed, or spotting an opportunistic idea, or perhaps even the prospect of enhancing the level of income to improve their overall well-being. Two types of entrepreneurs can be highlighted here: necessity entrepreneurs and opportunity entrepreneurs. Necessity entrepreneurs possess lower levels of motivation and risk-taking than opportunity entrepreneurs. Opportunity entrepreneurs are already motivated and considered risk-takers (Block et al., 2009).

Supporting and motivating entrepreneurs, as well as fostering entrepreneurship among family members, are well-known topics of public interest (Lüthje & Franke, 2003). Various variables contribute to the development of entrepreneurs in the entrepreneurship journey. Certain factors may have a greater impact than others, either positively or negatively. There are various factors that motivate entrepreneurs to establish their new business during the pre-phase period internally such as the entrepreneur's background and educational level, and externally such as culture, social networking, financial resources and, and regulations (Canedo et al., 2014). This study has adopted the expectancy theory as a base to investigate factors that impact entrepreneur's motivation (Kuhn et al., 2022; Martin & Dowson, 2009). Expectancy-value theory sees the motivation to achieve success because of the individual's perceived possibility of success and the motivation value of that success (Atkinson, 1957).

2.1. Entrepreneurial motivation and mentorship

Many novice entrepreneurs feel lost and inexperienced as they must make various critical decisions and initiate a lot of important processes. Such undertakings can be intimidating and frustrating (Ting et al., 2017). This lack of experience severely limits a novice's ability to assess and predict the outcomes of their business decisions. Consequently, the novice's entrepreneurial motivation suffers the most at the pre-phase of creating a venture (Aguiar et al., 2019). Mentorship for novice entrepreneurs is highly important to their empowerment through skill and knowledge acquisition, role modeling, addressing unique entrepreneurs' needs and concerns, as well as the development or refinement of business (Baluku et al., 2020). Skills and experience help an entrepreneur to navigate emerging challenges confidently and effectively. When novice entrepreneurs meet and interact with business people who are successful in their industry, they learn different business lessons and strategies, which help resolve their uncertainty while running an enterprise (Mitchell et al., 2016). Mentorship allows beginners to experience first-hand the struggles and triumphs of industry leaders, which motivates them to actualize their business ideas (Memon et al., 2015). The novice's ability to plan and set up business operations as well as the feelings of fellowship or colleagueship improves greatly through mentorship. It enhances confidence in decision-making and motivation to undertake critical and challenging business activities. Therefore, many novice entrepreneurs have difficulties turning their ideas into a functional business plan by exploiting the skills and resources they possess (Shi & Wang, 2021). Mentorship helps novices focus their imagination on generating profound insights, which greatly enhances their motivation to succeed.

2.2. Entrepreneurial mentoring

Mentoring is critical for entrepreneurs to establish sustainable businesses that create employment. It is a form of social learning for both the company and the individual entrepreneur because mentors' dialogue and observation may highlight ambitious entrepreneurial conduct (Kunaka & Moos, 2019). It is the process of transforming knowledge and experience for business growth. Mentoring can result in the acquisition of new skills and advice from professionals. Furthermore, obtaining skills enables entrepreneurs to become more aware of business opportunities, improve their business vision, and achieve their objectives. This leads to better account management, operations management, and human resource management. Entrepreneurial resilience validates self-perception, increases self-efficiency and confidence, and supports entrepreneurial culture (McKevitt & Marshall, 2015). Since entrepreneurship among family members is defined as the act of transforming possibilities using existing resources, it entails discovering a business opportunity, developing a product, expanding the company, taking risks, and generating profit for an entrepreneur. Every entrepreneur is unique, and it requires different types of mentoring, support, and expertise (Kunaka & Moos, 2019).

2.3. Entrepreneurial funding support

An entrepreneur cannot realize his ideas and plans without proper funding. The greatness of the idea does not matter if there is no funding to realize it. Lack of funding negatively affects both the intrinsic and extrinsic motivations of entrepreneurs (Wright & Drori, 2018). The financial aspect of the entrepreneurial cycle is crucial. Entrepreneurial dynamism and inventiveness are highly and favorably connected to financial and accessibility decisions. Furthermore, finance motivates existing businesses to take advantage of opportunities for development and innovation as well as to attaining better stability (Eniola, 2021). The entrepreneur's intrinsic motivations such as the desire to make a difference in the community do not involve any financial rewards for the entrepreneur (Brännback, 2017). For example, an entrepreneur may start a water supply venture based on a desire to avail clean water to a community. Such intrinsic motivations are the foundation for every successful business. Nevertheless, funding support is essential to realize the ideas built around intrinsic motivations. Entrepreneurs can focus on different industries depending on their interests. For instance, those targeting the service industry may have a lower start-up cost compared to those interested in manufacturing and construction. Consequently, the funding needs will vary depending on the industry. Entrepreneurs can utilize different funding sources for their ventures including personal savings, investments, borrowing from friends, and grants and loans from private and public institutions (Eniola, 2021). Nevertheless, the demoralizing effects of lack of funding affect all businesspeople equally. Those without adequate personal savings will feel as hopeless and helpless as those who cannot qualify for grants and loans. Having stronger financial capital helps exploration of an entrepreneurial opportunity (Shane & Venkataraman, 2000) because financing capital is a major concern for potential entrepreneurs (Kerr & Nanda, 2009).

2.4. Entrepreneurial support programs in Bahrain

Bahrain has several initiative programs for public and private sectors, aimed at promoting entrepreneurship. The focus is not just on Bahraini businesses, but also on attracting other nationalities to invest in Bahrain, with an aim of improving the economy and creating a market for all. To achieve this aim, awareness of such programs is required as well as empowering the youth to improve their business skills for their benefit and the society they live in. As Tamkeen wants to help individuals before they approach an entrepreneurial stage, they empower them through various programs such as "Mashroo3i" as a practical training program with a professional certificate (Tamkeen, 2021a).

2.4.1. Tamkeen

Tamkeen's strategy is to improve economy by offering different initiatives to individuals and enterprises in different sectors in Bahrain. Such support includes training, funding, grants, consulting services, and entrepreneurial advice. Such programs contribute to the development of projects to Bahraini individuals and enterprises.

Tamkeen has served over 234,000 Bahraini people and enterprises (Tamkeen, 2021a). Entrepreneurs with properly trained mentors are better equipped to deal with both the personal and commercial challenges that come up with starting and expanding a firm (Tamkeen, 2022). Labor reform is one of the most important development efforts carried out by the Bahrain government in the recent decade and is currently the responsibility of two institutions: The Labour Market Regulatory Authority (LMRA) and Tamkeen. Tamkeen is a semi-autonomous nevertheless it is an independent institution that develops strategic and operational strategies to use LMRA fees to improve Bahrain's overall prosperity by investing in Bahraini employment, job development, and social support (CIW, 2022).

2.4.2. United Nation Industrial Development Organization - UNIDO

In April 1996, the UNIDO Investment and Technology Promotion Office (ITPO) in Bahrain was established. ITPO Bahrain is intended to ease the mobilization of partnership collaboration between Bahraini firms and companies from other countries. The Bahrain government and UNIDO collaboratively established the office (through the Saudi Arabian voluntary contribution to the Industrial Development Fund). ITPO mainly serves Bahrain, but it has also expanded its services to other Gulf Region nations.

2.4.3. Bahrain Development Bank - BDB

BDB started operating as a specialized financial development institution in early 1992. The government of Bahrain has tasked BDB with the important duty of encouraging investment in Bahrain by targeting the small and medium-sized business funding support and help their growth, as well as fostering and supporting entrepreneurship among family members in Bahrain to diversify the economy. BDB has grown its creative mix of financial services to serve a wide range of businesses in a variety of economic sectors, such as manufacturing, tourism, healthcare, education, and agricultural (BDB, 2021).

2.4.4. Bahrain Business Incubator Center - BBIC

BDB is the one who started, founded, and owns BBIC. It is the first of its kind in Bahrain and the Gulf Cooperation Council. The major purpose of BBIC is to support the activities of SMEs in Bahrain. BBIC is a non-profit organization that helps entrepreneurs succeed by providing a variety of business support tools and services that are produced or managed by incubator management and supplied both in the incubator and through its network of connections. The notion of a business incubator dates to the 1960s and is especially relevant today in nations like Bahrain, where infrastructure and economic policies encourage the growth of small businesses. The foundation of the BBIC is a continuation of the Kingdom's strategy of improving efficiency and encouraging economic growth. The establishment of BBIC is an extension of the Kingdom's policy to increase efficiency and foster the development of small and medium businesses through its team of experts and association with nationally, and internationally entities (BBIC, 2010).

2.4.5. Economic development board - EDB

EDB is another body that helps entrepreneurs. EDB is a proactive government organization tasked with encouraging inbound investment into Bahrain, with an emphasis on certain economic areas where Bahrain excels. It is an investment promotion entity with general duties for recruiting investment and supporting efforts that improve the investment environment in Bahrain (Economic Development Board Bahrain, 2020). EDB focuses on industries that take full advantage of Bahrain's comparative edge and provide considerable investment prospects such as manufacturing sector, information, and communication technology (ICT), transportation and logistics services. Bahrain's financial sector is characterized as a strong sector, and the EDB facilitates the banking industries and major sub-sectors' continued growth, such as Islamic financial institutions, investment management, insurance, and reinsurance (World Economic Forum, 2021).

2.4.6. Ministry of Industry, Commerce and Tourism- MOICT

MOICT oversees fostering entrepreneurs in the Kingdom of Bahrain through several methods. The entrepreneur policy stresses a business-friendly environment. The major entrepreneur assistance coordination committee, which strives to encourage entrepreneurs in Bahrainis led by the Minister of Industry and Commerce and Tourism. MOICT policy also encourages 1st entrepreneurs, access to institutional financing, technological access and advancement, marketing and export growth, human resource development, ICT adoption and e-commerce, rule and process simplification, and craft sector advancement (Ministry of Industry, Commerce & Tourism, 2022). The Ministry of Commerce and Industry provides Virtual Commercial Registration (Sijili) where startups can easily register their business online and find assistance from customer service (Ministry of Industry, Commerce and Tourism, 2022).

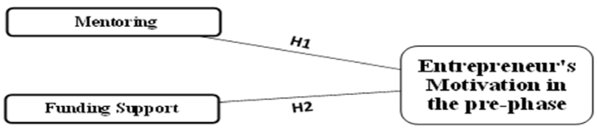
2.4.7. Export Bahrain

Export Bahrain was created in 2018 with the aim of providing an optimal environment to encourage and expand local exports to achieve Bahrain's 2030 vision to boost export of goods and services. Export Bahrain collaborates with local partners as well as partners around the world to provide more substantial international possibilities, exposure, expertise, and solutions for Bahraini businesses to compete on a global scale (Export Bahrain, 2021).

3. Conceptual Model and Research Hypotheses

The research explores how mentorship and funding support are affecting the motivation of the entrepreneurs in Bahrain. Figure 1 illustrates the conceptual model that is formed up of two main independent variables: mentorship and funding support, and one dependent variable which is entrepreneur' motivation. The primary goal of this model is to determine the impact that the two stated variables have on the entrepreneur's motivation.

Figure 1. Conceptual model



3.1. Mentorship

A novice's ability to evaluate and forecast the results of business decisions is severely limited due to a lack of experience. As a result, the novice's entrepreneurial motivation needs support during the planning stages and the pre-phase of a business (Aguiar et al., 2019). Mentorship is critical for beginner entrepreneurs' empowerment through skill and knowledge acquisition. There is a need at this stage for a source that manages concerns and ideas and helps in guidance. Mentorship helps novices focus their creativity on developing significant insights, which dramatically increases their motivation to succeed, while skills and experience help an entrepreneur manage growing problems confidently and successfully (Ting et al., 2017).

> ***Hypothesis 1 (H1)***. *Mentorship influences entrepreneur's motivation in the pre-phase.*

3.2. Funding support

Entrepreneurs' inner and extrinsic motives are both affected by lack of capital. An intrinsic element alone does not work unless supported by financing a project. Entrepreneurs can specialize in a variety of industries based on their interests. As a result, finance requirements will differ based on the industry. Personal savings, investments, borrowing from peers, and grants and loans from commercial and public agencies are all options for entrepreneurs seeking finance for their businesses. Nonetheless, the depressing impacts of lack of finance can be a concern to all potential entrepreneurs (Brännback, 2017). An adequate finance should be available for an entrepreneur to start a project as short of finance might lead to risk of failure (Eniola, 2021; Wright & Drori, 2018).

> ***Hypothesis 2 (H2)***. *Funding support influences entrepreneur's motivation in the pre-phase.*

4. Method

This study which is conducted in Bahrain focuses on all businesses in Bahrain to improve the national's economy. To achieve this aim, awareness of such programs is required as well as empowering the youth to improve their business skills for their benefit and the society they live in. A quantitative research technique was used in this study to conduct the research. The goal of the study is to determine and examine the effectiveness of two ostensibly influential factors (Mentorship and Funding Support) on entrepreneur's motivation in the pre-phase of the entrepreneurial journey in Bahrain. The data was analyzed the hypotheses tested to come up with main study findings.

4.1. Questionnaire development and data collection

Based on a quantitative research design, the research tool that best serves this study is a survey questionnaire. The questionnaire is split into two main parts, both will serve to determine the answers to the study's questions and for testing the hypotheses (Gumberg Library, 2020). A simple random sampling technique was applied in this research. There are several justifications for using this probabilistic sampling tool, including the fact that it is one of the most extensively used probability methods, the fact that each responder has the same chance of being picked, which eliminates bias, and the fact that it is consistent (Faber & Fonseca, 2014). It is calculated by considering several factors, including the examined population size, the margin of error, and the confidence level. The adopted questionnaire was developed based on statements taken from different sources (Aguiar et al., 2019; Brännback & Carsrud, 2017; Ting et al., 2017). Twenty-two items/measures were used to measure independent and independent variables (measures can be found in Appendix 1). The stated factors for this research are the current population size of 1,807,271 person in the examined kingdom of Bahrain as it was stated in (Worldometer, 2022). Tamkeen has served over 234,000 Bahraini people (Tamkeen, 2021b). This research used a level of confidence of 95%, and as a margin error of 5%. As a result, this will calculate the total sample size for this research as 384 samples.

The data for this study was obtained from the Bahraini community to measure the impact of the mentorship and funding support on the entrepreneur's motivation among family members in the pre-phase. The survey was distributed randomly online via social media channels, email, and to some formal entities. The data collected from the survey distributed via "Google Form" was analyzed using the SPSS "Statistical Package for the Social Sciences" system, which converted the gathered data into useful information and results that were analyzed accordingly to answer and address the study questions. The questionnaire reached out to 386 male and female participants, however, only 341 responses were regarded as accurate, while 45 respondents had missing data on unanswered questions and were invalid. The five-item Likert scale is the scale that was used to gather data. Because this scale is easy to understand, the results were quantifiable and easier to analyze, and it also reflects the respondent's entire perspective rather than simply a yes or no response (Joshi et al., 2015). The survey's format was determined by the theoretical foundation of the literature review chapter. The level of accuracy of the questionnaire outcome was tested using quantitative data and Cronbach Alpha testing, as it is considered the most widely used and relevant consistency measurement. Data with a Cronbach Alpha of more than 60% will demonstrated high reliability (Pallant, 2001). Validity is defined as the ability of the elements in the survey instrument to cover the real line of investigation and represent the study content and goals; (measure what is supposed to be measured). The measuring instrument's elements should be appropriate and desired, in addition it should be based on a literature review (Taherdoost, 2016). The conclusions of a study with a high and accepted validity mirror genuine traits, characteristics, and variances (Middleton, 2019). The validity of this research was assessed, reviewed, investigated, and evaluated by a number of academics and experts in the field.

4.2. Reliability

Table 1 shows the data demonstrated high reliability, with a Cronbach Alpha of more than 60% (Pallant, 2001). As a result, the data is reliable and can be used to test and evaluate hypotheses. Consequently, the data gives a constant result, and the measuring instrument is extremely reliable.

Table 1. Results of Cronbach alpha

Number	Variable- Dimension	No. of Items	Cronbach's Alpha
Dependent variable			
1	Entrepreneur's Motivation in the Pre-phase (EM)	9	77.5%
Independent variables			
1	Mentorship (M)	6	76.1%
2	Funding Support (FS)	7	62%

4.3. Multiple regression analysis

The multiple regression analysis is used to figure out how independent variables and single dependent variable are related. In this case, r square is used to depict a mathematical regression. The connection between both the independent variables and the independent variable may be predicted using this equation. This analysis could also aid in the meaningful identification of variables that influence the dependent variable. As a result, r is a measurement that aids in forecasting the connection between the observed and expected values of the dependent variable. In this situation, the R square explains how much

variance in the dependent variable is caused by the independent variable. Multiple regression analysis is used in this study to investigate the influence of the independent variables "Mentorship" and "Funding Support".
The linear equation is used to predict factors affecting Entrepreneur's Motivation in the pre-phase in Bahrain.

$$EM = \alpha + \beta_1 M + \beta_2 FS + \varepsilon_i$$

where:
EM = Entrepreneur's motivation in the pre-phase in the Kingdom of Bahrain (Dependent Variable-DV)
A = Constant
ß (1 to 2) = The slop
ε_i = Error
M = Mentorship (Independent variable- IV)
FS = Funding support (Independent variable- IV)

5. Results and Findings

The one-way analysis of variance (ANOVA) is utilized to observe if any statistically significant variances exist between the means of three or more groups (Kim, 2017). As shown in Table 2, the test was used to assess the statical significance anomalies among the three variables, which are entrepreneur's motivation in the pre-phase (EM), mentoring (M), and funding support (FS).

Table 2. Participant's' responses based on their age

Variable	Factor of age	F	Significance value
Entrepreneur's motivation in the pre-phase (EM)	Less than 25 years	2.920	0.034
	25 - 35 years		
	36 - 45 years		
	Above 45 years		
Mentoring (M)	Less than 25 years	2.379	0.070
	25 - 35 years		
	36 - 45 years		
	Above 45 years		
Funding support (FS)	Less than 25 years	1.102	0.349
	25 - 35 years		
	36 - 45 years		
	Above 45 years		

As demonstrated by table 2, the significance values of the mentoring variable and funding support variable are > 5% which means that the age of the participants did not affect their responses, all age groups had the same responses and thoughts when it comes to monitoring and funding support importance. However, Table 3 shows that Entrepreneur's Motivation in the pre-phase significant is less than 5%, which means that the age groups have a different response.

Table 3. One-way ANOVA/post hoc-test/LSD- entrepreneur's motivation in the pre-phase (EM)

Variable	Factor of age (1)	Factor of age (2)	Mean difference (1)-(2)	Significance value
Entrepreneur's motivation in the pre-phase (EM)	Less than 25 years	25 - 35 years	0.025	0.802
		36 - 45 years	0.148	0.198
		Above 45 years	0.280	0.027

The mean difference is significant at the 0.05 level regarding Entrepreneur's Motivation in the pre-phase (significance value < 5%) between the first group (less than 25 years) and the fourth group (above 45 years). A positive average difference indicates that the first age group, which is less than 25 years old, has a significantly higher entrepreneurial motivation to begin the journey of entrepreneurship than the fourth age group, which is more than 45 years old which inevitably calls for focusing on the new, motivated young generation. As a matter of fact, they are willing to take risks in exchange for creating their own wealth and being their own boss, who will lead to economic growth if this group is given proper mentoring in addition to financial assistance.

A one-sample t-test is a statistical tool that compares two groups' meanings. It is frequently used in hypothesis testing to see if a condition or a procedure influences the targeted population or if two populations vary (Kim, 2015). By table 4, the test was used to assess the statistical significance anomalies among the three variables which are entrepreneur's motivation in the pre-phase (EM), mentoring (M), and funding support (FS).

Table 4. Participant's' responses based on coming from an entrepreneurial family or not

Variable	Factor of coming from an entrepreneurial family or not	Mean	T test	Significance value
Entrepreneur's motivation in the pre-phase (EM)	No	3.595	- 2.545	0.012
	Yes	3.766		
Mentoring (M)	No	4.054	0.831	0.407
	Yes	3.998		
Funding support (FS)	No	3.263	- 2.432	0.016
	Yes	3.430		

Table 4 shows the results of the T-test. The significance value is < 5% which indicates that there is a significant difference between the respondents' answers when it comes to Entrepreneur's Motivation in the pre-phase and Funding Support (FS). The results also show that based on the T-test results (0.407 < 0.05) mentoring is important and needed whether the entrepreneur comes from an entrepreneurial family or not. Although potential entrepreneurs coming from an entrepreneurial family have a high level of motivation.

Regression analysis is utilized to better understand the relationship between two variables and to measure their impact. This section explains the relationship between "Entrepreneur's Motivation in the pre-phase in Bahrain" and the two dependent variables which are the Mentorship and Funding Support to test the stated hypotheses. For testing, the following model was used:

$$EM = \alpha + \beta_1 M + \beta_2 FS + \varepsilon_i$$

where:
EM = Entrepreneur's motivation in the pre-phase in Bahrain (Dependent variable- DV)
A = Constant
β (1 to 2) = The slop
ε_i = Error
M = Mentorship (Independent variable- IV)
FS = Funding support (Independent variable- IV)
Table 5 displays the regression results.

Table 5. Regression results

Variable	β	T-Test	Significance value
α (Constant)	2.242	8.181	0.000
Mentorship (M)	0.201	3.684	0.000
Funding Support (FS)	0.178	3.232	0.001
R	27%		
R^2	7.3%		
F-Test	13.256		
Significance value (F-Test)	0.000		

According to table 5, the results of the constant and the F-tests using the empirical testing model have demonstrated that the model is valid in Bahrain since the (significance value < 0.05). The above result shows, R is 27% indicates a positive correlation between "Entrepreneur's motivation in the pre-phase in Bahrain" and the two dependent variables which are the Mentorship and Funding support. Moreover, R^2 gave a result of 7.3% which represents the degree of dependance and correlation between the variables.
Table 6 shows the factors sorted by their Betas on the previously described result (i.e., the higher the Beta variable, the larger the influence on Entrepreneurs Motivation in the Pre-Phase in Bahrain).

Table 6. Ranked unstandardized coefficients (Beta) for independent variables

Ranking	Independent Variable (Factors)	Beta (β)
1	Mentorship (M)	0.201
2	Funding support (FS)	0.178

Based on the coefficients of regression result, if Mentorship has been increased by 1 the Entrepreneur's Motivation will increase by 0.201 and if Funding Support has been increased by 1 Entrepreneur's Motivation will increase by 0.178 (Table 7 summarizes this result).

Table 7. Hypotheses testing results

Main Hypotheses	Significance value	Result
H1. Mentorship influences entrepreneur's motivation in the pre-phase.	0.000<0.05	Accept
H2. Funding support influences entrepreneur's motivation in the pre-phase.	0.001<0.05	Accept

6. Discussion

As for "Mentorship" variable, the research outcomes reveal that there is a positive association between the presence of mentorship and the motivation of novice entrepreneurs in Bahrain during the pre-phase stages of their business journey. The statistical analysis shows that the "Mentorship" variable comes first in terms of its positive effect on the motivation of entrepreneurs, having the highest Beta value of 0.201. Mentorship has a higher positive impact on the entrepreneur's motivation in the pre-phase. This optimistic impression may have arisen because of the need for mentorship programs to support entrepreneurs and encourage them to start their entrepreneurial careers. In other words, it may mean presenting previous experiences in the field of entrepreneurship among family members, guidance and mentoring is effective and able to encourage entrepreneurs in Bahrain and has already affected them and pushed them to start their businesses.
Impressively, the study's findings strongly match and are closely aligned with what has been claimed in the literature review. Baluku et al. (2019) indicated that the existence of mentorship is of great value for novice entrepreneurs, especially during the early stages of exploring and evaluating business opportunities and ideas. He mentioned that the mentors contribute by sharing knowledge and experience, addressing the entrepreneur's needs, and assisting in defining the business perspective and objectives. In the same context, Mitchell et al. (2016) highlighted the positive impact of mentorship on enhancing the skills of novice entrepreneurs through continuous interacting with successful business people to help them to overcome obstacles they may face during establishing their enterprise. This step motivates them to move forward with the business project. Memon et al. (2015) pointed the importance of mentorship in anticipating any challenges that might face new businesses, to suggest suitable solutions to overcome such challenges.
According toour study, the "Funding Support" variable has a favorable correlation with entrepreneur's motivation in the pre-phase, with a rate of 0. 178. The statistical findings (Beta) have placed the "Funding Support" as the second significant element impacting the entrepreneur's motivation in the pre-phase in Bahrain. It is vital to note that the literature study emphasized

the relevance of financial support and fundings on entrepreneur's motivation in the pre stage. Wright and Drori (2018) stated that without adequate finance, an entrepreneur's ideas and goals will not be realized. It doesn't matter how brilliant a concept is if it can't be implemented. Entrepreneurs' inner and extrinsic motives are both harmed by a lack of capital. As it was emphasized by Eniola (2021) that entrepreneurial dynamism, inventiveness, and motivation are highly and favorably connected to financial and accessibility decisions.

7. Conclusion

The main objective of this research was to assess the impact of mentorship and funding support on entrepreneur's motivation in the pre-phase in Bahrain. An extensive literature review relevant to the study was used to help understand the topic insightfully. A conceptual framework was developed based on previous studies piecing together the main variables of the study. Based on the study model, hypotheses were put forward and tested to find out any impact. A quantitative technique was applied in the study, which included a survey disseminated to Bahraini society as the study's target population to end up receiving 386responses. The study findings support the proposed model and hypotheses where mentorship and finance support significantly influence the entrepreneur's motivation in the early stages of the project. This finding is a good indication of the need to take into account these two factors that increase the chance of business success, hence improve the country's economy.

Tamkeen since its formation, has created solutions for local startups through its numerous programs. Individuals are helped by a variety of programs and services, including a pre-seed funding program, feasibility study support program, and incubator support program. Together Pre-seed Capital and Feasibility Support Schemes are intended to provide start-ups with resources they need to test their ideas and launch their enterprises. However, some of the most pressing difficulties confronting potential entrepreneurs are not financial support only but lack of guidance in a variety of areas which impact their motivation especially in the pre-phase stage. It generally starts with the creation of a business strategy and a feasibility study. For first-time entrepreneurs, this area frequently needs mentoring and direction, as well as answering questions and providing basic suggestions on how to begin these activities. The second stage is the actual process of creating a business, which is often unfamiliar to first-time entrepreneurs. This involves understanding how to register for a commercial registration (CR), the MOICT criteria, and the numerous licensing agencies. They also express a need for support in getting to know the market participants in their chosen business.

7.1. Theoretical implications

This study provides researchers with the most important factors that can be used to boost entrepreneurs' motivation in the pre-phase in Bahrain. The study framework indicates simple but important pillars that should be considered to make the potential project a success. Undoubtedly, mentorship can uncover many venues to the potential entrepreneurs as they can get good advice from seniors in the business. Likewise, financial sport is an enabler which can make a dream a real.

7.2. Managerial implications

The importance of entrepreneurship to a community's economy cannot be neglected. The government of Bahrain has fostered new enterprise creation as an economic transformation by enabling Bahrain's private sector to become the engine of economic growth. Tamkeen can help overcome obstacles by providing advice and connecting a potential entrepreneur with relevant entities through the mentoring programs. To have a successful project, Tamkeen's portfolio must focus on entrepreneurial mentoring services by allocating a certified mentor to the entrepreneurs that apply for any program that Tamkeen is provided. On another hand, it will have significant implications on motivating Bahraini entrepreneurs who want to begin their commercial careers and create their own enterprises with steady and supported steps and to ensure that they do not fail in the early stages.

7.3 Study limitations and future research

The study used two independent factors only. Identifying more factors that influence entrepreneurs during the pre-phase can be a good idea to explore more venues. The study also focused on Bahrain. Expanding the borders might bring more fruitful findings. Time was a limiting factor too. This can be expanded in the future.

Author contribution statement

Authors contributed equally to the work

Conflict of interest statement

All authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript. Based on that, there is no conflict of interest.

Ethical statement

The authors confirm that informed consent was obtained from all participants involved.

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Data availability statement

Data available on request from the authors

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Appendix 1. Study measures

Mentorship
· I may hesitate to start my own business due to lack of experience and fear of failure.
· Examining the experience of an entrepreneur journey reduces my hesitation in starting my own business.
· Having someone that is experienced in the same business field that I'm intending to start, who is willing to guide me; will encourage me to start the business.
· I need someone who can provide me the knowledge and information about the market.
· Having someone in the field of entrepreneurship who can provide me with the required skills will encourage me to start my business.
· Having someone who can guide me on how to raise capital and access financing will encourage me to start my own business.
Funding support
· My personal savings are not enough to start my business.
· The availability of funding support will encourage me to start my business.
· I am aware of the government's funding support programs to encourage entrepreneurs.
· I have easy access to entities that provide funding support to entrepreneurs in Bahrain
· The government provides adequate funding support programs to encourage me to start my business.
· Banks, private institutions, and other organizations provide suitable funding support for entrepreneurs in Bahrain.
· Raising capital to start a business is easy for me.
Entrepreneur’s motivation
· I am not satisfied with my present job and my work status does not suits me well.
· I'm a risk-taker person by nature.
· I have faith that my ideas could be turned into a profitable business.
· My ideas differ from those of other existing businesses on the market.
· Becoming an entrepreneur is more fulfilling than working for an organization.
· I believe in quitting a fixed-paying job and investing in a new start-up business as a career preferable option.
· I aspire to become my own boss and follow my passions.
· I would like to challenge my limits.
· I aspire to create my own fortune.