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Exploring what makes family firms different: Discrete or overlapping constructs in the literature?

Journal of Family Business Strategy

Final version: http://www.sciencedirect.com/science/article/pii/S187785851300082X

Citation for published version:

Dawson, A., & Mussolino, D. (2014). Exploring what makes family firms different: Discrete or overlapping constructs in the literature?. Journal of Family Business Strategy, 5: 169-183.

Exploring what makes family firms different: Discrete or overlapping constructs in the literature?

Abstract

The theory, research, and practice of family business have evolved significantly over the last quarter of a century. The field has experienced significant transformations, however scholars are still debating what makes family businesses unique and distinct from nonfamily businesses. Three constructs have been put forward in the literature to address this issue: socioemotional wealth, essence of family business, and familiness. Through a systematic review of the literature, we analyze these constructs by providing definitions, identifying antecedents, outcomes, and measurements, and summarizing differences and similarities. We incorporate our key findings in a conceptual model to guide researchers in their future research efforts.

Keywords: Literature review; socioemotional wealth; essence of family business; familiness; family involvement; vision

Introduction

By combining two of the most important ingredients in an individual's life – family and work – family businesses exercise an undeniable and gripping influence on scholars and practitioners (Gersick, Davis, Hampton, & Lansberg, 1997). One of the crucial, yet ongoing, challenges of the ensuing scholarly research has been to identify the uniqueness of family businesses in order to understand what they are and how they differ from nonfamily businesses (Chrisman, Steier, & Chua, 2008a; Sharma, 2004). A recent review of the most influential scholarly work on family business (Chrisman, Kellermanns, Chan, & Liano, 2010) grouped articles into three categories. First, articles based on agency theory explained the 'particularism' of family firm behavior (Carney, 2005) through the noneconomic goals that they pursue, introducing the construct of *socioemotional wealth* (Gomez-Mejia, Haynes, Nuñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). Second, general articles dealt with the definition of family firms, focusing on the importance of family involvement (Astrachan, Klein, & Smyrnios, 2002) and advocating for moving beyond a components of involvement definition towards a more theoretical definition exemplified by the so-called *essence of family business* approach (Chrisman, Chua, & Sharma, 2005a; Chua, Chrisman & Sharma, 1999). Third, articles based on the resource based view explained the distinctiveness of family firms based on their resources, that is *familiness* (Habbershon & Williams, 1999; Sirmon & Hitt, 2003).

Scholarly research has enriched our understanding of the differences between family firms and non-family firms, as well as among family firms (e.g., Chrisman et al., 2008a). However, there appear to be overlaps among the three constructs of socioemotional wealth (Gomez-Mejia et al., 2007), essence of family business (Chua et al., 1999), and familiness (Habbershon & Williams, 1999). For example, socioemotional wealth has been referred to as “the single most important feature of a family firm’s essence”, explaining why they behave distinctively (Berrone, Cruz, & Gomez-Mejia, 2012: 260). In turn, essence has been identified as being one of the dimensions of familiness, together with involvement and organizational identity (Zellweger, Eddleston, & Kellermanns, 2010). Finally, familiness has been considered as one of the components making up the essence of a family business (Chrisman et al., 2005a).

In this article, we review the existing literature on these three key constructs in family business research to provide a definition and identify their antecedents, outcomes, and measurements (e.g., Raisch & Birkinshaw, 2008; Short, Ketchen, Shook, & Ireland, 2010). Our aim is to contribute to the advancement of family business research by highlighting the differences among constructs and disentangling their similarities and overlaps.

The rest of the article proceeds as follows: first, we present a theoretical background to introduce the three constructs of socioemotional wealth, essence of family business, and familiness. Second, we outline our review approach. Third, we analyze the results of our literature review, offering definitions, and identifying antecedents, outcomes, and measurements. Fourth, we propose and discuss a conceptual model summarizing our analysis. Lastly, we offer concluding remarks and indicate future research suggestions.

1. Theoretical background

Whilst there is still some variation, there appears to be growing consensus on the fact that family involvement in the ownership and management of a firm (Handler, 1989) is a necessary, but not sufficient, condition for a firm to be considered a family firm (Chrisman et al., 2005a; Chua et al., 1999). What really defines a family business, beyond this components-of-involvement approach (Chrisman et al., 2005a), are its intrinsic nature and fundamental qualities, which determine its unique and distinctive character. Given that firms with comparable levels of family involvement in ownership and management may or may not consider themselves and/or behave as family businesses, it is crucial to capture their distinctive behavior (Chua et al., 1999). Such distinctive behavior has been labeled particularism (Carney, 2005), meaning that owners of family firms view the firm as theirs and intervene in business decisions based on altruism or nepotism as well as (or instead of) rational-calculative criteria. This often differs from behavior in nonfamily firms, where there are greater internal bureaucratic controls or external accountabilities (Chrisman, Chua, Pearson, & Barnett, 2012).

What determines such distinctive behavior? The uniqueness of family firms has been explained by scholars who have developed three constructs over time. First, the preservation of socioemotional wealth is seen as having a strong influence on strategic decision making in family firms (Gomez-Mejia et al., 2007). Socioemotional wealth represents noneconomic utilities or affective endowments (Berrone, Cruz, Gomez-Mejia & Larraza-Kintana, 2010), including affective needs for identity, the ability to exercise family influence, and the preservation of the family dynasty (Gomez-Mejia et al., 2007). Second, scholars have introduced the essence of family business, consisting of the controlling family's vision aimed at sustaining the business across generations (Chua et al., 1999). Third, familiness has also been put forward to illustrate the unique bundle of resources resulting from the interaction of the family and business systems (Habbershon & Williams, 1999; Habbershon, Williams, & MacMillan, 2003) and leading – if there are systemic synergies – to distinctive familiness which is associated with competitive advantage. In order to improve our understanding of the uniqueness of family businesses, we carried out a review of the literature focusing on these three constructs.

2. Review method

To identify relevant articles, we conducted Boolean title, abstract and keyword searches using truncated combinations of the terms family business, family firm and family enterprise with one of the three variables of interest (socioemotional wealth, essence of family business, and familiness). Also, an article had to provide either conceptual advancement or an empirical test (Salvato & Moores, 2010). We focused on peer-reviewed articles and excluded invited publications and book reviews. Our search included the following databases: EBSCO (Academic Search Complete and Business Source Complete), ProQuest/ABI Inform Global, Sage Journals Online, Science Direct, and Wiley Interscience Electronic Journals. In the selection of journals we followed earlier studies (Chrisman, Chua, Kellermanns, Matherne, & Debicki, 2008b; Chrisman et al., 2010; Debicki, Matherne, Kellermanns, & Chrisman, 2009; Shane, 1997). As a result, our list of 31 journals included leading outlets for entrepreneurship research, family-specific journals, and other journals that have published several family business articles. We did not impose time constraints, so as to be able to capture all relevant contributions up to April 2013. To categorize the articles, one of the coauthors examined the abstract and reviewed the entire article, using the exclusion criteria in a conservative fashion favoring inclusion rather than exclusion. In case of uncertainty, the other coauthor carried out a separate analysis in order to reach a consensus. Articles that had more than one variable as their main focus were included more than once (Fink, 2010).

We found a total of 50 articles, meeting the selection criteria. Whilst socioemotional wealth is a relatively recent construct, introduced in 2007 (Gomez-Mejia et al., 2007), scholars started writing about essence of family business (Chua et el., 1999) and familiness (Habbershon & Williams, 1999) in 1999. Although it is a newer construct, socioemotional wealth has received almost as much attention as familiness (20 and 21 articles respectively). Only nine articles have focused on the essence of family business (see Figure 1).

- - - Insert Figure 1 here - - -

We summarize the main elements of each article in Table 1. In reviewing conceptual articles, we analyzed the theoretical or literature base as well as the key results and contribution to knowledge on the individual variable. In reviewing empirical articles, we examined the study design, the theoretical or literature base, and the key findings.

- - - Insert Table 1 here - - -

3. Analysis

The next step was to carry out a thorough analysis of the articles previously selected, in order to provide a definition for each of the three constructs, identify their antecedents and outcomes by level of analysis (individual, family, firm and external), and indicate measurements suggested or used in the literature (see Table 2).

- - - Insert Table 2 here - - -

3.1. Socioemotional wealth

3.1.1. *Definition*

Socioemotional wealth is defined as the "stock of affect-related value" that family members have invested in the firm (Berrone et al., 2010: 82). It is also referred to as noneconomic utilities or affective endowments (Berrone et al., 2010), such as affective needs for identity, the ability to exercise family influence, and the preservation of the family dynasty (Gomez-Mejia et al., 2007). Preserving the family's socioemotional wealth represents a key goal for members of the controlling family (Gomez-Mejia et al., 2007). In fact socioemotional wealth is considered to be a unique feature of family firms, explaining why they behave distinctively (Berrone et al., 2012). Scholars have identified five dimensions of socioemotional wealth: family members' control and influence over strategic decisions, unique identity deriving from family members' identification with the firm, binding social ties based on kinship and reciprocity, emotional attachment to the family business, and renewal of family bonds to the firm through dynastic succession (Berrone et al., 2012).

3.1.2. *Antecedents*

There are three levels of analysis – individual, family and firm – in studies addressing the antecedents of socioemotional wealth. At the individual level, affect (i.e., feelings and emotions) influences the formation of socioemotional wealth, driving family owners' value perceptions (Zellweger & Dehlen, 2012). Such affect grows over time and executives in family firms are more likely to take advantage of socioemotional benefits thanks to their longer tenures (Berrone et al., 2010). At the family level, the stronger the role of the family – which is reduced as the firm moves from the founding/family controlled stage, to the extended family stage, to the nonfamily managed stage – the more likely is the firm is to endeavor to protect its socioemotional wealth (Gomez-Mejia et al., 2007). This is linked, at firm level, to ownership structure, with fragmented ownership or the presence of a single large pension fund challenging the family's sense of control (Jones, Makri, & Gomez-Mejia, 2008) and affecting goals related to socioemotional wealth (Berrone et al., 2010). Another antecedent is concentration of firm operations in a certain geographic area, as this makes firm owners closer to the local community (Berrone et al., 2010).

3.1.3. *Outcomes*

Outcomes of socioemotional wealth are at the firm level of analysis. Socioemotional wealth protection drives decision making behaviors in family firms in several organizational areas such as management processes, firm strategies, corporate governance, stakeholder relations, and business venturing (Gomez-Mejia, Cruz, Berrone, & De Castro, 2011). Socioemotional wealth concerns affect the likelihood of internationalization of family firms, with family involvement in management having an inverted-U-shaped relationship with the likelihood of internationalization, and the percentage of family ownership having a similar relationship with the likelihood of internationalization (Liang, Wang, & Cui, in press). Socioemotional wealth may also drive diversification decisions as firms with concentrated ownership in the hands of the family tend to diversify less (Gomez-Mejia et al., 2007; Jones et al., 2008). Socioemotional wealth preservation can be associated with positive outcomes, such as those deriving from employment of family members in the firm, by securing employees cheaply and ensuring their trustworthiness and commitment (Cruz, Justo & De Castro, 2012). Family members who identify more strongly with their firm and want to preserve its socioemotional wealth contribute to improved firm reputation, especially if the family's name is included in the firm's name (Deephouse & Jaskiewicz, 2013). Family firms present greater strategy conformity and this is associated with superior returns on assets although not with greater firm market valuations (Miller, Le-Breton Miller, & Lester, 2013). Family firms tend to be more likely to adopt proactive stakeholder engagement activities in order to preserve their socioemotional wealth (Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012). Institutional investors tend to avoid investing in family firms due to concerns of wealth expropriation (associated with socioemotional wealth preservation), although this is mitigated by financial regulation (Fernando, Schneible, & Suh, in press). Stakeholders' perceptions of benevolence are affected by family control/influence, either positively through the benevolent behavior the family firm shows towards its stakeholders or negatively if certain socioemotional wealth goals are at risk (Hauswald & Hack, 2013). By wanting to protect their socioemotional wealth, such as the family's visibility or external presence, family firms are more inclined than nonfamily firms to pursue environmental strategies, such as social initiatives or volunteer efforts at a local level, to avoid being stigmatized as irresponsible corporate citizens (Berrone et al., 2010). This is also true if the family firm has a nonfamily CEO (especially if they own stock in the firm) as they are more likely to pursue environmental strategies to be rewarded for preserving the owners' socioemotional wealth (Gomez-Mejia et al., 2007; Gomez-Mejia, Makri, & Larraza-Kintana, 2010). In fact, family firms can have competitive advantages over nonfamily firms if they match their concern for natural environmental stakeholders (driven by socioemotional wealth) with concern for their employees (Neubaum, Dibrell & Craig, 2012). On the negative side, family firms may be prepared to accept significant risks to their performance to maintain family control and avoid losses of socioemotional wealth (Gomez-Mejia et al., 2007). In fact, preserving socioemotional wealth may occur at the expense of financial gains (Gomez-Mejia et al., 2007; 2010). The preservation of the socioemotional wealth may also occur at the expense of shareholders, leading to agency problems (Stockmans, Lybaert & Voordeckers, 2010). Kellermanns, Eddleston, and Zellweger (2012) articulated the conceptualization of socioemotional wealth by suggesting that its preservation may have negative consequences if 'negatively valenced' dimensions prevail (e.g., associated with emotional pain and frustration among family members), leading to reduced proactive stakeholder engagement. Family firm owners and managers also tend to invest less in R&D in order to preserve their socioemotional wealth (Chrisman & Patel, 2012). Specifically, founder-managed firms receive more patent citations (which signal the economic and technological relevance of innovations) than family-managed firms, many of which pursue socioemotional wealth, even controlling for R&D spending (Block, Miller, Jaskiewicz, & Spiegel, 2013). Patel & Chrisman (in press) examined more closely how family firms engage in R&D and concluded that, when performance goes beyond aspirations, family firms make exploitative R&D investments that lead to more reliable and less risky sales levels (in order to manage socioemotional wealth and economic objectives). However, when performance is below aspirations, family firms engage in exploratory R&D investments resulting in potentially higher but less reliable sales levels. Finally, when firm performance is poor, private family firms may try to influence firm performance through upward earnings management to avoid a decline in their socioemotional wealth (Stockmans et al., 2010).

3.1.4. *Measurement*

Although the socioemotional wealth construct was first introduced in 2007 (Gomez-Mejia et al., 2007) and has been used as an explanatory construct, it has not yet been directly measured (Berrone et al., 2012). Previously it has been proxied, mainly through stock ownership in the hands of family members. Berrone et al. (2012) moved the measurement of socioemotional wealth forward by suggesting a comprehensive list of measures for each of the dimensions of socioemotional wealth, although to date these measures remain untested. The 30 measures, all at individual level of analysis, are based on previously used measures, for example items measuring identification with the organization (O'Reilly & Chatman, 1986) and organizational commitment (Allen & Meyer, 1990) for the dimensions 'family members' identification with the firm' and 'emotional attachment of family members'.

3.2. Essence of family business

3.2.1. *Definition*

The term 'essence' was introduced by Chua et al. (1999: 25) who intended to offer a theoretical definition of family businesses along the following lines: "the essence of a family business consists of a vision developed by a dominant coalition controlled by one or a few families and the intention of that dominant coalition to continue shaping and pursuing the vision in such a way that it is potentially sustainable across generations of the family." Thus, Chua et al. (1999) pointed towards the controlling family's vision and transgenerational intention as being two key factors explaining the distinct behavior of family firms. More in general, the family's influence over the strategic direction of the family firm contributes to the essence of family business (Chrisman et al., 2005a; Chua et al., 1999). Later, scholars referred to familiness, that is the distinctive resources and capabilities arising from family involvement and interactions (Chrisman, Chua, & Litz, 2003; Chrisman et al., 2005a), as being related to the essence of family business. Craig and Moores (2010: 81) suggested using the Balanced Scorecard to deal with family and business challenges in family firms, by developing the core essence, together with vision and mission statements, strategic objectives, measures and targets. According to these scholars, the "core essence statement encapsulates the values that serve as the foundation for the vision and mission". To sum up, the literature suggests that the essence of family business includes two key aspects, the vision and transgenerational intention of the controlling family, although it is also related to other constructs such as familiness, as will be further addressed in the Conceptual model and discussion section.

3.2.2. *Antecedents*

Family involvement is a precondition for the essence of family business (Chua et al., 1999; Chrisman et al., 2012). It is one of the three dimensions that are included in Astrachan et al.'s (2002) family influence construct, which includes power (whose subscales are ownership, management and governance, in other words 'family involvement'), experience, and culture. Such involvement reflects the interdependence of the family and business subsystems that make up a family business (Davis, 1983) and can vary in nature (e.g., participation in ownership, management, and/or governance) as well as degree (e.g., number of family members or generations involved) (Chrisman et al., 2012; Handler, 1989). Family involvement gives the controlling family the potential to make decisions that will influence the behavior of the family business (Carney, 2005), however this potential is realized only if family essence is also present (Chrisman et al., 2012). Indeed, family involvement sets a minimum threshold for a firm to be considered a family firm (Zellweger et al., 2010).

3.2.3. *Outcomes*

Outcomes of the essence of family business are at the firm level of analysis. Basco (2013) highlights that in the literature there are models that consider the direct effect of family essence variables on family firm performance (e.g. Rutherford et al., 2008), as well as models considering family essence variables as mediators between family demographic variables and family firm performance (Memili et al., 2010). In these studies, family firm performance is interpreted as firm economic-centered performance (such as return on equity, return on assets, and gross profit margin) and family economic-centered performance (such as money available to the family, quality of life at the workplace, family security, and time to be with family). Based on a model inspired by the essence perspective, Basco and Perez Rodriguez (2011) argued that family firms can achieve successful business results by using a combination of family and business orientations – that is decisions focusing on family and business success respectively – in their decision making. Family firms can achieve positive business performance by having a business-first orientation or a combined family/business orientation, indicating that there is no single or ideal way in which the family can affect firm performance. Furthermore, the essence of family business has been found to partially mediate the relation between family involvement and goals (in particular family-centered non-economic ones), which in turn are associated with certain distinctive behaviors of family firms (Chrisman et al., 2012). In other words, the essence of family business can be associated with distinctive behaviors but only if there is family involvement, which in turn is a necessary but not sufficient condition for a family firm to behave in a distinctive way (Chrisman et al., 2012).

3.2.4. *Measurement*

Essence of family business has seldom been operationalized. Chrisman et al. (2012) proxied it through transgenerational family control intentions (a one-item categorical measure of whether respondents “wish/expect that the future successor as president of [their] business will be a family member”) and family commitment, because organizational commitment indicates that the interests of the family members and the firm are aligned by the dominant vision. Commitment was measured using some items from Klein, Astrachan and Smyrnios’s (2005) culture subscale of the F-PEC scale.

3.3. Familiness

3.3.1. *Definition*

Through a systems perspective, familiness is defined as the unique bundle of resources resulting from the interaction of the family and business systems (Habbershon & Williams, 1999; Habbershon et al., 2003). When the interaction is associated with systemic synergies, family firms can benefit from distinctive familiness which leads to competitive advantage. Conversely, constrictive familiness will lead to diseconomies (Habbershon et al., 2003). Rather than possessing distinctive or constrictive familiness, family firms form a continuum (Habbershon & Williams, 1999). With regard to what makes up familiness, Irava and Moores (2010) suggested it includes human (reputation and experience), organizational (decision-making and learning), and process (relationships and networks) resources. Pearson, Carr, and Shaw (2008) suggested that familiness has three dimensions, reflecting social capital’s structural (social interactions and networks), cognitive (shared vision and purpose, as well as unique language, stories, and culture), and relational (trust, norms, obligations, and identity) dimensions. Within the context of measuring financial and nonfinancial performance indicators, familiness has been added to the four perspectives included in the management tool known as the Balanced Scorecard (financial, innovation and learning, customer, internal process) to help family firms with their business development, management, and succession planning (Craig & Moores, 2005).

3.3.2. *Antecedents*

The antecedents of familiness are still not clear in the literature and in fact familiness has been defined as a ‘black box’ (Pearson et al., 2008). Our analysis has revealed three levels of analysis in studies on the antecedents of familiness. Several antecedents have been identified at the family level. Although Chrisman, Chua and Steier (2005b: 238) lamented that “we do not understand the conditions that give rise to familiness”, they suggested that ownership and management, in other words ‘family involvement’, interact with transgenerational intentionality “to create characteristics unique to family organizations”. According to Chrisman et al. (2003: 471), “the familiness of a family business will depend upon the vision established by the dominant coalition of family stakeholders through a political process of value determination”. Sharma and Manikutty (2005) and Kellermanns (2005) suggested the structure and culture of the family affect whether a family business will develop distinctive or constrictive familiness. Irava and Moores (2010) identified the presence of trust, loyalty, and altruism as being other antecedents of familiness. At the firm level, Zellweger et al. (2010) added organizational firm identity integrating participative decision making as an antecedent of familiness. Finally, at the external level, Habbershon (2006) highlighted the importance of the social and economic environment as a key influence on familiness.

3.3.3. *Outcomes*

Outcomes of familiness are at the firm level of analysis. Familiness creates organizational identity, by developing a strong sense of identification among employees (Carmon, Miller, Raile & Roers, 2010). It also reinforces social capital though greater cohesion, potency, and shared strategic cognition (Ensley & Pearson, 2005). It can contribute to strategic flexibility because, by reflecting a positive overlap between the family and business subsystems, familiness can encourage a culture based on stewardship and active participation (Zahra, Hayton, Neubaum, Dibrell & Craig, 2008). Family firms may have greater potential to develop a market orientation thanks to social capital elements of familiness (Cabrera-Suarez, de la Cruz, & Martin-Santana, 2011). Among top management teams, familiness can foster tacit and common understandings and shared values and thereby increases cohesion (Ensley & Pearson, 2005). As such, the degree of familiness contributes to reaching non-economic performance outcomes, such as the preservation of family ties or transgenerational value creation (Chrisman et al., 2003). At the same time, familiness is associated with revenue, capital structure, growth, and perceived performance (Rutherford, Kuratko, & Holt, 2008). Thus, familiness ultimately allows family firms to achieve and sustain superior levels of financial performance and competitive advantage over time (Zahra et al., 2008; Zellweger et al., 2010), although the bundle of resources needs to be managed and maintained if familiness is to provide an advantage (Habbershon & Williams, 1999).

3.3.4. *Measurement*

In terms of measurement, it has been suggested that the F-PEC scale, developed by Klein et al. (2005) can be used to investigate familiness (Rutherford et al., 2008) through the three dimensions of family influence – power, experience, and culture – reflecting a family's ability and willingness to influence the direction of a business. Rutherford, Muse, and Oswald (2006) proposed another way to measure familiness by proxying it through indicators such as number of generations and type of ownership (controlling owner, sibling partnership, and cousin consortium). These measurements seem to operationalize the antecedents of familiness.

4. Conceptual model and discussion

Our literature review and subsequent analysis have focused on three key constructs developed in family business research: socioemotional wealth, essence of family business, and familiness. Because they all refer to the same phenomenon – family business – the three constructs present some overlaps, but at the same time we can conclude that they are quite distinct as they refer to different levels of analysis. Figure 2 shows our proposed conceptual model and connections among key variables based on our analysis.

- - - Insert Figure 2 here - - -

The model shows the key antecedents at individual, family, and firm level of analysis. As can be seen, the family level antecedent (family involvement) is shared by the three focal constructs, which are also differentiated based on their level of analysis. Socioemotional wealth, essence of family business, and familiness are associated with strong organizational commitment – which is characteristic of family businesses (Pieper, 2010) – and distinctive family/business orientation, which affect the strategic decision making of this type of organization and, hence, the (particularistic) behavior of family firms (Carney, 2005). Ultimately this behavior is associated with economic and noneconomic performance outcomes (Chrisman et al., 2003).

4.1. Antecedents

At the individual level, our conceptual model indicates affect as being a key antecedent of socioemotional wealth, which is driven by individual feelings and emotions, guiding family members' value perceptions (Zellweger & Dehlen, 2012). Such affect grows over time and executives in family firms are more likely to take advantage of socioemotional benefits thanks to their longer tenures (Berrone et al., 2010).

At the family level, family involvement is a key antecedent for all three focal constructs. Family involvement in a firm (Chrisman et al., 2012; Handler, 1989) forms a continuum that can range from high to low levels (Shanker & Astrachan, 1996). It can be measured through the F-PEC power subscale, which assesses the degree of influence or power in the hands of family members, which is exercised via ownership, management, or governance (Astrachan et al., 2002). Scholars recognize that family involvement is a necessary, albeit not sufficient, condition for a firm to be considered a family firm (Chrisman et al., 2005a; Chua et al., 1999) because it explains only a small portion of the variance among family firms in their concerns towards succession and professionalization (Chua et al., 1999). For example, family involvement could mean that family members are in ownership positions, provide financial resources to the firm, and view the firm as a source of wealth for their family but their influence on the business might not go beyond that (Zellweger et al., 2010). At the same time, firms with family involvement may see themselves as family firms and possess the family control needed to impact decision-making but the firm may never realize the full benefits of family influence that come from family support (Zellweger et al., 2010). Individuals are more likely to protect their socioemotional wealth if they play a stronger role in the firm (Gomez-Mejia et al., 2007), which is made possible by a concentrated ownership structure (Jones et al., 2008) or geographically concentrated operations (Berrone et al., 2010). Family involvement is a precondition for the essence of family business (Chua et al., 1999; Chrisman et al., 2012) because participating in the family business through ownership, management, and/or governance, especially across generations, allows the family to create and nurture a shared vision for the business. Finally, family involvement in the business creates characteristics and synergies that are unique to family organizations, giving rise to familiness through political processes of value determination (Chrisman et al., 2003; Chrisman et al., 2005b).

At the firm level, organizational identity – that is “the set of beliefs between top managers and stakeholders about the central, enduring, and distinctive characteristics of an organization” (Scott & Lane, 2000: 44) – is a key antecedent of familiness. The interaction of family and business gives rise to a unique organizational identity (as a family firm), reflecting how the family defines and views the firm (Zellweger et al., 2010). Because family members feel a common sense of destiny and a shared obligation to their firm, they feel a common responsibility to contribute resources to the family firm (Cabrera-Suarez, Saa-Perez, & Garcia-Almeida, 2001; Sundaramurthy & Kreiner, 2008; Zellweger et al., 2010).

4.2. Constructs

Each of the three constructs reflects a different level of analysis. First, at the individual level, socioemotional wealth represents the affective or noneconomic value that individual family members have invested in the family business (Berrone et al., 2010), for example their ability to exercise influence on business matters or their desire to preserve the business across generations. The measures that have been put forward to capture socioemotional wealth empirically are indeed at individual level (Berrone et al., 2012). Second, at the family level, the essence of family business represents the family's vision and transgenerational intention, i.e. their shared intention to sustain the family business across generations (Chua et al., 1999)[1]. Third, at the firm level, familiness represents the unique bundle of resources that is characteristic of family businesses (Habbershon & Williams, 1999; Habbershon et al., 2003), including human, social, organizational, and process resources (Irava & Moores, 2010; Pearson et al., 2008).

The three constructs of interest are closely related. For instance, the controlling family's vision and transgenerational intention for the business (essence of family business, family level construct) are associated with feelings of personal and social fulfillment (socioemotional wealth, individual level construct) inducing family members to protect the well-being of the business over time (Arregle, Hitt, Sirmon, & Very, 2007), maintain their family legacy to hand down the firm to future generations (Berrone et al., 2012; Zellweger & Astrachan, 2008), and pursue social and environmental objectives in addition to profit-seeking goals (Berrone et al., 2010; Lansberg, 1999; Stavrou, Kassinis & Filotheou, 2007). At the same time, a shared vision – that is a dominant image that is shared by the most influential family members – is made possible by positive social interaction (Claver, Rienda, & Quer, 2009; Ward & Aronoff, 1994), which is also a pre-condition for familiness (firm level construct) (Chrisman et al., 2003). Sharing a transgenerational vision

[1] Although other dimensions have been attributed to the essence of family business, such as familiness (Chrisman et al., 2003; Chrisman et al., 2005a), commitment (Chrisman et al., 2012) and even behavior (Chrisman et al., 2005a), we encourage future research to retain a more parsimonious definition based on transgenerational vision as this has the benefit of focusing on a single level of analysis. The relations between the essence of family business on the one hand and familiness, commitment, and behavior on the other, are addressed in the remainder of this section.

encourages family members' contributions of human, social and financial capital to the firm (Danes, Stafford, Haynes, & Amarapurkar, 2009; Zellweger et al., 2010).

4.3. Behavior and performance outcomes

The affective endowment, transgenerational vision, and unique bundle of resources that characterize family businesses are associated with strong organizational commitment and idiosyncratic family/business orientations (Basco and Perez Rodriguez, 2011). Organizational commitment is a strong belief in the organization's goals and values, a willingness to work in the organization, and a desire to remain in the organization (Porter, Steers, Mowday, & Boulian, 1974). When the interests of the family members and the firm are aligned by a dominant vision (essence of family business), the controlling family has strong commitment to the firm (Chrisman et al., 2012). Vision tends to be shared thanks to the founder's long lasting values and ensuing effects on firm practices, leading to a cultural legacy (Eddleston, 2008; Hubler, 2009; Kelly, Athanassiou, & Crittenden, 2000). When the founder is still present, family members are more willing to subordinate their personal goals to collective (family) goals (Mustakallio, Autio, & Zahra, 2002; Zahra et al., 2008). With subsequent generations, family members often continue to rely on the founder's vision (Kelly et al., 2000; Schein, 1983), with family orientation and enduring family values continuing to shape the family firm's vision over time (Giddens, 1984; Lumpkin, Martin & Vaughn, 2008; Pearson et al., 2008). However, as time goes by, attachment to the family firm is reduced (Stockmans et al., 2010) and the vision tends to be diluted because successors start placing their own needs, and those of their nuclear family, first (Lubatkin, Schulze, Ling, & Dino, 2005). This lack of shared vision can lead to erratic or inconsistent decision making (Chrisman et al., 2005b). Organizational commitment is also associated with socioemotional wealth because family members strongly identify with their firm (Berrone et al., 2012), which often carries the family's name (Berrone et al., 2010). Organizational commitment has also been found to mediate the relation between family involvement and goals (in particular family-centered non-economic ones), which in turn are associated with certain distinctive behaviors of family firms (Chrisman et al., 2012). Family firm behavior also reflects the emphasis on business or family/business orientations in their decision making (or a combination thereof), which allow family firm to achieve successful business results (Basco & Perez Rodriguez, 2011). Thus, family firms may be characterized as being ‘family enterprise first’ if they give importance both to family and to business concerns in their strategic decision making (although family concerns tend to prevail when decisions are about succession). Alternatively, they may be characterized as being ‘business first’ firms if strategic decision making is based more on business concerns than family ones (Basco & Perez Rodriguez, 2009).

Strategic decision in family firms is associated with the particularistic behavior of family firms (Carney, 2005), which is driven by family business owners viewing the firm as theirs and taking actions based not only on rational-calculative criteria but also on altruism or nepotism. Ultimately this behavior is associated with economic and noneconomic performance outcomes (Chrisman et al., 2003). Socioemotional wealth protection drives decision making behaviors in family firms in several organizational areas such as management processes, firm strategies, corporate governance, stakeholder relations, business venturing (Gomez-Mejia et al., 2011), internationalization (Liang et al., in press), diversification (Gomez-Mejia et al., 2007; Jones et al., 2008), and environmental strategies (Berrone et al., 2010). In enterprising family firms, a transgenerational vision (essence of family business) is associated with behaviors that lead to maximum potential wealth for current and future generations (Habbershon et al., 2003). However, the vision of the family firm often includes social and environmental objectives in addition to profit-seeking goals (Berrone et al., 2010; Lansberg, 1999; Stavrou et al., 2007). Similarly, the degree of familiness contributes not only to achieving competitive advantage, revenue and capital structure, growth, and perceived performance (Rutherford et al., 2008; Zahra et al., 2008; Zellweger et al., 2010), but also to reaching non-economic performance outcomes, such as the preservation of family ties or transgenerational value creation (essence of family business) (Chrisman et al., 2003).

5. Concluding remarks and future research directions

Family businesses require family involvement as a necessary (albeit not sufficient) condition (Handler, 1989). If the family has a strong role in the business, which can be exercised through an appropriate ownership structure reflecting the strength of the family's affect towards the business and a shared vision, family members will develop an affective endowment or socioemotional wealth (Berrone et al, 2010; Jones et al., 2008; Zellweger & Dehlen, 2012). At the same time, family involvement provides the potential for the controlling family to develop a shared transgenerational vision for the business (Chua et al., 1999). Such vision, combined with a culture based on trust, loyalty and altruism and a strong organizational identity are key antecedents for the development of familiness, that is a unique bundle of resources such as human, social, and organizational (Chrisman et al., 2003; Habbershon & Williams, 1999; Irava & Moores, 2010). Preserving socioemotional wealth is possible through the idiosyncratic resources (familiness) and will give rise to strong organizational commitment and a combined family/business orientation guiding decision making in several strategic areas such as internationalization, diversification, stakeholder relations, and so on (Cennamo et al., 2012; Gomez-Mejia et al., 2007; Liang et al., in press). The ensuing behavior is associated with economic and noneconomic performance outcomes (Chrisman et al., 2003). In sum, a family business is a business in which family involvement creates a necessary (albeit non sufficient) condition for the dominant family to develop and maintain a vision and transgenerational intention for the business (the *essence of family business*), which contribute to generate idiosyncratic firm-level resources of *familiness* in order to pursue goals that are not only economic but also aimed at *socioemotional wealth* preservation over time.

As highlighted in our analysis of the literature, the three constructs – socioemotional wealth, essence of family business, and familiness – are still being developed and at times there has been uncertainty as to their definition, antecedents or outcomes. The three constructs draw on different theoretical bases and are measured using separate proxies or scales (see Table 2), many of which are based on the F-PEC scale (see Basco, 2013; Berrone et al., 2012; Chrisman et al., 2012; Craig &

Moores, 2005; 2010; Klein et al., 2005; Rutherford et al., 2006), although they still require the development of valid and reliable measures (Pearson & Lumpkin, 2011).

It is our hope that our analysis and conceptual model will contribute to the clarification of these important constructs and aid in the future development of a family business theory. This is especially relevant in light of the proliferation of dependent variables in family business research (Yu, Lumpkin, Sorenson, & Brigham, 2012). Unlike other business disciplines, which investigate how few dependent variables are related to several independent variables, in family business the opposite seems to be the case, with scholars focusing on how a few independent variables (e.g., family ownership or involvement) are related to several dependent variables. Whilst Yu et al. (2012) identified seven clusters of 327 dependent variables in family business research over the period 1998-2009, we believe that socioemotional wealth, essence of family business and familiness are critical variables deriving from ‘family involvement in business’ and relating to the cluster labeled as ‘performance-overall success’, which refers to a broad performance metric going beyond financial performance. As such, scholarly interest in these constructs is warranted. At the same time, however, the theoretical rigor of family business models needs to be improved through greater construct validity of dependent variables (Phan, Siegel, & Wright, 2005). Measurement of these constructs is certainly an area that requires more attention and is still being developed (Berrone et al., 2012; Pearson, Holt, & Carr, in press). Indeed it is not uncommon as fields develop for researchers to encounter challenges with regard to measurement issues (Litz, Pearson, & Litchfield, 2012; Pearson et al., in press). For example, whilst there have been recent efforts aimed at rationalizing the dimensions of socioemotional wealth and proposing measurements (Berrone et al., 2012), there are no multi-item measures of this construct in the literature (Pearson et al., in press). Similarly, measurements are still being developed for familiness (Irava & Moores, 2010; Pearson et al., in press; Rutherford et al., 2006) and essence of family business (Chrisman et al. 2012). Therefore we encourage empirical studies to test and validate the relationships among antecedents, constructs, behaviors and outcomes in the model. Some studies that have started in this direction have found U-shaped relationships and feedback loops between family involvement in ownership and family firm performance (Mazzola, Sciascia, & Kellermanns, 2012), as well as between family involvement (specifically the number of family generations simultaneously involved in the top management) and behavior (Sciascia, Mazzola, & Chirico, 2013). At the same time, qualitative methods may also be used especially in light of the complexity of the social constructs being addressed across different levels of analysis (Dawson & Hjorth, 2012).

A second avenue for future research lies in the multilevel nature of family businesses. Considering the distinctiveness of family businesses across different levels of analysis will aid scholars in their investigation of the sources of longevity of this type of organization as well as the drivers of performance, which are still not well understood (Astrachan, 2010). By considering the constructs of socioemotional wealth, essence of family business, and familiness future research can appreciate how successful family firms thrive thanks to a combination of individual, family and firm level considerations. The involvement of the family in the business has implications for individual family members, the family as a group, as well as the firm as a whole, all of which contribute to making strategy in family businesses unique and different from that in nonfamily businesses. Conversely, as time goes by often family involvement in the business becomes more difficult to control (Astrachan, 2010). Future research may also investigate how and why changes in family involvement affect the family business at individual, family, and firm level.

In summary, our aim was to present a thorough analysis of three constructs that have been developed by family business scholars, which capture the distinctiveness of family firms but appear to be overlapping. Our conceptual model indicates that socioemotional wealth is an individual level construct, essence of family business a family level construct, and familiness a firm level construct, with distinct but also common antecedents. By offering a systematic analysis of the antecedents, outcomes and measurements of each of the three constructs, our objective is to guide researchers in their future research efforts.

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Table 1: Review of Articles the Three Constructs (FF=Family Firm)

Variable	Authors (year)	Type of study	Study design (for empirical articles)	Literature/Theory Base	Key findings
Socioemotional wealth (SEW)	Berrone, Cruz, Gomez-Mejia & Larraza-Kintana (2010)	Empirical	194 firms (1998-2002)	Family business and Environment literature	Compares the environmental performance of family and non-family public corporations. Family-controlled public firms protect their SEW by having better environmental performance, particularly at the local level. For non-FFs, stock ownership by the CEO has negative environmental impact.
	Block, Miller, Jaskiewicz, & Spiegel (2013)	Empirical	Patent citation data for S&P 500	SEW and entrepreneurial orientation literature	Founder-managed firms receive more patent citations, even controlling for R&D spending. Family-managed firms (many of which pursue SEW) receive fewer patent citations, controlling for R&D spending
	Cennamo, Berrone, Cruz, & Gomez-Mejia (2012)	Conceptual		Stakeholder management literature	FFs are more prone to adopt proactive stakeholder engagement (PSE) activities because by doing so they preserve and enhance their SEW. Different dimensions of SEW have different effect on PSE practices, based on normative and instrumental motives.
	Chrisman & Patel (2012)	Empirical	964 S&P Firs (FFs and non FFs)	Behavioral agency model, Myopic loss aversion framework	FFs generally invest less in R&D because family owners and managers want to avoid perceived threats to their SEW. Identifies drops in performance and long term goals as mitigating factors.
	Cruz, Gomez-Mejia & Becerra (2010)	Empirical	122 FFs	Integrated agency theory-trust perspective	Two conditions reflecting CEO risk bearing, top management team (TMT) behavioral uncertainty and CEO vulnerability, are negatively related to a CEO's perceptions of TMT benevolence toward him-/herself, which in turn influence the protective features of TMT contracts.
	Cruz, Justo & De Castro (2012)	Empirical	392 small and micro firms	Family embeddedness perspective of entrepreneurship, SEW literature	Analyzes the effect of family employment on performance. The nature of the employment relationships enhances the benefits derived from the socioemotional endowment associated with family labor, and reduces the opportunity costs of employing relatives.
	Deephouse & Jaskiewicz (2013)	Empirical	197 firms from 8 countries (data from The Reputation Institute)	SEW and social identity literature	Family members identify more strongly with their FF than non-family members. This motivates them to improve reputation, contributing to SEW. When the family's name is included in the firm's name, the firm's reputation is higher.
	Fernando, Schneible, & Suh (in press)	Empirical	177 FFs among S&P 500	Institutional theory	Examines the issue of wealth expropriation (due to SEW preservation) from noncontrolling shareholders and finds that institutional investors avoid investments in family firms. Financial regulation can mitigate external investors' concerns.
	Gomez-Mejia,	Conceptual		n.a.	Literature review of differences between FFs and non FFs on five categories of managerial decisions. Argues that SEW explains

	Cruz, Berrone, & De Castro (2011)				many of these choices and identifies contingency factors that moderate the influence of SEW preservation in managerial decision making in FFs.
	Gomez-Mejia, Haynes, Nuñez-Nickel, Jacobson & Moyano-Fuentes (2007)	Empirical	1,237 family-owned olive oil mills	Behavioral theory	For FFs the primary reference point is the loss of their SEW and they may be risk willing and risk averse at the same time. To avoid these losses, FFs are willing to accept significant risk to their performance; at the same time, they avoid risky business decisions that might aggravate that risk.
	Gomez-Mejia, Makri & Larraza Kintana (2010)	Empirical	360 firms, 160 of which FFs	Behavioral agency model	On average FFs diversify less both domestically and internationally than non-FFs. When they do diversify, FFs opt for domestic rather than international diversification, and those that go the latter route choose regions that are ‘culturally close’.
	Hauswald & Hack (2013)	Conceptual		Benevolence literature	Family control/influence positively affects stakeholders’ perceptions of benevolence through the benevolent behavior that the organization shows toward its stakeholders. However, this effect can also be negatively influenced if certain SEW goals are at risk.
	Jones, Makri & Gomez-Mejia (2008)	Empirical	403 publicly traded firms, 203 of which FFs	Relational view based on the development of social capital	Examines the influence exerted by affiliate directors in diversification decisions of public FFs. Affiliate directors stimulate FFs to pursue diversification strategies by sharing their knowledge and experience with family executives, hence reducing the perceived risk.
	Kellermanns, Eddleston, & Zellweger (2012)	Conceptual		Infusion theory (cognitive psychology)	SEW dimensions can be associated with positive or negative valence, with the former increasing SEW and the latter diminishing them through family-centric behavior, which negatively affects proactive stakeholder engagement.
	Liang, Wang, & Cui (in press)	Empirical	Survey of 1,150 Chinese private firms	SEW perspective	Family involvement in management has an inverted-U-shaped relationship with the likelihood of internationalization/ The percentage of family ownership has a U-shaped relationship with the likelihood of internationalization.
	Miller, Le-Breton Miller, & Lester (2013)	Empirical	898 Fortune 1000 firms	Family business, Strategy, and Institutional literature	Compares FF/strategy literature with institutional literature. Finds support for the latter, with FFs being subject to ‘powerful motivations to conform’, partly driven by SEW preservation. This leads to greater conformity in the strategy pursued by FFs and is associated with superior returns on assets but not with greater firm market valuations.
	Neubaum, Dibrell & Craig (2012)	Empirical	359 firms in the U.S. food processing industry	Stakeholder theory	FFs benefit when they match their concern for natural environmental stakeholders (driven by SEW) with concern for their employees. This can give them competitive advantages over non FFs.

	Patel & Chrisman (in press)	Empirical	847 firms from S&P 1500 over 10 years	Risk abatement model	When performance exceeds aspirations, FFs manage SEW and economic objectives by making exploitative R&D investments that lead to more reliable and less risky sales levels. When performance is below aspirations, FFs engage in exploratory R&D investments resulting in potentially higher but less reliable sales levels.
	Stockmans, Lybaert & Voordeckers (2010)	Empirical	132 firms	Agency theory, Financial reporting quality and earnings management behavior	Examines the preserving of SEW as a motive for earnings management in specific types of private FFs by looking at generational stage, management team, and CEO position. SEW may play a role as motive for upward earnings management when firm performance is poor.
	Zellweger & Dehlen (2012)	Conceptual		Affect infusion model (cognitive psychology)	Affect related to corporate ownership influences the development of SEW among family firm owners. Target, personal, and situational features in the subjective valuation process mediate the relationship between affect and SEW perceptions.
Essence of family business	Basco (2013)	Empirical	567 Spanish firms	Demographic (involvement) and essence approaches	Develops a theoretical framework to analyze the relationship between family management involvement, family-oriented strategic decision making, and family firm performance. Concludes that the involvement and essence models complement each other.
	Basco & Perez Rodriguez (2011)	Empirical	732 privately owned Spanish family firms	Configurative approach	Propose a model inspired by the essence perspective about how FFs adjust their orientations in their decisions. Concludes that FFs can achieve successful business results by using a combination of family and business orientations in their decision making.
	Chrisman, Chua, & Litz (2003)	Conceptual		n.a.	Commentary aimed at integrating the essence of family business into family business theory, Discusses substituting value creation for wealth creation as the defining function of FFs in order to extend the work of Habbershon et al. (2003)
	Chrisman, Chua, Pearson, & Barnett (2012)	Empirical	Survey of 1,060 small FFs	Behavioral and stakeholder theories	FFs may have family-centered non-economic goals influencing firm behavior. The essence of family influence partially mediates the relationship between family involvement and family firms' adoption of family-centered non-economic goals.
	Chrisman, Chua, & Sharma (2005a)	Conceptual		n.a.	Review articles according to which family business essence includes a family's influence over the strategic direction of a firm; the intention of the family to keep control; family firm behavior; and familiness.
	Chua, Chrisman, & Sharma (1999)	Empirical	Survey of 453 FFs	Family business literature	Proposes a theoretical definition of FFs based on behavior as the essence of a family business. Finds that the components of family involvement are weak predictors of intentions, limiting their reliability to distinguish FFs from non FFs.

	Craig & Moores (2005)	Conceptual		Evolutionary theory of the firm	Uses the Balanced Scorecard (BSC) in a FF context. Applies the F-PEC Scale constructs of power, experience, and culture to identify the core essence of the family business
	Craig & Moores (2010)	Empirical	Case study of an Australian FF	Innovation action research	Illustrates the use of the Balanced Scorecard to deal with FF family and business challenges. Outlines the development of the core essence, vision, and mission statements, strategic objectives, measures and targets, to determine consistency with the vision of the firm.
	Zellweger, Eddleston, & Kellermanns (2010)	Conceptual		RBV	Essence, together with components of involvement and identity, are dimensions of familiness
Familiness	Cabrera-Suarez, de la Cruz, Martin-Santana (2011)	Conceptual		Market orientation, RBV, Stakeholder theory and FF literature	FFs have greater potential to develop a market orientation thanks to social capital elements of familiness
	Chirico, Ireland, & Sirmon (2011)	Conceptual		RBV	Theorizes about differences in franchising behavior between family and nonfamily firms. Proposes that transactions among FFs where familiness values are shared may have lower agency costs
	Chrisman, Chua & Steier (2005b)	Conceptual		n.a.	Introduction to Special Issue on familiness (2005).
	Craig & Moores (2005)	Conceptual		Evolutionary theory of the firm	Interprets the Balanced Scorecard from a FF viewpoint to include familiness among the perspectives.
	Ensley & Pearson (2005)	Empirical	196 managers from 88 firms	Upper echelon perspective	Familiness in top management teams (TMTs) yields more effective critical behavioral dynamics, including cohesion, conflict, potency, and shared strategic consensus.
	Frank, Lueger, Nosé & Suchy (2010)	Conceptual		Systems theory	Proposes a literature review on the concept of familiness and reflects on the application of systems theory.
	Habbershon (2006)	Conceptual		Agency theory, Altruism, Family business ecosystems model	Comments on how agency relationships and costs are evaluated in FFs, arguing that the competitiveness implications of agency can only be fully assessed in light of larger context considerations.
	Habbershon & Williams (1999)	Conceptual		RBV	Develops a theoretical basis for the exposition of the relationships among individual FF behaviors, the advantages of being family-controlled, and distinctive performance capabilities.
	Habbershon, Williams & MacMillan (2003)	Conceptual		RBV	Develops a unified systems model of FF performance that demonstrates how the systemic interactions of the family unit, business entity, and individual family members are linked to performance outcomes.
	Irava & Moores (2010)	Empirical	4 cases	RBV	Theoretically explains distinctive competitive advantages that result from resources arising out of family involvement in business and finds resource dimensions of the familiness construct.

	Lester & Cannella (2006)	Conceptual		Agency theory, Community-level social capital	Answers the question: “How have FFs thrived and prospered despite the fact that they face all the costs and obstacles of non-FFs, plus the added risks and costs of intra-family conflict?” Frames ideas around social capital as a community-level shared resource, and director interlocks as a key mechanism through which resources are fostered and maintained.
	Lim, Lubatkin & Wiseman (2010)	Conceptual		Agency theory, RBV, Household literature	Explores specific ownership conditions under which privately-owned family-managed firms are more likely to be engaged in risk-taking.
	Minichilli, Corbetta & MacMillan (2010)	Empirical	113 top management teams (TMTs)	Agency theory, RBV, Upper echelon, Social capital	Explores the effect of family management on firm performance. While the presence of a family CEO is beneficial for firm performance, the coexistence of factions in family and non-family managers can hurt firm performance.
	Moores (2009)	Conceptual		Theory-building practices (Dubin’s 1969 model), Agency theory, RBV, Learning theory	Introduces an alternative approach to the way we look at the development of the domain that depicts the family in business.
	Nordqvist (2005)	Conceptual		Upper echelon perspective, RBV	Comments on three routes for extension based on the perspective on top management teams, the concept of familiness, and the definition of family business.
	Pearson, Carr & Shaw (2008)	Conceptual		(RBV) Social Capital Theory	Reviews the development of the familiness construct and offers a theory of familiness (and its dimensions).
	Rutherford, Kuratko & Holt (2008)	Empirical	Survey of 831 FFs	Agency vs. entrenchment theory	Familiness is associated with revenue, capital structure, growth, and perceived performance. However, the relationships are both positive and negative, casting doubt upon the F-PEC.
	Sharma (2008)	Conceptual		Social capital theory	Examines the mechanisms that enable the flow of family social capital to create organizational social capital.
	Tokarczyk, Hansen, Green & Down (2007)	Empirical	8 case studies	RBV	Explores the contribution of the familiness qualities of a firm to actualization of an effective market orientation thereby constituting a competitive advantage.
	Vought, Baker & Smith (2008)	Conceptual		Practitioner’s perspective	Examines papers presented at the 2007 Theories of Family Enterprise Conference.
	Zellweger, Eddleston & Kellermanns (2010)	Conceptual		RBV, Organizational identity theory	Answers the main question “How does the family contribute to firm success?’’

Table 2: Analysis of Variables (FF=Family Firm)

Construct	**Level of Analysis**	**Socioemotional Wealth (SEW)**	**Essence of Family Business**	**Familiness**
Definition		• Family's stock of affect-related value invested in the FF (Berrone et al., 2010) • Noneconomic utilities or affective endowments (Berrone et al., 2010)	• The vision of the dominant family coalition and the intention of that dominant condition to sustain such vision across generations (Chua et al., 1999) • A core essence statement encapsulates the values that serve as the foundation for the vision and mission (Craig & Moores, 2010)	• Unique bundle of resources resulting from the interaction of the family and business systems (Habbershon & Williams, 1999; Habbershon et al., 2003)
Dimensions		• Family control and influence • Family members' identification with the firm • Binding social ties • Emotional attachment • Renewal of family bonds to the firm through dynastic succession (Berrone et al., 2012)	• Vision (Chua et al., 1999) • Transgenerational intention (Chua et al., 1999; Chrisman et al., 2005a) The following have also been put forward in the literature : • Familiness (Chrisman et al., 2003; Chrisman et al., 2005a) • Commitment (Chrisman et al., 2012) • Family's influence over the strategic direction of the FF and FF behavior (Chrisman et al., 2005a)	• Human resources (reputation and experience), organizational resources (decision-making and learning), and process resources (relationships and networks) (Irava & Moores, 2010) • Structural (social interactions and networks), cognitive (shared vision and purpose, as well as unique language, stories, and culture), and relational (trust, norms, obligations, and identity) dimensions (Pearson et al., 2008) • Involvement, essence, and organizational identity (Zellweger et al., 2010)
Theoretical Basis		Behavioral theory; Agency theory; Prospect theory	Various (e.g., Configurative approach; Behavioral and stakeholder theories)	Resource Based View; Systems theory
Antecedents	Individual	• Affect influences the formation of SEW, driving family owners' value perceptions (Zellweger & Dehlen, 2012) • Long tenures of FF executives (Berrone et al., 2010)		
	Family	• Strong role of the family, reduced over time (Gomez-Mejia et al., 2007)	• Family involvement (Chua et al., 1999; Chrisman et al., 2012)	• Ownership, management, and transgenerational intentionality (Chrisman et al., 2005b) • Vision of the dominant coalition of family stakeholders (Chrisman et al., 2003) • Structure and culture of the family (Sharma & Manikutty, 2005; Kellermanns, 2005)

				• Presence of trust, loyalty, and altruism (Irava & Moores, 2010)
	Firm	• Ownership structure (Berrone et al., 2010) • Geographical concentration of FF operations (Berrone et al., 2010)		• Organizational firm identity that integrates participative decision making (Zellweger et al., 2010
	External			• Social and economic environment (Habbershon, 2006)
Outcomes	Individual			
	Family			• Non-economic performance outcomes, such as the preservation of family ties or transgenerational value creation (Chrisman et al., 2003)
	Firm	• Reduced investment by institutional investors (Fernando et al., in press) • Affects stakeholders’ perceptions of benevolence of the FF (Hauswald & Hack, 2013) • Likelihood of internationalization (Liang et al., in press) • Reduced diversification decisions (Gomez-Mejia et al., 2007; Jones et al., 2008) • Decision making on management processes, firm strategies, corporate governance, stakeholder relations, and business venturing (Gomez-Mejia et al., 2011) • Employment of family members (Cruz et al., 2012) • Improved firm reputation, especially if the family’s name is in the firm’s name (Deephouse & Jaskiewicz (2013) • Strategy conformity, leading to superior returns on assets but not greater firm market valuations (Miller et al., 2013) • Proactive stakeholder engagement activities (Cennamo et al., 2012) • Pursue environmental strategies or social initiatives at a local level (Berrone et al., 2010)	• FFs can achieve successful business results by using a combination of family and business orientations in their decision making (Basco & Perez Rodriguez, 2011)	• Strong sense of commitment to the business (Carmon et al., 2010) • Organizational identity (Carmon et al., 2010) • Social capital (Ensley & Pearson, 2005) • Strategic flexibility (Zahra et al., 2008) • Market orientation (Cabrera-Suarez et al., 2011) • Tacit and common understandings and shared values in top management teams, increasing their cohesion (Ensley & Pearson, 2005) • Revenue, capital structure, growth, and perceived performance (Rutherford et al., 2008) • Superior levels of financial performance and competitive advantage over time (Zahra et al., 2008; Zellweger et al., 2010)

		• Competitive advantages derived from matching concern for natural environmental stakeholders (driven by SEW) with concern for employees (Neubaum et al., 2012) • Risks to financial performance (Gomez-Mejia et al., 2007) • Agency problems with shareholders (Stockmans et al., 2010) • If negatively valenced SEW dimensions prevail, proactive stakeholder engagement can be negatively affected (Kellermanns et al., 2012) • Reduced R&D investment (Chrisman & Patel, 2012) • When performance exceeds aspirations, FFs make exploitative R&D investments; when performance is below aspirations, FFs engage in exploratory R&D investments (Patel & Chrisman, in press) • Reduced patent citations (Block et al., 2013) • Upward earnings management when firm performance is poor, (Stockmans et al., 2010)		
Measurement		• 27 items taken from 15 previous studies on each of the five dimensions of SEW (Berrone et al., 2012)	• Basco (2013) uses six items from a scale developed by Basco & Perez Rodriguez (2009) to measure family-oriented strategic decision making • Transgenerational family control intentions (one-item categorical measure) and family commitment (7-item version of the 12-item culture subscale of the F-PEC scale from Klein et al., 2005) (Chrisman et al., 2012) • Through use of the Balanced Scorecard, employing the power, experience, and culture dimensions of the F-PEC scale (Craig & Moores, 2005; 2010)	• F-PEC scale (power, experience, and culture dimensions of family influence) to measure a family's ability and willingness to influence the direction of a business (Klein et al., 2005) • Proxied through factors such as number of generations and type of ownership (controlling owner, sibling partnership, and cousin consortium) (Rutherford et al., 2006)

Figure 1: Number of Articles by Year

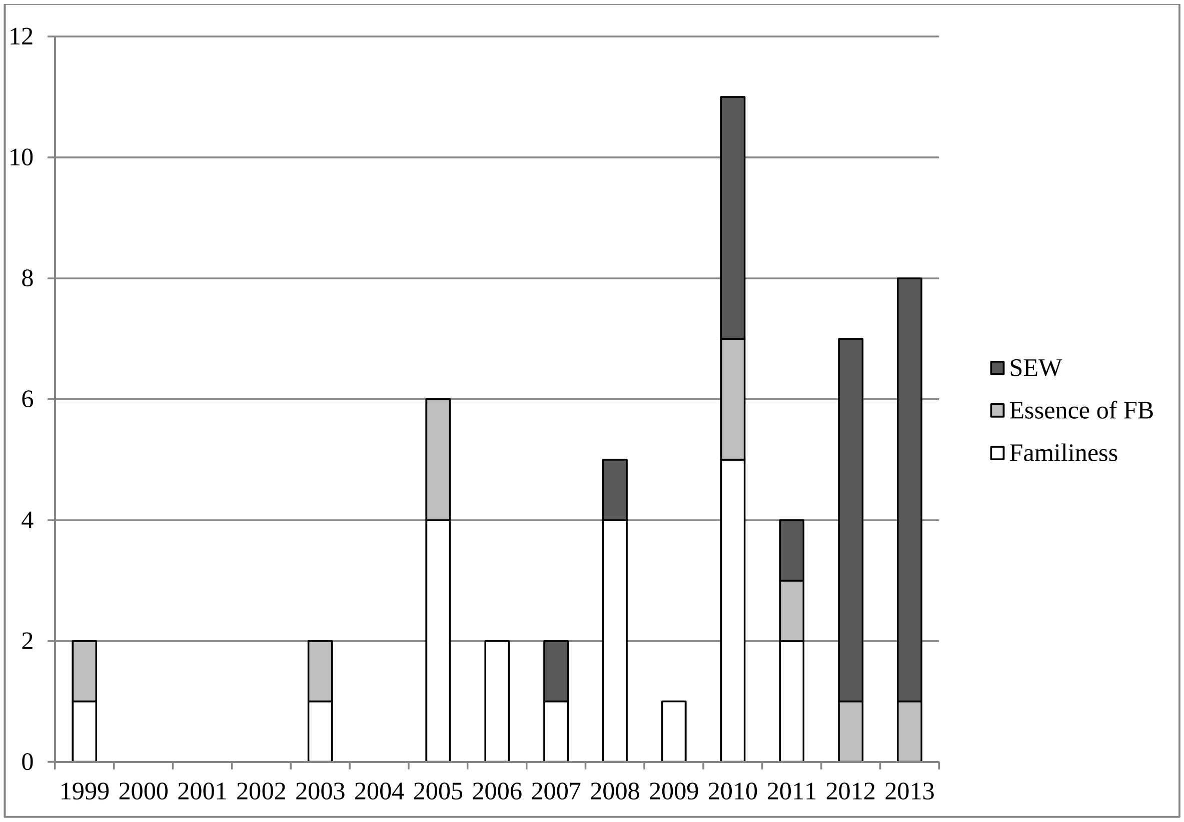

Figure 2: Conceptual Model and Connections among Key Variables