

Dynamics of Socioemotional Wealth on Family Firms Performance

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Abstract

The study attempted to study the association between dimensions of Socioemotional wealth (SEW) viz. family continuity, family prominence and family enrichment and firms performance among small private family firms in the city of Hyderabad. A structured questionnaire adopted from Debicki, B. J., Kellermanns, F. W., Chrisman, J. J., Pearson, A. W., & Spencer, B. A. (2016) and Kellermanns, F. W., Eddleston, K. A., Sarathy, R., & Murphy, F., (2012) was administered to 204 owners of small private firms. The questionnaire consisted of 22 questions, 14 questions measuring SEW dimensions and 8 questions measuring firms performance. 5 point Likerts Scale was used for SEW dimension ranging from 1 as Not at all important and 5 as Extremely important. Point anchors for firms performance ranged from 1 as Much better, 2 as About the same and 3 as Much worse. The study particularly checked the quality of the data using Common Method Bias and Multicollinearity tests. Pearson correlation and Hierarchical Multiple Regression was used to analyze the data set. The results conveyed the findings statistically not significant association between SEW dimensions and Firms performance.

Keywords: Socioemotional wealth, family firms, firms performance, family continuity, family enrichment, family prominence

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INTRODUCTION

Family firms are the common organizational structures dominating the world economic landscape. Recognized as important and dynamic participants in the world economy, they have been the prime movers of social and economic development around the world (Miller and Le Breton-Miller, 2005; Poutziouris, P.Z., Smyrnios, K.X & Klein, S.B., 2006)

Majority of the world's wealth is created by family firms, around 85 % of start ups are established with family money, contributing 70-90 % of world's GDP, creating 50-80 % of jobs in the majority of countries worldwide (Family Firm Institute, 2017). Universally, family firms outperform non family firms. With 5.5 million family firms in the United States, they account for 64 % of GDP and employ 62 % of the total work force (Anderson and Reeb, 2003, Astrachan, 2003). Over 60% of firms are family firms in Italy, Germany and France (Faccio & Lang, 2002). The backbone of the Indian economy is strongly dependent on family run enterprises. According to recent reports, family firms constitute 90 % of overall firms in India, generating two thirds of GDP and 79 % of jobs. Family firms account for 25 % of India's Inc's sales, 32 % of profits after tax, almost 18 % of assets and over 37% of reserves.

According to the Institute for Family Business and European Commission, family business is any majority shareholdings held by the person who established or acquired the firm, or their spouse, parents, child or child's direct heirs; the majority of decision-making rights are direct or indirect; and at least one representative of the family is involved in the management or administration of the firm. However, the most widely accepted definition by Chua et al. (1999) is, "a business governed and /or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (p.25).

The objectives of family firms are oriented towards longer term survival of the business and the retention of control in the family. The family owners are seen as custodians of the business, which implies a different set of success criteria, other than mere profitability. Profits are generated pursuing the criteria viz., providing current and future employment opportunities for family members (Kellermanns et al., 2012); social accomplishments (Miller and Le Breton Miller, 2005; Berrone, P., Cruz, C., & Gomez-Mejia, L. R. 2012); preserving family cohesion wealth (Chrisman et al., 2003; Gomez-Mejia, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. 2007) and managing business in a manner which reflects well on the family owners (Miller and Le Breton Miller, 2005; Berrone et al., 2012)

The family centric utilities such as "socioemotional wealth" (SEW) is seen as highly important to family firms. SEW is defined as "non financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence and the perpetuation of the family dynasty (Gomez-Mejia et al., 2007). The importance of SEW is widely accepted as a "pivotal frame of reference that family firms use to make major strategic choices and policy decisions" (Berrone et al., 2012). Family businesses will pursue goals which maybe

non-economic, in order to increase or preserve socioemotional wealth (Gomez-Mejia et al., 2010). However, according to another study, whether the family firms benefit or lose is subject to debate and yet to be conclusively determined (Rutherford et al., 2008; O'Boyle et al. 2012; Pindado and Requejo, 2015; Poutziouris et al., 2015; De Castro et al., 2016). Recent research focused on the impact of family involvement on firm performance (Anderson and Reeb, 2003; Kidwell et al., 2013; Maitinez, J. I., B. S. Stoehr, and B. F. Quiroga., 2007), found positive, negative and non significant associations between family involvement and firms performance, which remains inconclusive. The limited number of studies and the conflicting results, despite, the importance of the SEW approach, provide an opportunity to analyse the family firms performance from such perspective (MartnezRomero and RojoRamfrez, 2017; Mensching, H., Kraus, S. and Bouncken, R.B., 2014) and calls for additional research (Duran, 2016; Martin and Gomez-Mejia, 2016).

Debicki (2012) and Debicki et al. (2016) developed and empirically validated a scale for the measurement of the importance of SEW to the family firms. Debicki's validated SEW measure includes three dimensions: family continuity, family enrichment and family prominence. Family continuity refers to the importance attached to the family preservation and continuity while maintaining family values (Debicki, 2012; Debicki et al., 2016). Family enrichment refers to the obligation the family members feel towards the rest of the family towards fulfilling their responsibilities (Debicki, 2012; Debicki et al., 2016). Family prominence is the importance family members assign to the reputation and external image of the firm (Debicki, 2012; Debicki et al., 2016).

In this study, we seek to explore if there are any specific SEW dimensions which impact family firm's financial performance.

LITERATURE REVIEW

SOCIOEMOTIONAL WEALTH

The concept of socioemotional wealth was coined by Gomez-Mejia et al. (2007). Socioemotional wealth is considered as a defining feature of family firms that differentiates them from non-family firms (Gomez-Mejia et al., 2011). SEW is considered as a dominant framework to explain difference between family and nonfamily firms (Berrone et al., 2012). Family firm owners compromised IPO gains (Leitterstorf and Rau, 2014), rejected profitable cooperation (Gomez-Mejia et al., 2017), sacrificed economic gains (Chrisman and Patel, 2012) and gave less importance to internationalization activities (Debicki, 2012) to defend their SEW.

Gomez-Mejia and et al., (2007) through their findings from the data collected from 1237 olive mills in Southern Spain, stated that family owners of the olive oil mills were willing to sacrifice financial benefits of joining cooperatives, which would enable them to avail low cost financing and access to collaborative supply chains to preserve control of their firms.

Gomez-Mejia, Nunez-Nickel and MayanoFuentes through their study published in 2007 found that pivotal reference point for decisions by family firm owners is based on their aversion to

loss of SEW.

Gomez-Mejia et al.,(2007) and Shen (2018) concluded that family firm owners are willing to forgo firm centric economic opportunities if it means preserving SEW.

Gomez-Mejia et al. (2007)through their study of family and non -family firms Spanish olive mills discovered that non family firms decision making process aims to secure financial benefits, whereas, family firms primary concern is to maintain SEW.

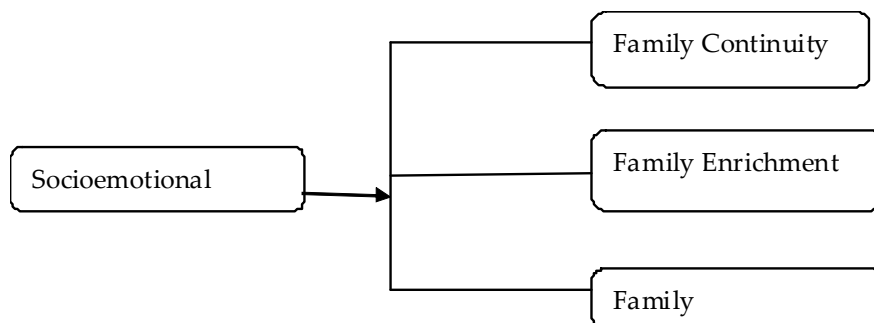
Chrisman and Patel (2012) stated that while family firms are preoccupied with maintaining the desired levels of SEW, when the family firms desired performance is below the desired levels, their economic and non-economic goals including SEW tend to converge.

In a study of 194 large firms from eight different countries conducted by Deephouse and Jaskiewicz(2013) comparing family owned and non family owned firms, the authors concluded that family firms care about their reputation is to preserve their SEW. Family firms have better reputations than non-family firms and more when the name of the family is included in thefamily firm's name.

DIMENSIONS OF SEW

The importance attached to socioemotional wealth is contemplated to differentiate family firms from non family firms. Socioemotional wealth importance scale (SEWi) allows direct measurement of the importance of socioemotional wealth to the family firm owners(Debicki et al., 2016). SEWi scale consists of three dimensions: (1) Family Continuity; (2) Family Enrichment and (3) Family Prominence. Family Continuity dimension describes the importance paid by family firm decision makers in preserving control in the business. Family Enrichment is the significance of having accommodating family members in the business. Family Prominence is the importance given in preserving the reputation among the broader community, recognition and social support from friends, extended family, acquaintances and community. The scale was tested for basic construct validity via. EFAs, CFAs, and internal reliability, convergent validity and discriminant validity (Hinkin, 1988).

Figure 1: Three Dimensions of SEWi (Debcki et al., 2016)



EFFECTS OF SEW ON FINANCIAL PERFORMANCE

Leitterstorf and Rau (2014) stated that SEW negatively influences firms performance in order to gain or to preserve SEW. Employing family members leads to higher sales, but decreases profitability (Cruz, C., & Nordqvist, M. 2012). Acquiring firms reported less earnings due to lower identification of new owners compared to previous owners (Pazzaglia, F., Mengoli, S., & Sapienza, E. 2013). SEW displayed constructive influence on family firms performance in industrial districts, where unspoken system and community norms are given more weightage. According to Berrone et al. (2010), family firms recorded higher local performance compared to non-local firms with intention to guard their SEW. However, Schepers J., Voordeckers, W., Steijvers, T., & Laveren, E. (2014) stated that the affirmative effect of entrepreneurial direction on performance decreases as the level of SEW preservation increases. However, Kellermanns et al. (2012) highlighted the darker side of SEW, elucidating that family firms with elevated consideration for SEW prioritize the short term needs of the family at the expense of stakeholders. Miller and Breton-Miller (2014) argued that the effects of SEW on firms financial performance fluctuate depending on the dimension of SEW that is more vital to the family.

NEED FOR THE STUDY AND RESEARCH GAP

The above section reveals existence of large amount of literature on the area under discussion. However, no study has been undertaken in the city of Hyderabad with respect to the small private family businesses. Hence, this study is specially designed to bridge this gap. All this reduces to learn, if there are any specific SEW dimensions among family continuity, family enrichment and family prominence which impacts family firm's financial performance.

OBJECTIVE OF THE STUDY

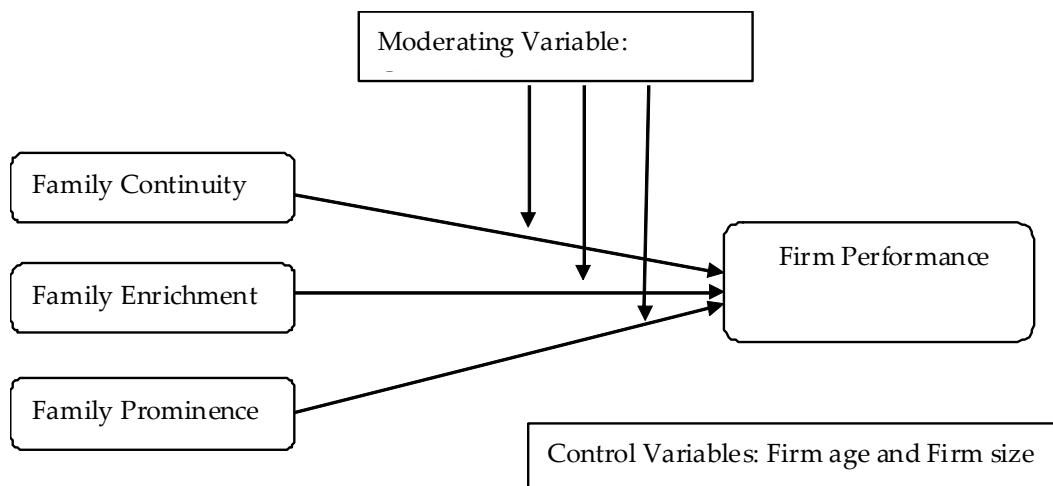
The objective is to study the association of the dimensions of SEW on the family firms performance

THEORETICAL FRAMEWORK AND HYPOTHESIS

Studies were conducted to explain the links between family involvement and firm performance, yet there is paucity of explanation of how family firms behavior impact firms performance. Chrisman, Chua and Sharma (2005) in their literature review on influences of family on firms financial performance found greater impact on the performance of large family firms, necessitating a similar study to be undertaken for smaller firms. Researchers have argued that when faced with a trade-off between choosing financial gains at the expense of losing SEW or maintaining SEW at the cost of economic loss, choice of latter has been mostly noted (Gomez-Mejia et al., 2007). In other words, family firms not only place priority on economic gains during decision making but also about non-financial gains which are the dimensions of SEW, thereby, demonstrating the SEW's major role in Firms strategic decision making, necessitating a more detailed discussion on the perspective of SEW.

This study seeks to examine the direct effects of family firms SEW on firms performance due to the importance attached to SEW (Deephouse and Jaskiewitz, 2013). The dimensionss of SEW can have positive and negative effects on firms performance depending on the importance attached by the family to various dimensionss. Family continuity and family enrichment effects on firms performance are hypothesized to be negative while the effect of family prominence is hypothesized to be positive.

Figure 2: Theoretical framework



HYPOTHESES DEVELOPMENT

FAMILY CONTINUITY AND FIRM PERFORMANCE

Lansberg, Perrow and Rogolsy (1988) and Rutherford et al.,(2008) in their study found that retaining the family firms in the hands of family fosters nepotism, leading to lack of professional management negatively affecting firms performance. The desire to retain the ownership could lead to negative financial gains(Leitterstorf and Rau, 2014). Maintaining the control of the firm within the family as a dimensions of SEW can negatively affect firms financial performance.

Hypothesis 1: Family continuity as a dimensions of SEW is negatively related to Firm performance.

FAMILY ENRICHMENT AND FIRM PERFORMANCE

Employment of family members and maintaining pleasant relationships among family members is the Family enrichment dimensions of SEW (Debicki et al., 2016). The findings of Rutherford M. W., Kuratko, D. F., & Holt, D. T., (2008) implied that involvement of higher %age of family members in the firm negatively affected the performance. Cruz et al. (2012) concluded that employing family members in the family firm leads to decreased profitability,

which can be explained by lack of monitoring systems, informal character of employment and lower quality employee work (Fama and Jensen, 1983).

Hypothesis 2: Family enrichment as a dimensions of SEW is negatively related to Firm performance.

FAMILY PROMINENCE AND FIRM PERFORMANCE

Concern for good image and reputation and positive recognition in the broader community is family prominence as adimensions of SEW (Debicki, 2012; Debicki et al., 2016). Cruz et al., (2014); Deephouse and Jaskiewicz, (2013) found that firms reputation more important to other factors as addition of their name to the family firm's name is professed as an annex of the family name. Socially responsible actions are undertaken to preserve firms name and reputation in the broader community (Cruz et al., 2014). Such actions augment the firm's character consequently enhancing the financial performance of family firms (Dyer and Whetten, 2006). Micelotta and Raynard (2011) stated that firms conduct business with integrity and honesty to gain customers trustworthiness thereby leading to increased sales and better financial performance. In sum, the munificent actions of family firms leads to better financial performance and profitability.

Hypothesis 3: Family Prominence as a dimensions of SEW is positively related to Firm performance

RESEARCH METHOD

The SEWi scale was administered based on convenience sampling to 500 small private family businesses from manufacturing, trading, services and logistics sectors in Hyderabad city. 226 responses were received, out of which 22 questionnaires were excluded due to incomplete response. 204 questionnaires were accepted for the study, the response rate being 40.5 %. The intended respondents were individuals in senior management positions and also among owners of their respective family firms.

DEPENDENT VARIABLE: FIRM PERFORMANCE

Firm performance is the dependent variable; it is the most widely used dependent variable in family business research, a shift from Succession topic to performance related matters (Sharma and Carney, 2012). Longevity, growth and financial performance of family firms are three highly relevant performance measurements (Uhlener, Kellermanns, Eddleston and Hoy, 2012). Firm performance was measured using return on assets (ROA), sales growth, market share growth, growth in number of employees, profitability growth, return on equity (ROE), profit to sales ratio, firms profit for the last three years, firms total assets, increase in profits, ability to fund growth from profits from measure adopted from Kellermanns et al. (2011). Three possible choices "much better", "about the same", and "much worse", for all the items were provided and response were averaged to get an overall performance score which was compared to the firms primary competitor (Kellermanns et al., 2011).

INDEPENDENT VARIABLES

SEW scale developed and validated by Debicki et al.(2016) was used to measure the importance of socioemotional wealth. The scale has three dimensions family continuity, family enrichment and family prominence (Debicki et al., 2016). Five point Likert scale (1) not at all important, (2) slightly important, (3) moderately important, (4) very important, and (5) extremely important were used for measurement.

CONTROL VARIABLES

Firm size and firm age are used in this study as control variables. Firms size in terms of number of employees in the firm is used to control for firm size. Firms age tend to affect the firms financial performance.

MODERATING VARIABLE

The current generation leading the firm is taken as the moderating variable.As they can change the direction of the relationship between independent variables and dependent variable.

STATISTICAL TOOLS

The data collected from 204 respondents was analyzed for reliability (Chronbach, 1952) to test the reliability of the scales, KOM and Barlett's Test for Sphericity was conducted to test the adequacy of the sample size and the variances among the constructs. Quality of the data was established by checking common-method bias and multicollinearity

DATA ANALYSIS

CONSTRUCT RELIABILITY

The reliability of multi-item measures of constructs were assessed through the examination of Cronbach alphas (?) which is the most common way of testing the reliability of multi-item measures (Cronbach, 1951; Nunnally, 1978). Reliability values that are greater than .70 are recommended (Nunnally, 1978).

Table 1: Reliability Coefficients

S.No.	Construct/Scale	Number of Items	Cronbach α
1	Socioemotional Wealth Construct		
	1.1 Family Continuity Dimension	5	0.786
	1.2 Family Enrichment Dimension	5	0.819
	1.3 Family Prominence Dimension	4	0.556
2	Family Firms Performance	8	0.876

As show in Table 1 above, the coefficients ranged between 0.556 and 0.876, demonstrating that the reliability of the examined constructs was satisfactory to proceed to the main analysis.

Table 2: KMO & Bartlett's Test of Sphericity to measure the sampling adequacy

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.596
Bartlett's Test of Sphericity	Approx. Chi-Square	2775.040
	Df	231
	Sig.	.000

KMO and Bartlett's Test of Sphericity conducted to test the adequacy of the sample size. The KMO values greater than 0.5 is considered acceptable, however, any values less than 0.5 should lead to more data collection or choosing variables to be included.

SAMPLE DESCRIPTION AND DEMOGRAPHICS

The description statistics of the sample are presented in the Table 3 below. The firms used under present study are 100% family owned. The participants were owners of family firms that operated in a variety of industrial sectors

Table 3: Firm Demographics

	N	Mean	Std. Deviation
INDUSTRY	204	2.46	1.133
FIRM YEARS	204	3.30	2.191
FOUNDER	204	1.08	.277
FAMILY NAME INCLUDED	204	1.74	.442
YEAR OF ESTABLISHMENT	204	4.16	.902
ANNUAL REVENUE	204	3.10	3.404
GENDER	204	1.00	.000
EMPLOYEES	204	1.94	.897
OWNERSHIP %AGE	204	1.00	.000
BUSINESS BEEN OPERATING FOR LAST 3Y EARS	204	1.00	.000
GENERATIONS	204	1.75	.690
GENERATION TAKING DECISIONS	204	1.42	.495
Valid N (listwise)	204		

DATA QUALITY

Tests were performed to ensure the quality of the collected data. Data was examined to check the existence of the common-method bias, construct reliability, multicollinearity threats which can threaten the validity of the results.

COMMON METHOD BIAS

When a unique common factor explains most of the variance Common-method bias occurs. Examining common-method bias is not overstated as claimed by several authors in family business research (Cruz et al., 2012), as all responses for independent and dependent variables were obtained from the same source. Harman's single factor test is used to identify common method variance. If a single factor accounts for more than 50% of the variances than it is presumed that common method bias is present

Table 4: Common Method Bias Total Variance Explained

Comp onent	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.876	22.166	22.166	4.876	22.166	22.166
2	4.287	19.487	41.653			
3	2.360	10.729	52.382			
4	1.663	7.559	59.941			
5	1.585	7.204	67.145			
6	1.389	6.314	73.458			
7	1.090	4.953	78.411			
8	.724	3.291	81.702			
9	.686	3.118	84.821			
10	.586	2.664	87.484			
11	.476	2.166	89.650			
12	.430	1.956	91.606			
13	.351	1.597	93.203			
14	.326	1.484	94.687			
15	.250	1.134	95.821			
16	.219	.994	96.815			
17	.183	.833	97.648			
18	.155	.704	98.352			
19	.122	.553	98.904			
20	.103	.469	99.373			
21	.086	.391	99.764			
22	.052	.236	100.000			
Extraction Method: Principal Component Analysis.						

The total explained by a single factor in Table 4 is 21.66, which is far below the cut of criteria of 50%, therefore, the data does not suffer from common method bias.

MULTICOLLINEARITY

When two or more of the examined variables are highly correlated, Multicollinearity occurs. It results in standard errors of the coefficients being inflated resulting in distortion of the results of the regression analysis (Field, 2009). Variance inflation factor (VIF) and the tolerance values for all variables are calculated to check for multicollinearity threats. Values less than 5 for VIF and greater than 0.1 for tolerance values indicate the absence of multicollinearity threats.

Table 5: Multicollinearity Diagnostics Coefficients a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FC	.691	1.447
	FE	.739	1.353
	FP	.565	1.770
a. Dependent Variable: FFP			

From the Table 5, Variance inflation factor (VIF) are below 5 and tolerance values are above 0.1 for family continuity, family enrichment and family prominence indicating that there is no multicollinearity issue.

CORRELATION

The correlations among the variables are presented in Table 6. The table shows strong and statistically significant correlations among the variables i.e., socioemotional wealth dimensions (family continuity, family enrichment and family prominence) and family firms performance. All correlations among socioemotional wealth dimensions i.e., family continuity, family prominence and family enrichment correlated strongly with firms performance.

Table 6: Correlations

		FC	FE	FP	FFP
FC	Pearson Correlation	1	.308**	.555**	-.012
	Sig. (2-tailed)		.000	.000	.866
	N	204	204	204	204
FE	Pearson Correlation	.308**	1	.510**	.098
	Sig. (2-tailed)	.000		.000	.163
	N	204	204	204	204
FP	Pearson Correlation	.555**	.510**	1	.063
	Sig. (2-tailed)	.000	.000		.371
	N	204	204	204	204
FFP	Pearson Correlation	-.012	.098	.063	1
	Sig. (2-tailed)	.866	.163	.371	
	N	204	204	204	204
**. Correlation is significant at the 0.01 level (2-tailed).					

Family continuity is significant with family enrichment and family prominence but not significant with family firm's performance. Family prominence is significant with family enrichment and family continuity but not significant with family firm's performance. Family enrichment is significant with family continuity and family prominence but not significant with family firm's performance. Family firm's performance is negatively correlated with family continuity but positively correlated with family enrichment and family prominence. Family firm's performance is not significant with family continuity, family enrichment and family prominence. The correlations indicate moderate association among the socioemotional wealth dimensions and family firms performance.

HIERARCHICAL MULTIPLE REGRESSION ANALYSIS

Hierarchical multiple regression have two or more independent variable, and to determine how much variance is explained in the single continuous dependent variable. The added component of hierarchical multiple regression as compared to a multiple linear regression is, that a predictor variable can be controlled. To test the hypotheses, hierarchical regressions in SPSS was conducted, entering control variables in the first model, independent variables in the second model and moderating variable in the third and last model. Family firm performance was used as a dependent variable to test the hypothesis 1, 2 and 3. The main findings of the sample conducted from the regressions are presented in the Table7, 8,9 and 10.

Table 7: Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Year of establishment, employees ^b	.	Enter
2	FE, FC, FP ^b	.	Enter
3	GENERATIONS ^b	.	Enter
a. Dependent Variable: FFP			
b. All requested variables entered.			

Table 7 shows the variables entered in different blocks. Control variables firm age and firm size were entered in first block, independent variables family continuity, family enrichment and family prominence were entered in second block and moderating variable generation was entered in third block.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F change
1	0.360a	0.130	0.121	3.436	0.130	14.965	2	201	0.000
2	0.384b	0.147	0.126	3.427	0.18	1.364	3	198	0.255
3	0.396c	0.157	0.131	3.417	0.009	2.170	1	197	0.142

a. Predictors: (Constant), firm age, firm size

b. Predictors: (Constant), firm age, firm size, FE, FC, FP

c. Predictors: (Constant), firm age, firm size, FE, FC, FP, Generation

R Square of Model 3 (15.7%) of the variance in the dependent variable Family Firms Performance is explained by the predictor variables i.e., independent variables from Table 8. Model 1 explains 13% of the impact of control variables i.e., firm age and firm size on the dependent variable family firm performance. Model 2 explains 1.8% of impact of independent variables family continuity, family enrichment and family prominence on dependent variable family firms performance. Model 3 explains 0.9% of moderating variable current generation the family firm is in on dependent variable family firms performance. R Square Change from Model 1 to Model 2 is not statistically significant (0.255) indicating that it is not contributing much to the dependent variable. Similarly R Square Change from Model 2 to Model 3 is also not statistically significant (0.142) indicating that it is also not contributing much to the dependent variable.

Table 9: Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	353.402	2	176.701	14.965	.000 ^b
	Residual	2373.358	201	11.808		
	Total	2726.760	203			
2	Regression	401.464	5	80.293	6.837	.000 ^c
	Residual	2325.296	198	11.744		
	Total	2726.760	203			
3	Regression	426.797	6	71.133	6.093	.000 ^d
	Residual	2299.963	197	11.675		
	Total	2726.760	203			
a. Dependent Variable: FFP						
b. Predictors: (Constant), year of establishment, employees						
c. Predictors: (Constant), year of establishment, employees, FE, FC, FP						
d. Predictors: (Constant), year of establishment, employees, FE, FC, FP, GENERATIONS						

The results of Anovatable show the Sig value (0.000) for all the three models, thus proving that the model is statistically significant predictor for the dependent variable family firm performance as it is less than 0.05 and less than 0.05.

Table 10: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.780	1.313		14.300	.000
	Year of establishment	-.686	.269	-.169	-2.548	.012
	employees	1.222	.271	.299	4.512	.000
2	(Constant)	19.981	2.308		8.658	.000
	Year of establishment	-.746	.283	-.183	-2.634	.009
	employees	1.299	.276	.318	4.709	.000
	FC	-.095	.076	-.100	-1.254	.211
	FE	.107	.074	.111	1.434	.153
	FP	-.081	.133	-.055	-.610	.542
3	(Constant)	21.666	2.570		8.432	.000
	Year of establishment	-.900	.301	-.221	-2.988	.003
	employees	1.336	.276	.327	4.838	.000
	FC	-.078	.077	-.081	-1.014	.312
	FE	.093	.075	.097	1.245	.215
	FP	-.096	.133	-.065	-.723	.471
	GENERATIONS	-.562	.381	-.106	-1.473	.142
a. Dependent Variable: FFP						

Coefficients table is used to learn how each of the variables independently contributes in the final model. Model 3 has only two independent variables which are less than 0.05 i.e., firm size(0.000) and firm age (0.003) which make statistically significant unique contribution to the model. Neither family continuity (.312), family prominence (.215), family enrichment (.471) nor generation involved in the family business (.142) makes statistically significant contribution to the model.

The beta values represent the unique contribution of each variable. For the two predictor variables firm size (0.327) and firm age (-0.221) make of the most contribution. In different equations, in different sets of variables, or if additional set of predictor variables or with different sample size the values would change. This identification of the contribution of the variables is specific to this situation, with this sample, and this collection of variables.

FINDINGS OF THE STUDY**Table 11: Summary of Hypotheses**

Hypotheses		Beta	Significant/Not Significant
H1	Family continuity on Firms Performance (-)	-0.100	Not Significant
H2	Family Enrichment on Firms Performance (-)	0.111	Not Significant
H3	Family Prominence on Firms Performance (-)	-0.055	Not Significant

The three hypotheses indicate the direction relationships between family continuity and firms performance, family enrichment and firms performance and family prominence and firms performance.

Hypothesis 1: Family continuity as a dimensions of SEW is negatively related to Firm performance.

First hypothesis assumes a negative relationship between family continuity and family performance, as the firms try to exert and maintain control on the firm and ownership of the firm, which would dissuade them to appoint professionals or experts in running the business. This attitude would lead to increased family involvement at the expense of managing the business professionally and leads to increased nepotism thus leading to firm's unsuccessful performance. The results show non-significant relationship between family continuity and firm performance ($\beta = -0.100$, $p > 0.05$). As the p-value (0.211) is greater than the significant level (0.05), there is no evidence to support hypothesis 1

Hypothesis 2: Family enrichment as a dimensions of SEW is negatively related to Firm performance.

Second hypothesis assumes that family enrichment as a dimension of SEW will be negatively related to firms performance. Family firms mostly are characteristised by informal business environments with inadequate control systems leading to decreased firms performance. The findings indicate statistically non significant relationship between family enrichment and firms performance ($\beta = 0.111$, $p > 0.05$). The p value is greater than the significant level (0.05), there is insufficient evidence to support hypothesis 2.

Hypothesis 3: Family Prominence as a dimensions of SEW is positively related to Firm performance

Third hypothesis states that family prominence will have a positive effect on firm's performance, as firms strive to increase goodwill and loyalty among their customers thus contributing to the financial performance. The results exhibit that there is no statistical significant relationship between family prominence and firms financial performance as ($\beta = -0.055$, $p \text{ value} > 0.05$). The p value is greater than the significant level (0.05), which indicates insufficient evidence to support hypothesis 3.

CONCLUSION

Through this study the direct relationship between SEW and family firm performance has found to be weak, necessitating further studies in this direction with different possible mediating measures. The study has assumed that SEW affects the family firms both positively and negatively. The results indicate that the dimensions of SEW are statistically not significant on firms performance.

LIMITATIONS OF THE STUDY

The study is limited to only 204 small family firms from the city of Hyderabad. The responses of the only one of the family business owners were taken during the data collection. However, the response of one member may not reflect the views of the family as a whole.

SCOPE FOR FURTHER RESEARCH

The research on family firm can be advanced through a more in-depth analysis and examination of the effects of different SEW dimensions on firms performance to better understand under what conditions SEW will be a facilitator and under which conditions it will be an inhibitor for a family firm performance. A larger sample across different geographies and cultures may unfold more interesting insights.

AUATHOR'S CONTRIBUTION

Mrs.Seema M. conceived the idea and developed qualitative and quantitative design to undertake the empirical study. Research papers with high reputations were extracted, generated concepts and codes relevant to the study design. Data was analyzed using SPSS 20.0.

CONFLICT OF INTEREST

The author certifies that she has 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.

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