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DOCTORAL DISSERTATION

Essays on entrepreneurial orientation in privately-held family firms

Doctoral dissertation submitted to obtain the degree of doctor of Applied Economic Science, to be defended by:

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Just as entrepreneurship, writing a PhD is a challenging process. Nevertheless, I was not a *lone founder* of this dissertation since I am indebted to many people for their help and support during my doctoral studies. First and foremost, I would like to thank my supervisor, Prof. Dr Wim Voordeckers. Wim, thank you for introducing me in the academic world, your experience and your seemingly endless knowledge surprised me time after time. As my supervisor you gave me a lot of freedom in my work but your countless comments and suggestions always kept me on the right track. You taught me how to find "gaps" in the literature, to come up with new ideas and initiatives and, maybe most importantly, convince reviewers of our ideas. Taken together, without your academic support this PhD would not be what it is today. I am also grateful to my co-supervisor, Prof. Dr Tensie Steijvers. Tensie, you have been a wonderful supervisor and I am very thankful for the way you assured and supported me in my project. You always believed in me and your door was always open for questions. Furthermore, I would like to express my deep appreciation for my co-supervisor Eddy Laveren who I already knew as supervisor of my master thesis at the University of Antwerp. Eddy, thanks to you I grasped the opportunity to start my PhD in Hasselt, a decision I will never regret. Furthermore, I would like to thank the members of my doctoral jury: Prof. Dr Piet Pauwels, Prof. Dr Vincent Molly, and Prof. Dr Frank Hermann. Dear professors, I highly value your participation and the precious time you have spent as reviewers of this PhD. Your comments have definitively helped me to enhance and finalize this dissertation.

As I already mentioned, writing a PhD thesis is a challenging process. Although writing a PhD thesis is often perceived as a lonely task, I can definitively dispute this statement. As a cycling enthusiast, I can best compare it with a bicycle race. By definition, cycling is an individual sport since the biker has to pedal himself. Indeed, no matter how hard the crowd cheers, they cannot take over the pedals of the rider. However, for cyclists it is important to ride in a peloton because drafting behind other riders makes the race more convenient. As a member of the KIZOK research institute, I was privileged to be surrounded by such a high-quality peloton. Periods of tailwind and headwind succeeded each other but the KIZOK peloton helped me through every though moment. Therefore, I would like to thank my colleagues for being such a perfect lead-out towards the finish line. We raced together for many long hours and some of you I came to know as real friends. We have shared many memorable moments at conferences and had countless interesting -but often useless- discussions during lunch breaks, just too many to name. Thanks -not least- to this pleasant work environment, I was able to finish this PhD. In particular, I would like to thank Pieter and Maarten who now and then provided me with the necessary distraction. I have always been a proponent of the statement "Mens sana in corpore sano", and that is also what we acted upon. Pieter, thank you for being the most motivated fitness buddy I could ever imagine. Maarten, thank you for helping me to improve my ping pong skills.

Besides the fantastic KIZOK-peloton, I am indebted to a number of people that did not actively participate in my race towards this PhD, but were no less important in the finalization of this project. In a road race, cyclist can surpass themselves when they are supported by the crowd. I must say that, all the while, I had a fantastic crowd at the side of the road that provided me with their unconditional support: my closest friends, my sister, my parents, and my grandparents. Thank you for supporting me in everything I do, even though I assume not all of you exactly know what I was working on. To finish, I would like to express my true gratitude to two special fans that have been on the side-line for more than 25 years. Mom and dad, thank you from the bottom of my heart for giving me all these opportunities. I know I am lucky to have parents that truly love me and put everything into place just to make me happy. Well, I am a happy person and I know I owe you both a great deal in that.

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Samenvatting

Het belang van ondernemerschap is in onze samenleving niet te onderschatten. De creatie van groei, werkgelegenheid en concurrentievermogen zijn slechts enkele van de vele voordelen die ondernemerschap met zich meebrengt. Het stimuleren van ondernemerschap is voor veel politieke partijen een belangrijk agendapunt. Het is niet alleen van cruciaal belang voor het versterken van de Belgische economie, ook voor Europa is dit een prioritair punt. Ondernemerschap is dan ook het speelveld van heel wat wetenschappelijk onderzoek.

Private familiebedrijven zijn wereldwijd een belangrijke bron van ondernemerschap. Ook in België zijn naar schatting meer dan 75% van de ondernemingen familiebedrijven en samen realiseren ze een derde van het bruto binnenlands product. Ondanks hun enorme maatschappelijke relevantie is er zeer weinig geweten over de manier waarop ondernemerschap zich manifesteert in deze bedrijven. Door het grote publiek worden familiebedrijven vaak aanzien als stugge, conservatieve organisaties waar familiale belangen haaks staan op die van de onderneming. Toch merken we dat private familiebedrijven het vaak zeer goed doen. Zelfs in tijden van crisis slagen vele erin om het hoofd boven water te houden. Meer inzicht verwerven in het ondernemingsgebeuren van de Vlaamse familiebedrijven is dan ook het doel van dit doctoraatsonderzoek.

De algemene onderzoeksvraag van dit doctoraat luidt als volgt: Waarom zijn sommige familiebedrijven meer ondernemend ingesteld dan anderen en in welke mate leiden hun inspanningen effectief tot financiële winsten? Aan de hand van vier verschillende studies tracht dit proefschrift een antwoord te bieden op deze

centrale onderzoeksvraag. De uitgevoerde studies zijn kwantitatief van aard, dit wil zeggen dat er gebruik werd gemaakt van uitgebreide enquêtes om zo een brede waaier van Vlaamse familiebedrijven te bevragen. Naast deze enquêtes baseren we ons uiteraard op bevindingen van voorgaand onderzoek om het ondernemerschap van onze Vlaamse private familiebedrijven in kaart te brengen. De belangrijkste bevindingen van dit onderzoek worden hieronder uiteengezet.

In hoofdstuk 2 gaan we na in hoeverre de familiale CEO een invloed heeft op de mate van ondernemerschap in het familiebedrijf. Uit onze resultaten blijkt dat de CEO een dominante positie inneemt in het familiebedrijf. Hierbij merken we een belangrijk verschil tussen stichter-CEO's en CEO's van de tweede of latere generatie. Wanneer de oprichter van een familiebedrijf de CEO-positie afstaat aan een familiale opvolger, ondervinden we dat de mate van ondernemerschap binnen het familiebedrijf daalt. We merken dat de aanwezigheid van een raad van bestuur dit effect niet kan voorkomen. Sterker nog, familiale CEO's kunnen dermate dominant zijn waardoor zij de werking van de raad van bestuur kunnen beïnvloeden naargelang hun persoonlijke prioriteiten.

Dit proefschrift benadrukt dat de continuïteit van het familiaal karakter bij vele familiebedrijven een prioriteit is. Het behouden van familiale controle en het overdragen van het bedrijf aan de volgende generatie is voor het familiebedrijf vaak een doelstelling op zich. Het is daarom dat familiebedrijven dikwijls op lange termijn denken. Uit de resultaten van hoofdstuk 3 blijkt dat werken met een langetermijnvisie familiebedrijven stimuleert om te investeren in ondernemerschap. Inderdaad, de resultaten suggereren dat een langetermijnvisie een belangrijke troef is voor familiebedrijven vermits de financiële gevolgen van ondernemerschap vaak pas na aanzienbare tijd tot uiting komen. Hoewel een langetermijnvisie dus heel goed blijkt samen te gaan met ondernemerschap, moeten familiebedrijven ervoor zorgen dat deze visie ondersteund wordt door gans de onderneming. Om dit doel te bereiken, is het belangrijk dat alle managementniveaus betrokken worden bij de besluitvorming en dat belangrijke beslissingen genomen worden op basis van consensus.

In hoofdstuk 4 tonen de resultaten aan dat ondernemerschap wel degelijk aanwezig is in onze Vlaamse familiebedrijven. Helaas wordt dit niet altijd beloond door betere financiële prestaties. Wanneer familiale doelstellingen de bovenhand halen vinden we immers geen positief verband tussen de mate van ondernemerschap in het bedrijf en haar financiële prestaties. Voorbeelden van familiale doelstellingen die een rem op de bedrijfsvoering kunnen betekenen, zijn het bewust creëren en handhaven van jobs voor familieleden of het afkerig staan tegenover de aanstelling van een professionele niet-familiale CEO. Echter, zolang deze niet-financiële doelstellingen binnen de perken blijven werpt ondernemerschap nog steeds zijn vruchten af. Familiebedrijven hebben tenslotte specifieke capaciteiten die zeer moeilijk na te bootsen zijn, denk maar aan hun langetermijnvisie ten gevolge van familiaal aandeelhouderschap en hun specifieke kennis die van jongs af aan wordt overgedragen van vader op zoon.

Tot slot gaat dit proefschrift in op de link tussen intenties en acties van het familiebedrijf. In hoofdstuk 5 tonen we aan dat er wel degelijk een belangrijk verschil is tussen intenties en acties. Het gebeurt wel eens dat we ons dingen voornemen, maar dat deze voornemens om bepaalde redenen niet worden uitgevoerd. In het dagelijks leven kent iedereen wel iemand die de intentie heeft om een paar kilo’s af te vallen maar er uiteindelijk niet in slaagt om dit ook effectief te verwezenlijken. We kunnen deze gedachtegang doortrekken naar de context van familiebedrijven. Inderdaad, we merken dat familiebedrijven vaak het voornemen hebben om te investeren in ondernemerschap maar er niet altijd in slagen om deze intentie daadwerkelijk om te zetten in de praktijk. Zo kan een familiebedrijf bijvoorbeeld plannen om een nieuw product te lanceren maar als puntje bij paaltje komt, gaat de innovatie niet door. Dit komt omdat een voornemen nooit op zichzelf staat en steeds moet concurreren met andere doelstellingen. Vermits familiebedrijven naast bedrijfsdoelstellingen ook veel belang hechten aan niet-financiële familiale doelstellingen, is dit bijgevolg een belangrijke reden voor de kloof tussen intenties en acties. Familiale doelstellingen zijn bijvoorbeeld het behouden van familiale controle of het creëren van jobs voor familieleden. Als het familiebedrijf dreigt te moeten inboeten aan deze familiale doelstellingen, bemoeilijkt dit de implementatie van haar ondernemingsintenties. We mogen dit echter niet als een noodzakelijk kwaad zien vermits het nastreven van deze familiale doelstellingen ook talloze voordelen met zich meebrengt.

1. Chapter 1
Introduction

The aim of this introductory chapter is to provide the audience with an outline of the dissertation project. First, readers are introduced to the domains of both entrepreneurship and family business research, where it appears that the overlap of these seemingly irreconcilable fields remains largely understudied. Next, the main objective of this dissertation will be presented and positioned within the current literature. To conclude, this introductory chapter elaborates on 4 specific research questions that will be examined throughout this manuscript.

In family business literature, different proxies have been used to define a family firm (Gómez-Mejía, Cruz, Berrone, & De Castro, 2011; Rutherford, Kuratko, & Holt, 2008). This dissertation employs the most commonly selected criteria of ownership and management control (Chua, Chrisman, & Sharma, 1999) and CEO's perception of being a family firm (Westhead & Cowling, 1998) to select an operational definition of family firms. Therefore, firms will be classified as family firms or family businesses if (1) at least 50 per cent of the shares are owned by the family, the company is family managed or the family is responsible for strategic choices or succession decisions, or (2) at least 50 per cent of the shares are owned by the family, the company is not family-managed but the CEO perceives the firm as a family firm.

Given that this dissertation is a bundling of four different studies, some chapters report an operational definition that slightly differs from this overarching definition. For example, Chapter 2 drops the second requirement because its research question only covers family firms that are managed by family CEOs, making requirement (2) redundant. Also, Chapter 2 and 4 drop the sentence 'or the family is responsible for strategic choices or succession decisions' since these chapters are based on a different sample than Chapter 3 and 5 and we have no explicit information on this condition. Nevertheless, all firms in this dissertation meet the requirements of this (rather broad) operational definition.

1.1. Objective of the dissertation

Family firms are often perceived as nonentrepreneurial (e.g. Berent-Braun & Uhlaner, 2012), that is, less innovative, less proactive, and more risk averse as compared to non-family firms. Also, they are generally perceived as traditional, old-fashioned and conservative since they continuously need to balance family- and business needs. Therefore, the concept of entrepreneurial or enterprising family may appear to the general public as an oxymoron (Berent-Braun & Uhlaner, 2012). This is surprising, given the fact that family firms constitute the most frequent organizational setting around the world (Astrachan & Shanker, 2003; La Porta, Lopez-De-Silanes, & Shleifer, 1999) and numerous examples of successful long-lived family firms exist. Although 'entrepreneurship' and 'family firms' are both well established domains that attract substantial attention in research and practice, the overlap of both research fields – entrepreneurship in family firms – is still a relatively young and unexplored field. Therefore, the aim of this dissertation is to contribute to this emerging research stream by examining why some family firms are more entrepreneurial than others, and in turn, more financially successful.

Over the years, entrepreneurial orientation (EO) has become a fundamental concept in entrepreneurship literature and has received a significant amount of theoretical and empirical attention. Nevertheless, scholars often see EO as an "annoying construct" (Covin & Lumpkin, 2011) since the scholarly community has yet to widely agree on a particular conceptualization of EO. Indeed, one of the unresolved theoretical issues involving EO is the essential nature of the construct. The notion of an orientation towards firm-level entrepreneurial activity has been given a large number of different labels including entrepreneurial orientation, style, intensity, posture, proclivity, and in some instances, corporate entrepreneurship (Covin & Wales, 2011). Given the various labels attached to the phenomenon it is, perhaps, not astonishing that the scholarly community is involved in an enduring discussion concerning the fundamental nature of EO. An important component in the EO discussion is the dimensionality of the construct. In general, there are two important ways in which EO has been conceptualized in past research (Covin & Lumpkin, 2011). First, the composite dimension approach, which is most closely associated with Miller's (1983) and Covin and Slevin's (1989) work, conceives EO as a unidimensional construct where innovativeness, risk-taking, and proactiveness are assumed to covary. Second, the multidimensional approach, which is most commonly associated with Lumpkin and Dess's (1996) work, conceives EO as a multidimensional construct where the underlying dimensions –innovativeness, risk-taking, proactiveness, autonomy, and competitive aggressiveness- are allowed to vary independently of each other. Although both conceptualizations are fundamentally different, neither approach is superior to the other (Covin & Lumpkin, 2011). More important is the need of consistency between the measurement model and the conceptualization of the EO construct (e.g. George, 2011). Covin and Lumpkin state it as follows (2011, p 860): "We believe it is time to recognize the irreconcilability of these two conceptualizations, the questionable value of continuing to seek the superior approach, and the need to encourage EO along two distinct paths corresponding to these two conceptualizations". Although Miller's (1983) and Covin and Slevin's (1989) unidimensional approach is relatively old, recent literature (e.g. Rauch et al., 2009; Miller and Le Breton-Miller, 2011) argues that research has converged on three core dimensions of EO (Miller and Le Breton-Miller 2011): innovation, risk-taking, and proactiveness. Therefore, in this dissertation EO is seen as a reflective construct where innovativeness, risk-taking, and proactiveness are assumed to covary, in line with Miller (1983) and Covin and Slevin's (1991) conceptualization of EO.

In short, the original definition of Miller (1983) considered EO as a construct composed of 3 sub-dimensions -innovativeness, risk-taking, and proactiveness- that must positively covary in order for an EO to be manifested. However, a recurring question asked by those seeking to understand the fundamental nature of the EO construct is whether EO represents a dispositional or a behavioral construct. Notably, defining EO as "a set of distinct but related *behaviors* …" (Pearce II, Fritz, & Davis, 2010, p. 219) is fundamentally different from definitions like "EO is a firm-level *disposition* to engage in behaviors that lead to change in the organization or marketplace" (Voss, Voss, & Moorman, 2005, p. 1134). Between these purely dispositional and purely behavioral conceptualizations of EO, there are also definitions that see EO as a combination of intentions and actions. For example, Lumpkin and Dess (1996, p. 136-137) describe a firm's EO as follows: "it involves the *intentions* and *actions* of key players functioning in a dynamic generative process aimed at new-venture creation". Yet, despite the ubiquity of definitions used, most researchers use similar instruments to measure EO (Covin & Wales, 2011; George, 2011), which is clearly not beneficial for the credibility of EO research. Without choosing either side in this discussion, Chapter 5 of this dissertation throws in to this matter by expanding it to an intention-behavior debate. Namely, we rely on insights from psychological literature to suggest that both conceptualizations of EO are highly related since a disposition or intention towards entrepreneurial behavior often leads to the preferred behavior. Nevertheless, we provide theoretical and empirical arguments to suggest that the intention-action relationship is far from perfect.

Nevertheless, environments of rapid change and shortened product lifecycles continuously challenge firms to cope with uncertainty and keep up with competition. Therefore, firms may benefit from adopting an EO (Rauch, Wiklund, Lumpkin, & Frese, 2009) because it helps them to arrange their resource portfolios, bundle their resources, and leverage these bundles in ways to realize competitive advantage (Wiklund & Shepherd, 2011). The implicit logic behind this argument seems to be that entrepreneurial firms will identify and pursue lucrative product/market opportunities which in turn will improve their financial performance (Zahra and Covin, 1995). On the other hand, without an EO, firms may fail to identify new opportunities and adapt to changes in the market – which may ultimately harm their performance (Rauch, et al., 2009). For this reason, researchers are frequently using Covin and Slevin's (1991) conceptual model to reveal antecedents and/or consequences of EO as well as variables that moderate the relationship between EO and firm performance. For example, resource availability (Frank, Kessler & Fink, 2010; Moreno & Casillas, 2008; Wiklund & Shepherd, 2005), environmental characteristics (Casillas, Moreno & Barbero, 2010; Frank, Kessler & Fink, 2010; Van Doorn & Volberda, 2009; Moreno & Casillas, 2008; Wiklund & Shepherd, 2005; Lumpkin & Dess, 2001), the stage of industry live cycle (Lumpkin & Dess, 2001), strategic process variables (Covin, Green & Slevin, 2006), longevity of ownership (Runyan, Droge & Swinney, 2008), senior team attributes (Van Doorn & Volberda, 2009), and internal social exchange processes (De Clercq, Dimov & Thongpapanl, 2010) are all variables that seem to affect EO and its relationship with performance.

In a family business context, research on EO is rather scarce. However, having an EO is of particular importance for family firms because they are very often concerned with long-term survival of their firms (Lumpkin & Brigham, 2011; Lumpkin, Brigham, & Moss, 2010). Despite increasing research efforts, the role of family influence on a firm's EO is not yet well understood (Cruz & Nordqvist, 2012) because efforts to investigate the entrepreneurial process in family firms have mainly resulted in inconclusive results. Nevertheless, the distinctive set of ownership, management, and governance conditions (Gersick, Davis, Hampton, & Lansberg, 1997) makes family firms an appropriate and unique research setting to analyze EO and its relationship with performance (Nordqvist, Habbershon, & Melin, 2008).

In general, research on EO in family firms can be divided into two main research streams. The first stream is concerned with finding potential drivers of EO. Here, several family-related variables like, for example, generational involvement (Cruz & Nordqvist, 2012), family ownership (Zahra, 2005) or CEO characteristics (Miller & Le Breton-Miller, 2011) have been investigated as determinants of EO.

On the other hand, a second research stream is concerned with performance outcomes of EO. In general, researchers have argued that firms pursuing a high EO perform better than firms that are characterized by low levels of EO (Rauch, et al., 2009; Su, Xie, & Li, 2011). The underlying idea behind this pervasive belief seems to be that entrepreneurial firms will identify and pursue lucrative product/market opportunities which in turn will improve their financial performance (Zahra & Covin, 1995). Applied to a family firm context, recent studies have investigated the role of family firm specific variables like, for example, family- and generational involvement (Casillas & Moreno, 2010; Casillas, Moreno, & Barbero, 2010) as moderating variables on the EO–performance relationship. Although both research streams show that scholars have started to introduce family dynamics into entrepreneurship research, much remains to be done.

Indeed, whether the distinctive character of family firms promotes and/or constrains entrepreneurship remains to be studied. Up to now, there is no consensus on how the family mindset influences EO and its relationship with performance. A better understanding of the conditions under which family firms are able to maintain and increase their EO constitutes a promising opportunity to broaden our knowledge of how entrepreneurial family firms can survive for the long run. As such, the main contribution of our research model lays in exposing how the distinctive character of family firms supports or hampers firm-level EO and its relationship with performance. Also, family firms are known to be a heterogeneous group (Klein, Astrachan, & Smyrnios, 2005; Sharma & Nordqvist, 2007), which means that their entrepreneurial behavior cannot be reduced to a common denominator. To this end, the encompassing objective of this dissertation is to enhance the understanding of entrepreneurship in private family firms and, consequently, their financial performance by taking into account their heterogeneous character and introduce variables that drive their behavior and their decision making styles.

1.2. Research questions and outline of the dissertation

The discussion above revealed that the complexity of family firms significantly impacts their EO. Indeed, the way in which family firms act entrepreneurially is steered by the overlap of three independent but overlapping systems: the family-, the ownership-, and the management system (Gersick, et al., 1997). Several attempts have been made to include the complexity of family firms into entrepreneurship research where scholars mostly relied on the components approach to capture this complexity. Nevertheless, family firms are a very heterogeneous group and previous research has shown that the components of family involvement are very weak predictors of family firm behavior (Chua, et al., 1999), also when it comes to entrepreneurship. For that reason, this dissertation goes one step further to capture the complexity of entrepreneurship in family firms by introducing several variables that drive family firm behavior.

Based on this thoughts, and relating to the central research objective of this manuscript, the overall research question can be described as follows: Why are some family firms more entrepreneurial than others and to what extent do their entrepreneurial efforts lead to pecuniary gains? This broad research question will be subdivided into several more specific research questions, which will be tested using data from Belgian privately-held family firms. More specific, we use two different samples to test our research hypotheses. Based on the Belfirst database of Bureau van Dijk, we selected privately-owned firms located in the Flemish part of Belgium. Since the Belfirst database does not contain information whether the firm is in fact a family firm, four *ex ante* criteria regarding owner and board characteristics, which are available in the Belfirst database, were used in order to identify potential family firms. Firms were classified as *ex ante* family firms if one or more of the following criteria apply to the firm: (1) The name of one of the directors is part of the firm name, (2) at least 2 directors have the same surname, (3) one of the directors lives at the same address as the firm, or (4) at least 2 directors live at the same address. The first sampling frame was taken in the 2002-2003 period were 3,400 questionnaires were mailed to the CEOs of these potential family firms. Here, a response rate of 9.2 % resulted in 311 surveys. The second sample was taken in the 2012-2013 period. At this time, we mailed questionnaires to 3,600 potential family firms and a response rate of 12.5% resulted in 452 surveys. In the questionnaires, we integrated questions with respect to the *ex post* criteria used to determine the final sample of family firms for this study. Also, we tested for non-response bias on some firm characteristics of this study and no significant differences were found.

Chapter 2 analyses the extent to which CEOs in private family firms will use their power to affect firm-level EO. Especially in family firms, CEOs seem to have the power to affect organizational outcomes (Fiegener, Brown, Dreux IV, & Dennis Jr, 2000), like EO, but they will exercise their power through the board of directors (Shen, 2003). In doing so, this chapter presents a more nuanced understanding of how an individual (the CEO) can shape a firm-level outcome (EO) by articulating and demonstrating the important role of the board of directors. Relying on the 2002-2003 survey data, Chapter 2 aims at answering the following research questions: (1) To what extent does the generational stage of the CEO affect the level of EO in private family firms? (2) Does board behavior mediate the relationship between CEO generation and firm-level EO?

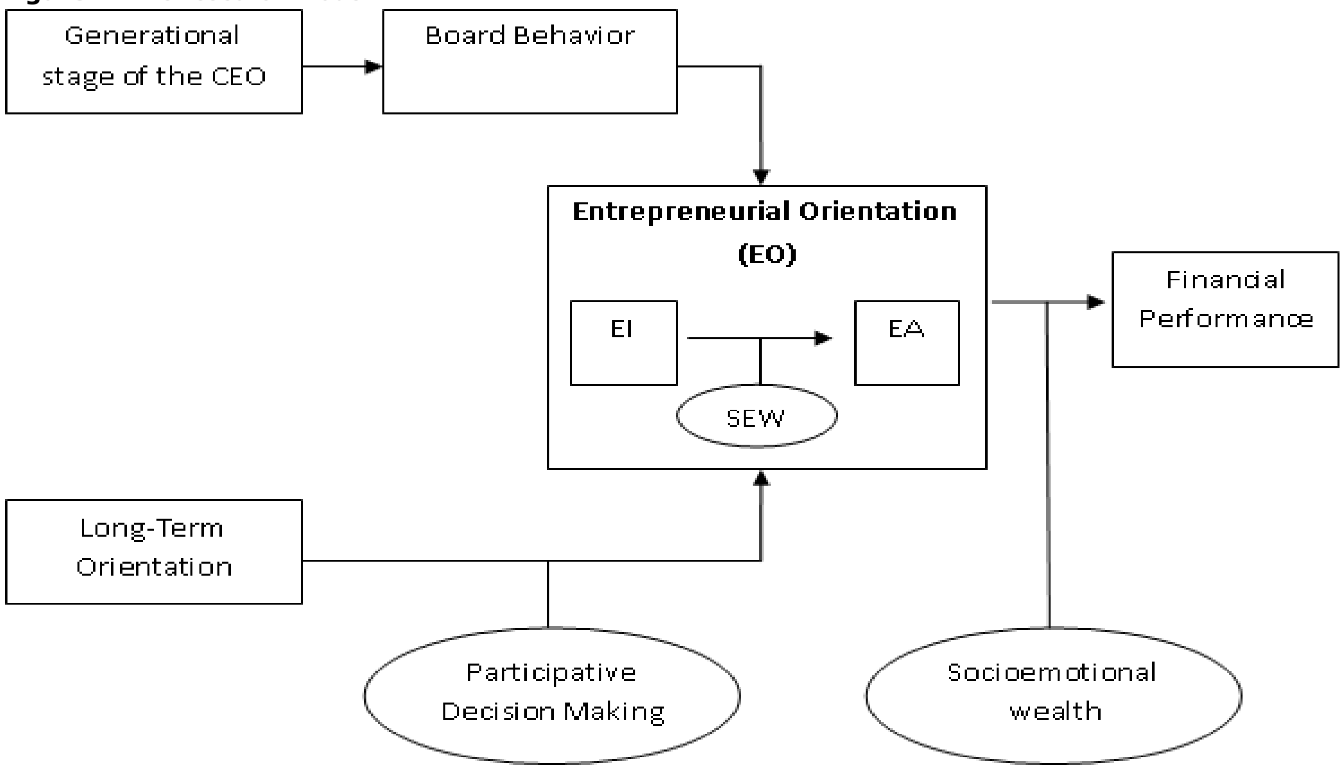
Next, since family firms are often said to have longer planning horizons (Zellweger, 2007), Chapter 3 investigates how a family firm's orientation towards time can influence their attitude towards entrepreneurship. Prior research has shown that longer planning horizons create commitment towards long-term value creating activities such as entrepreneurship (Zahra, Hayton, & Salvato, 2004). Thus, given their particular orientation towards time, family firms provide us a promising research context to investigate whether an LTO, defined as 'the tendency to prioritize the long-range implications and impact of decisions and actions that come to fruition after an extended time period' (Lumpkin et al., 2010, p. 241), fosters these firms in pursuing entrepreneurial opportunities. Although there are reasons to believe that a family firm's LTO can be an import resource that increases firm-level EO, the idea of resource orchestration suggests that managers need to orchestrate their resources in order to realize any potential advantage. Therefore, we introduce participative decision making (PDM), defined as the degree to which the firm's main strategic and operating decisions are made through consensus seeking versus individualistic or autocratic processes by the formally responsible executive (Covin, Green, & Slevin, 2006), as a moderating variable into the LTO-EO relationship. As such, using the 2012-2013 survey data, Chapter 3 addresses the following research questions: (1) Can a family firm's long-term orientation be seen as a resource for EO? (2) Does PDM interacts as a moderating mechanism in the LTO-EO relationship?

After studying the drivers of a family firm's EO, Chapter 4 explores its financial outcomes. Namely, the general idea in EO research is that firms pursuing a high EO will perform better (Rauch, et al., 2009; Su, et al., 2011). Family firms constitute an appropriate and unique context to analyze the EO-performance relationship because of their distinctive set of ownership, management and governance conditions. Recent studies have tried to capture the distinctive character of family firms when studying the EO-performance relationship (e.g. Casillas & Moreno, 2010; Casillas, et al., 2010) but they merely rely on reductionist proxies like, for example, the percentage of family members in management functions or the composition of the board of directors, to capture the degree of family influence in these firms. Instead, Chapter 4 introduces socioemotional wealth (SEW), defined as all the non-financial aspects that meet the family's affective needs (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007), as a moderator on the EO-performance relationship. Indeed, family firms are often loss averse when it comes to their SEW (e.g. identity concerns, perpetuate the family dynasty, the ability to exercise family influence) and they will behave in order to preserve these non-financial benefits. Drawing on SEW literature, we better gauge the essence (Chua, et al., 1999) of family firms since they will behave in order to preserve their SEW (Gómez-Mejía, et al., 2007). In sum, using the 2002-2003 survey data, Chapter 4 addresses the following research question: (1) Does the level of SEW preservation moderates the relationship between EO and a family firm's financial performance?

In entrepreneurship literature, researchers often use intention models to explain and predict entrepreneurial actions (EA) by focusing their interest on entrepreneurial intentions (EI) (Krueger, Reilly, & Carsrud, 2000). Although these models are often highly accurate and useful to understand entrepreneurial activity, they frequently disregard the fact that intentions are not always (fully) translated into actions (Jenkins & Johnson, 1997). In psychological literature, this phenomenon is frequently referred to as the 'intention-behavior gap' (Godin, Conner, & Sheeran, 2005; Sniehotta, Scholz, & Schwarzer, 2005), meaning that the intention-behavior relationship is strong but not perfect. In entrepreneurship literature, most studies are ultimately interested in explaining a firm's entrepreneurial behavior but they hardly question the underlying assumption that entrepreneurial intentions will indeed bring about the desired outcomes. Thus, even though intentions are found to be a good predictor for behavior, this assumption is too often taken for granted. Also, many EO definitions make no clear distinction between entrepreneurial intentions and actions (Covin & Lumpkin, 2011). Therefore, Chapter 5 attempts to distinguish and link EI and EA. Especially in a family business context, family centered non-financial goals (SEW) may hamper the transmission of EI into EA. Prior literature has shown that SEW has two sides, a bright side and a dark side (Kellermanns, Eddleston, and Zellweger, 2012). This means that SEW preservation can lead to favorable (e.g. employee commitment, emotional attachment, better environmental performance) and unfavorable outcomes (e.g. altruism, incompetent family managers, inefficient use of firm resources) in family firms. In Chapter 5 we will argue that it is especially the dark side of SEW that moderates the EI-EA relationship. Therefore, the operationalization of SEW in Chapter 5 slightly differs from the one in Chapter 4 since we have purposefully chosen to incorporate items that are more closely related to the dark side of SEW. As such, relying on the 2012-2013 survey data, Chapter 5 addresses the following research questions: (1) To what extent are a family firm's entrepreneurial intentions positively related with their entrepreneurial actions (2) Is the EI-EA relationship in private family firms moderated by the dark side of SEW?

The full research model of this study is summarized in Figure 1.

Figure 1: The research model



2. Chapter 2

Family firm CEO shaping firm-level entrepreneurial orientation: The board of directors as mediator[1]

2.1. Abstract

This article analyses the relationship between the generational stage of the CEO and family firm entrepreneurial orientation. Based on notions from family orientation and identity theory, we argue that CEO's personal priorities shift between first and later generations which affects the firm's entrepreneurial orientation. As little is known about how CEO's individual priorities shape firm-level entrepreneurial orientation, our model clarifies how board behavior mediates this relationship. More specific, we argue that CEOs use their power to influence the behavior of the board in accordance with their personal priorities, and consequently shape entrepreneurial orientation. Using a sample of 211 Belgian family firms that are lead by family CEOs, this study not only finds that founder-led firms show higher levels of entrepreneurial orientation than firms that are led by subsequent generations, but also, board behavior is found to mediate these relationships.

2.2. Introduction

Entrepreneurial orientation (EO) can be a critical factor in a firm's profitability and growth (e.g.Lumpkin & Dess, 1996; Rauch, Wiklund, Lumpkin, & Frese, 2009). While most EO research aims at finding such performance consequences,

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a significant stream of research has revealed a number of antecedent variables where the firm's CEO seems to play an important role in shaping firm-level EO (e.g. Miller & Le Breton-Miller, 2011; Poon, Ainuddin, & Junit, 2006; Simsek, Heavey, & Veiga, 2010). CEO's identity (Miller & Le Breton-Miller, 2011) and his personal characteristics (Poon et al., 2006; Simsek et al., 2010) are found to influence a firm's EO. Although these studies have highly contributed to the literature and showed how individual-level variables, like CEO core self-evaluation or locus of control, can affect firm-level outcomes, some caution is needed here. More specific, by simply focusing on the CEO as major antecedent of firm-level EO, researchers tend to ignore an important step in the decision process of a firm. Namely, CEOs are responsible for the day to day management and can come up with the initiation of new initiatives and ideas, which affects the firm's EO, but it is the board of directors that has to ratify and monitor these decisions (Fama & Jensen, 1983). Consequently, board activities are expected to be important intervening or mediating variables that need to be examined to understand the relationship between CEO characteristics and EO.

The current paper shows that CEOs in private family firms will use their power to guide board behavior in line with their personal priorities. Especially in a family business context, CEOs tend to have the power to affect organizational outcomes (Fiegener, Brown, Dreux Iv, & Dennis Jr, 2000), like EO, but they will exercise their power through the board of directors (Shen, 2003). In particular, CEOs can exert their power to influence board behavior in accordance with their personal preferences (e.g. Zahra & Pearce, 1989). Namely, powerful CEOs are highly involved in director selection (Alderfer, 1986), which makes the board of directors a useful tool for management interests (Herman, 1981; Zajac &

Westphal, 1996). Hence, there is an evident need to understand how CEOs can shape their firm's EO by influencing their board of directors.

This article intends to fill this void by investigating the role family firm CEOs, power mechanisms and board behavior play in the shaping of EO. Current research distinguishes between 2 types of CEOs, namely family founder CEOs and descendant CEOs. Inspired by Miller and Le Breton-Miller (2011), we build on identity theory to suggest that family founder CEOs are more inclined to adopt the role of an "entrepreneur" business builder. On the other hand, post-founder family CEOs will be more inclined to act as family nurturers (Miller & Le Breton-Miller, 2011) and have a strong desire to protect the family business lineage (Fiegener et al., 2000). This allows us to investigate how these identities affect the process which lies at the root of the CEO's ability to influence and develop board behavior through their power. Obviously, our model merely applies to family firms that have a board of directors. Therefore, our sample only contains Belgian limited liability companies since they are obliged to have a board of directors.

The aim of this study is twofold. First we wish to extend the current understanding of the CEO's aptitude to influence board behavior guided by his personal characteristics. Therefore, we will describe a model in which insights from power-, identity- and family orientation literature are linked. By linking these approaches, we hope to enhance our understanding of the different influences first and later generation CEOs have on board behavior. Second, we will empirically test how board behavior influences EO in private family firms. To realize this, we analyze a mediation model with relationships between first or later generation CEOs, board behavior, and EO. Since this paper focuses on a generative mechanism (board behavior) through which the focal independent variable (CEO) is able to influence the dependent variable of interest (EO), we use a mediation rather than a moderation model.[2]

2.3. A mediation model: Linking CEO generation, board behavior and entrepreneurial orientation

EO has become a central concept in entrepreneurship literature and has received a significant amount of theoretical and empirical attention. It refers to the strategy making processes that provide organizations a basis for entrepreneurial decisions and actions (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2003). Although different conceptualizations of the construct have abounded (Covin & Lumpkin, 2011), research has converged on three core dimensions of EO- innovation, risk taking, and proactiveness- and EO is seen as the concurrent exhibition of these sub-dimensions (Covin & Slevin, 1989). Innovativeness reflects a firm's willingness to engage in and support novel ideas, originality, experimentation, and creative processes that have the potential to bring about new products, services, or technological processes (Lumpkin & Dess, 1996). Risk taking involves a willingness to assign a considerable amount of resources to opportunities having a realistic chance of costly failure (Morris, Coombes, Schindehutte, & Allen, 2007). Proactiveness stands for acting in anticipation of

[2] In their seminal paper Baron and Kenny (1986) make a clear distinction between moderating and mediating variables. Namely, they state the following (Baron and Kenny, 1986, p 1173): "we differentiate between two often-confused functions of third variables: (a) the moderator function of third variables, which partitions a focal independent variable into subgroups that establish its domains of maximal effectiveness in regard to a given dependent variable, and (b) the mediator function of a third variable, which represents the generative mechanism through which the focal independent variable is able to influence the dependent variable of interest". For this reason board behavior is positioned as a mediating rather than a moderating variable.

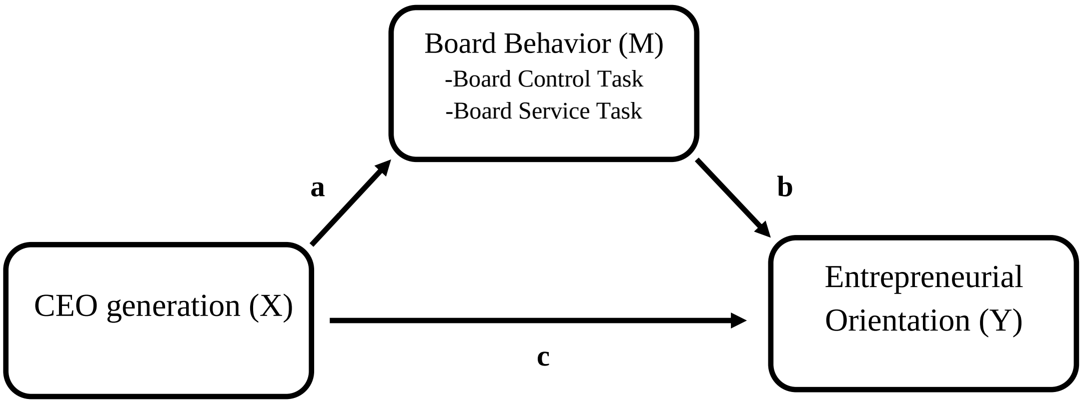
future problems, needs, or changes (Short, Payne, Brigham, Lumpkin, & Broberg, 2009). Proactive firms try to create their environment, that is, they try to create market demand or even try to influence trends (Lumpkin & Dess, 1996).

Although most studies have focused on EO's performance consequences (cf. Rauch et al., 2009 for a meta-analysis), several studies have concentrated on the sources of EO (Miller & Le Breton-Miller, 2011; Morris et al., 2007; Simsek et al., 2010). For example, EO is often attributed to CEO persona on the premise that corporate strategy and entrepreneurial choices are particularly amenable to the influence of CEO characteristics (Chatterjee & Hambrick, 2007; Hambrick, 2007; Hiller & Hambrick, 2005; Miller & Le Breton-Miller, 2011; Simsek, 2007; Simsek et al., 2010; Stevenson & Jarrillo-Mossi, 1986). Current research contributes to this line of research by investigating CEO generation as an important determinant of EO. Nevertheless, merely referring to CEO generation as the explanatory variable for EO, seems to be an overly simplistic representation of reality. According to Fama and Jensen (1983), the decision process of an entrepreneurial firm consist of 4 different steps, namely, initiation, implementation, ratification, and monitoring of decisions. While the decision management (initiation and implementation) is the major responsibility of the CEO, decision control (ratification and monitoring) is in hands of the board of directors (Fama & Jensen, 1983). Thus, the importance of the board in shaping firm-level EO cannot be underestimated. However, in practice, boards often seem to be cratures of the CEO (Patton & Baker, 1987) because the CEO can use his power to enhance or reduce board behavior (Zahra & Pearce Ii, 1989).

Therefore, we suggest that board behavior is a mediating variable between CEO generation and EO. This implies that the impact of the CEO on EO is realized via the board of directors. For instance, CEOs can shape board behavior (e.g. Zahra & Pearce, 1989), limit the information they provide to the board and falsify facts in order to pursue their own goals (Rutherford, Buchholtz, & Brown, 2007). Since board literature differentiates between two aggregated roles that boards in private family firms perform, namely control and service (van den Heuvel, Van Gils, & Voordeckers, 2006), both roles are expected to mediate between CEO generation and EO.

The basic causal chain involved in mediation is illustrated in Figure 2. Here, the direct impact of CEO generation on EO is represented by path c, which will be tested in our first hypothesis. Our second and third hypothesis relate to path b, where the board's control and advice task are linked to EO. Finally, path a represents the effect of CEO generation on board behavior. By empirically testing this model we intend to shed light on the process underlying the development of EO. Therefore, in our fourth hypothesis, we test the mediating role of the board between CEO generation and firm-level EO.

Figure 2: Mediaton model linking CEO generation, board behavior and EO



2.4. Theory and hypotheses

2.4.1. CEO generation

The impact of a firm's CEO on EO has been investigated in various empirical settings (e.g. Miller & Le Breton-Miller, 2011; Simsek et al., 2010). Especially, in a family business context, CEOs are found to highly influence organizational outcomes (e.g. Feltham, Feltham, & Barnett, 2005; Zahra, 2005). So, it would seem that researchers who are interested in family firm EO should address the dominant role of senior executives. This paper distinguishes between two types of CEOs, namely the family founder CEO and the descendant CEO, to study their effect on EO. As family firms are often characterized by their desire to maintain family control (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007), the family prefers to appoint its offspring by the time the founder CEO retires (Lee, Lim, & Lim, 2003). Since very few family firms survive beyond the first generation (Birley, 1986), it might be interesting to disentangle the different effect founder CEOs and descendant CEOs have on their firm's EO because this might affect firm survival. Namely, Wiklund (1999) found that a drop in EO can be unfavorable for corporate performance and this effect seems to be long term rather than short term.

In line with Miller’s and Le Breton Miller’s (2011) recent study, we posit that family founder CEOs and descendant CEOs have different identities. Following identity (Stets & Burke, 2000) and social identity (Ashforth & Mael, 1989) theory, family founder CEOs are more inclined to adopt the roles and social identity of an “entrepreneur” business builder because they have a strong desire to model themselves after successful members of a founder peer group (Miller & Le Breton-Miller, 2011). Post-founder CEOs, on the other hand, will more frequently demonstrate identities as “family nurturers” because they are strongly influenced by their role-based personal relationships with other family members in their firm (Miller & Le Breton-Miller, 2011). More specific, the behavior of founder CEOs may be influenced by an aspired social identity with their peers, namely other successful entrepreneurs. Stated differently, founder CEOs will be inclined to consider themselves a member of a ‘thriving-entrepreneur-group’, even without direct interaction with this group (e.g. by reading newspapers or hearing successful stories from wealthy businessmen). Thus, seeing things from this perspective, founder CEOs will demonstrate higher levels of EO. On the contrary, individual behavior of descendant CEOs will be more influenced by their close interaction (Gersick, Davis, Hampton, & Lansberg, 1997) with other family members that are committed to the business. Their close interaction with family members will activate their role as a family protector (Miller & Le Breton-Miller, 2011). This protector identity makes descendant CEOs willing to provide jobs for (incompetent) family members, give perquisites to other family members, extract resources from the firm in order to ensure family financial security, foster conservatism, etc. (e.g. Berrone, Cruz, & Gomez-Mejia, 2012; Gómez-Mejía et al., 2007). Given the above, we expect that the 'family nurturer identity' of descendant CEOs limits the EO of a family firm.

Furthermore, the extent to which the CEO relates to the family is of utmost importance to understand how they affect business. Lumpkin, Martin and Vaughn's (2008) concept of family orientation sheds light on this concern and addresses the values and involvement of individual family members in a family business. They state it as follows: "To understand how family affects business, the issue of how individual family members relate to the family must also be addressed" (Lumpkin et al., 2008, p. 127). Descendant CEOs are often hired based on blood ties rather than on strict criteria of competence (Gómez-Mejía et al., 2007), which may give them a strong feeling of togetherness (Lumpkin et al., 2008). Relational ethics suggests that relationships between individual family members and the family are based on the principle of 'give-and-take' (Fowers & Wenger, 1997). Therefore, when descendants are 'given' the CEO position, they can use the firm as a tool to give something back to the family. For example, they have the opportunity to perpetuate the family dynasty (Gómez-Mejía et al., 2007) or to be altruistic to other family members (Schulze, Lubatkin, & Dino, 2003). This, we propose, will reduce the family firm's EO.

Moreover, while family founder CEOs may also have family interests in mind when they start their business, their entrepreneurial activity may supersede these family concerns in the early years of a family venture. Issues of basic survival and controlling costs will require the founder to pursue a strong EO whereas descendant CEOs often lead an established business and will be more inclined to shift their emphasis to family issues at the cost of EO (Martin & Lumpkin, 2003). On basis of these arguments, we propose the following:

Hypothesis 1: Family firms managed by founder CEOs will show higher levels of entrepreneurial orientation than family firms managed by descendant CEOs

2.4.2. Board behavior

The board of directors is often described as the formal link between the shareholders of a firm and the managers entrusted with the day to day functioning of the organization (Forbes & Milliken, 1999). Research into board of directors has long been dominated by a tradition in which board composition was related to various outcome variables, like company performance (e.g. Daily & Dalton, 1992, 1993). More recently, a growing number of scholars argue that the board's actual behavior, rather than their demography, should be taken into account (Gabrielsson, 2007). The current study subscribes to this view because the board's ability to perform board tasks successfully (e.g. large board size, the representation of non-executives or non-family directors), does not always lead to good board performance. Especially when studying EO, as an important board outcome, it is important to look at the behaviour of the board rather than its demographic measures because entrepreneurial firms are known through their actions, not their traits (Covin & Slevin, 1991).

We focus on two specific board tasks that are most relevant to understand their behavior: control and service (Bammens, Voordeckers, & Van Gils, 2011; Forbes & Milliken, 1999). The board's control task refers to its legal responsibility to monitor management in support of the firm's shareholders and to carry out this duty with adequate loyalty and care (Monks & Minow, 1995). The importance of the board's control task is grounded in agency theory (Bammens et al., 2011) where managers (agents) are said to engage in opportunistic behavior and act in pursuit of goals that are in conflict with those of owners (principals) (Jensen & Meckling, 1976). Therefore, the board's control task is viewed as an internal control mechanism aimed at mitigating these moral hazard problems (Eisenhardt, 1989; Fama & Jensen, 1983). The board's service task refers to its ability to participate actively in the formulation of strategy and provide advice and counsel to the CEO and other top managers (Forbes & Milliken, 1999). Resource dependence and resource-based perspectives are the most cited theoretical perspectives that lay at the ground of the board's service task (van den Heuvel et al., 2006). Through the provision of advice and counsel, the board of directors can complement the management team's knowledge base (Gabrielsson & Huse, 2005), nurture stewardship and support CEOs in their pro-organizational behavior (Davis, Schoorman, & Donaldson, 1997) and prevent family conflicts to escalate into destructive levels (Bammens et al., 2011).

A growing number of research suggests that a strong and vigilant board can advance the value creating potential of SMEs by supporting change and innovation in strategic decision-making (Huse, 2000). Few studies, however, have explicitly examined the relationship between board behavior and EO, despite the fact that boards are expected to exert a direct influence on organizational strategy through the provision of information, expertise and other resources (Daily, McDougall, Covin, & Dalton, 2002). Nevertheless, Gabrielsson (2007) found a positive association between board's actual involvement in decision control and commitment to an entrepreneurial posture. The main reasoning behind this logic is that board's involvement in decision control challenges and monitors executives to support innovation and long-term value creation (Fama & Jensen, 1983; Zahra, Neubaum, & Huse, 2000). More specific, from an agency perspective, the board of directors is put into place to shield the invested stakes of the firm's key investors from potential managerial interests (Gabrielsson, 2007). Boards with a well established control role protect shareholders' interest and ensure that executives act for the good of the firm instead of pursuing personal objectives (Rutherford et al., 2007). Thus, a well functioning board has to be aware of the risk that CEOs can blend personal and business goals. Therefore, the board must control executives and encourage them to focus their work and commitment to entrepreneurial undertakings that can improve the long-term value of their firm (Bennett & Robson, 2004; Zahra et al., 2000). While EO is found to contribute to increased firm performance (Rauch et al., 2009) and long-time value creation (Wiklund, 1999), we expect that boards will use their control task to continuously insist the firm to pursue EO. Therefore we propose the following:

Hypothesis 2: The board's control task is positively related with entrepreneurial orientation

The resource dependence perspective advocates that boards may be actively involved in the strategic pitch through counsel and advice to the CEO, by initiating their own analyses, or by promoting alternatives (Zahra & Pearce Ii, 1989). As a result, when boards effectively perform their advice task, they can have a beneficial influence on the quality of strategic decisions as well as top management commitment to their execution (Mustakallio, Autio, & Zahra, 2002). While the board's advice role complements the knowledge and resource base of the management team (Gabrielsson & Huse, 2005), it can induce cognitive conflicts between senior managers and the board. These potential conflicts enforce executives to assess alternative courses of action effectively and increase the diversity of knowledge input into the firm's decision process (Mustakallio et al., 2002). We believe the board's advice task is especially relevant in the context of private family firms because over time these firms run the risk of replacing EO with strategic inertia (Schulze, Lubatkin, & Dino, 2002). To prevent these firms from becoming strategically inert, boards can actively participate in strategy formulation and provide advice and counsel to the management team. Therefore, we expect the board advice task to be positively related with a firm's EO. Consequently, we propose the following:

Hypothesis 3: The board's advice task is positively related with entrepreneurial orientation

2.4.3. Interplay between family firm CEO and board behavior

In most companies, board of directors serve as a source of advice and offer some sort of discipline value through their control role. However, reality of business practice learns us that directors not always fulfill their legally mandated responsibilities (Mace, 1972). Sometimes, boards fail to exercise efficient control over firm executives, do not evaluate CEO performance thoroughly, and do not check managerial decisions before approving them (Zahra & Pearce Ii, 1989).

From this perspective, board's malfunctioning is often explained by the fact that boards have long been considered creatures of the CEO (Patton & Baker, 1987). More specific, CEOs are seen as having substantial power that they can put into effect to enhance or reduce board involvement (Zahra & Pearce Ii, 1989).

Powerful CEOs try to promote directors who are loyal and expel those who challenge his or her authority (Pfeffer, 1981; Zahra & Pearce Ii, 1989). Furthermore, while powerful CEOs can exert great influence over director selection (Alderfer, 1986), they can also misrepresent the facts they present to the board in order to pursue their own interests (Eisenhardt, 1989; Levinthal, 1988; Rutherford et al., 2007). As a result, boards are at an informational disadvantage which decreases the quality of their decision making (Porat & Haas, 1969) and allows powerful CEOs to act opportunistically (Rutherford et al., 2007).

Taken together, the above arguments suggest that CEOs highly influence board behavior. Nevertheless, the way in which they shape board behavior is equivocal. Again, we draw on insights from identity theory and the concept of family orientation to suggest that founder CEOs are more inclined to adopt the roles and social identity of an "entrepreneur" business builder and consequently use their power to positively influence board behavior. Descendant CEOs, on the other hand, use their power to serve family issues leading to decreased board behavior. In general, it is contended that first generation family firms will focus more heavily on business matters while subsequent generations might feel more secure and are more family oriented (Cromie, Stephenson, & Monteith, 1995; Reid, Dunn, Cromie, & Adams, 1999). Therefore, we suppose that in firms with first generation CEOs, economic rationality will be the dominant framework and accordingly, founder CEOs will be more inclined to act for the good of the firm by positively stimulating the behavior of the board. They can do this, for example, by selecting competent board members and/or frequently providing essential information to the board. Conversely, as family firms mature and descendant

CEOs are in position, economic rationality will be less dominant and a 'family first' ethos is more likely to prevail (Cromie et al., 1995; Reid et al., 1999). Stated differently, given their higher family orientation, descendant CEOs are prone to use their firm to 'serve the family' rather than the former situation where 'the family has to serve the business' (Dunn, 1995; Reid et al., 1999). Once again, we believe that descendant CEOs place higher preference on family matters and therefore, they will exert influence over the board to promote these family issues, in such a way that it hinders effective board behavior (e.g. by selecting loyal directors and/or providing limited information to the board). Taken together, family firm CEOs have the power to influence organizational-level outcomes, like EO, but they will exert their power through the board of directors. Therefore, we propose the following:

Hypothesis 4: Board behavior mediates the relationship between CEO generation and firm-level EO.

2.5. Research method

2.5.1. Sample

The sampling frame was taken in the 2002-2003 period from a wider study investigating firm characteristics, strategic and environmental issues, board and management composition, succession, governance and performance issues in family businesses in Flanders, which is the northern region of Belgium. In family business literature, there is a wide assortment of proxies that have been used in the empirical literature to capture the family firm construct (e.g. Rutherford, Kuratko & Holt, 2008; Gómez-Mejía et al., 2011). In this study, we made use of commonly selected criteria of ownership and management control (Chua et al.,

1999) to select an operational definition of family firms. As a consequence, in this paper, a firm is classified as a family firm if at least 50 per cent of the shares are owned by the family, and the family is responsible for the management of the company. The sample includes family firms of different size classes based on their importance within the Belgian economy. All family firms included in the sample were limited liability companies which makes them legally obliged to have a board of directors.

A total number of 3400 firms were randomly selected from an ex ante family business database and a survey was mailed to the CEO. A response rate of 9.2% resulted in 311 surveys, of which 295 were retained due to the deletion of non-family firms and useless cases. To run our own regression analysis, we deleted cases with non-family CEO’s (8 cases) and cases with missing values on relevant variables (76 cases), resulting in a final sample of 211 cases. Potential non-response bias is tested by comparing several key firm characteristics (such as firm size, sector and region). No statistical significant differences are found which suggests that the sample is representative for the population. Sample characteristics of the data used in the regression analysis are specified in Table 2, supplementary descriptives are presented in Table 3.

We did not put a restriction on the number of board meetings since this may possibly bias our results. In fact, reduced board activity is consistent with our main argumentation since descendent CEOs will use their power to limit effective board behavior. Nevertheless, the average firm has 6.9 formal and 58.3 informal board meetings per year.

2.5.2. Variables and measures

Entrepreneurial Orientation. We use the nine-item scale validated by Miller/Covin and Slevin (1989) to gauge EO, capturing the firm's innovation, proactiveness, and risk taking. Each individual sub-dimension includes 3 separate items. Recent studies have accentuated the need of consistency between the measurement model and the conceptualization of the EO construct (e.g. Covin & Wales, 2011). Taking into account the consistency condition, we use the Miller/Covin and Slevin (1989) scale because this measure assesses combinations of EO's elements via a composite dimension and is thus most consistent with our conceptualization of EO. Also, the Miller/Covin and Slevin (1989) scale involves items concerning the firms actions (e.g. In dealing with its competitors, my firm typically initiates actions to which competitors then respond) as well as its intentions (e.g. In general, the top managers of my firm have a strong proclivity for high risk projects), which is in line with our conceptualization of EO. Furthermore, according to Covin and Wales (2011) and George (2011), the nine-item Miller/Covin and Slevin (1989) scale is the most commonly employed (reflective) EO measure and has exhibited high levels of validity and reliability in numerous studies. In our study, the underlying EO dimensions were highly correlated and the alpha level for EO was found to be quite high (0.84).

Board Behavior. According to previous literature (e.g. Bammens et al., 2011; Forbes & Milliken, 1999), we make a distinction between two important board tasks, namely advice and control. The measures for the board control task (6 items) and service task (5 items) were based on van den Heuvel et al.'s (2006) validated 11-item scale (see Table 1). Control role Cronbach's alpha = 0.93 and service role Cronbach's alpha = 0.92, both showing a commendable level of internal consistency. The correlation between both tasks was found to be quite high (0.79)[3] which is in line with Gabrielsson and Winlund's (2000) argument that boards which are more active on one task are expected to show more overall activity and consequently be more active on other tasks.

Table 1: van den Heuvel et al.'s (2006) 11-item scale for board behavior

Indicate to what extent the board of directors of your company fulfils these tasks. 1 = bad, little attention, 5 = very good score, sufficient attention.					
1) Select new managers	**1**	**2**	**3**	**4**	**5**
2) Determine management's responsibility	**1**	**2**	**3**	**4**	**5**
3) Determine salary/compensation of mgt.	**1**	**2**	**3**	**4**	**5**
4) Direct succession problems	**1**	**2**	**3**	**4**	**5**
5) Maximize shareholder value	**1**	**2**	**3**	**4**	**5**
6) Evaluate/control mgt. performance	**1**	**2**	**3**	**4**	**5**
7) Building organizational reputation	**1**	**2**	**3**	**4**	**5**
8) Networking and maintain relations	**1**	**2**	**3**	**4**	**5**
9) Advising management	**1**	**2**	**3**	**4**	**5**
10) Formulate/ratify organizational strategy	**1**	**2**	**3**	**4**	**5**
11) Taking care of access to extra resources	**1**	**2**	**3**	**4**	**5**

Questions 1-6 represent the board's control role. Questions 7-11 represent the board's service role.

[3] Although the control role and the service role are highly correlated, van den Heuvel et al. (2006) use principal component analysis with oblique rotation to prove that both board roles are two distinct constructs.

CEO generation. Our independent variable was measured by a dichotomous dummy variable that equals one when the founder serves as CEO and zero when the CEO is a family member from the second or later generation.

Control variables. To ensure correct model specification, we included multiple control variables. In particular, we included firm size, firm age, CEO education, and CEO tenure. We control for firm size by taking the natural logarithm of the number of full-time employees in 2003. Previous literature has documented firm size as an organizational attribute that significantly impacts EO (e.g. Miller, 1983) and board task performance (Gabrielsson & Winlund, 2000). Next, firm age is often used as a control variable in EO research (e.g. Casillas, Moreno, & Barbero, 2011; Zahra, Hayton, & Salvato, 2004) and is measured as the natural logarithm of the number of years the firm has been in business. Furthermore, we control for two individual characteristics of the CEO: CEO education, measured by a dichotomous dummy variable, indicating the level of education acquired by the CEO (1=university degree, 0=other), and CEO tenure, measured as the natural logarithm of the CEO's number of years in current position, because this might also affect the firm's EO (Richard, Wu, & Chadwick, 2009; Simsek et al., 2010).

Gathering data from the same data source can result in common method bias problems. That is, when all variables in the model are entered in an unrotated factor analysis and only a small number of factors appear with one primary factor accounting for the majority of variance among the variables, common method bias is found to be an important problem (Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003). To check whether common method bias is a substantial problem in our study, we performed the Harman's single-factor test

(Harman, 1967). We entered all relevant variables into an unrotated factor analysis, which resulted in three factors with eigenvalues greater than one. None of the single factors explained more than 23% of variance in the data. Although this analysis does not fully eliminate the possibility of common method bias, it minimizes our concern for a common method factor. Even more, as suggested by Podsakoff et al. (2003) we constructed our survey by taking into account several procedural remedies (e.g. psychological separation of measurement and counterbalancing question order) to minimize the concern for a common method factor. For this reason, we conclude that common method bias is not a main concern in this study.

2.5.3. Analysis and results

Table 2 shows the means, standard deviations, and correlations between all variables used in our analysis, additional descriptives are shown in Table 3. CEO generation had a positive correlation with each of the outcome variables. More specific, founder CEOs are positively related with EO ($r = 0.10$, not significant), the board's service role ($r = 0.15$, $p < 0.05$) and the board's control role ($r = 0.13$, $p < 0.10$). In addition, the results clearly show that well-performing boards have higher EO, with a significant correlation between the board's service role and EO ($r = 0.15$, $p < 0.05$) and between the board's control role and EO ($r = 0.17$, $p < 0.05$). In order to test our study's hypotheses, we analyzed different models using robust linear regression analysis (see Table 4). In Model 1, only control variables are regressed on EO. From these results, it follows that firm size is the only control variable that significantly affects EO. Next, Model 2 is used to test our first hypothesis, namely that family firms managed by founder

CEOs will show higher levels of EO than family firms managed by descendant CEOs. As the CEO generation coefficient indicates, we find a positive effect between founder CEO and EO ($\beta = 2.21$, $p < 0.05$), supporting our first hypothesis.

Mediation procedure. In order to verify whether our model (as represented in Figure 2) is correct, we tested whether board behavior mediates between CEO generation and EO. We started with the traditional Baron and Kenny (1986) approach, which has four requirements: (1) the independent variable should be correlated with the outcome variable (i.e. Path c), (2) the independent variable should be correlated with the mediating variable (i.e. Path a), (3) the mediating variable should be related to the outcome variable when controlling for the independent variable (i.e. Path b), and (4) the effect of the independent variable on the outcome variable should decrease once the mediator is taken into account.

Table 2: Means, standard errors, and correlations for quantitative variables

	Mean	S.E.	1	2	3	4	5	6	7	8
1. EO	24.2830	6.5524	1.0000							
2. CEO generation (dummy)	0.2877	0.4538	0.1000	1.0000						
3. Firm size (Ln employees)	2.5775	1.0261	0.2017***	-0.0999	1.0000					
4. Firm age (Ln age)	3.3371	0.7893	0.0297	-0.2739***	0.2377***	1.0000				
5. CEO education (dummy)	0.2453	0.4313	0.0240	-0.1444**	0.1433**	0.1293*	1.0000			
6. CEO tenure	2.5098	0.7822	-0.0370	0.2678***	0.0026	-0.0261	-0.0984	1.0000		
7. Board service role	14.9764	5.4845	0.1532**	0.1456**	0.0475	-0.0075	-0.1458**	-0.0255	1.0000	
8. Board control role	15.5094	6.3099	0.1719**	0.1339*	0.1496**	0.0590	-0.0670	0.0470	0.7938***	1.0000

Notes: N = 211; *, **, *** correlation is significant at a probability level below 0.10, 0.05 or 0.01 level, respectively.

Table 3: Descriptives

	Minimum	Maximum	Mean	Standard Error
Entrepreneurial Orientation (9-45)	9	42	24.28	6.55
Service role (5-25)	5	25	14.98	5.58
Control role (6-30)	6	30	15.51	6.31
Number of employees	1	372	23.88	38.90
Firm age	3	201	37.20	28.19
CEO tenure	0	45	15.75	10.8
	Percentage of observations			
CEO				
Family founder	28.77%			
Descendant CEO	71.23%			
CEO education				
University degree	24.53%			
Other	75.47%			

Table 4: Results of regression analysis

		Model 1		Model 2		Model 3		Model 4	
		β	S.E.	*β*	S.E.	β	S.E.	β	S.E.
CONTROLS									
	Firm size	1.3125***	0.4280	1.3373***	0.4300	0.4079	0.3751	1.2763***	0.4292
	Firm age	-0.1733	0.6389	0.1414	0.6382	0.2500	0.5107	0.1037	0.6203
	CEO education	-0.1280	1.1116	0.0591	1.0861	-1.8599**	0.8471	0.3392	1.0932
	CEO tenure	-0.3260	0.5638	-0.6503	0.5871	-0.5854	0.4213	-0.5621	0.5856
HYPOTHESES									
	CEO generation			2.2136**	1.0878	2.0063**	0.8904	1.9115*	1.0626
	Board advice							0.1506*	0.0837
R^2		0.0417**		0.0615**		0.0509**		0.0766**	
						Model 3’		**Model 4’**	
						β	S.E.	β	S.E.
CONTROLS									
	Firm size					0.9674**	0.4812	1.2082***	0.4414
	Firm age					0.5988	0.5731	0.0615	0.6201
	CEO education					-1.1315	0.9835	0.2100	1.0877
	CEO tenure					-0.0213	0.5305	-0.6474	0.5864
HYPOTHESES									
	CEO generation					2.2766**	1.0351	1.9100*	1.0610
	Board control							0.1334*	0.0744
R^2						0.0552**		0.0771***	

Notes: Dependent variable for model 1, 2, 4 and 4’= EO; Dependent variable for model 3= board advice task, Dependent variable for model 3’= board control task N=211; *,**,*** denotes significance at a probability level below 0.10, 0.05, and 0.01, respectively.

So, the procedure tests the following formulas: Y_{EO} = fn (CEO generation), $Y_{board\ behavior}$ = fn (CEO generation), and Y_{EO} = fn (CEO generation, board behavior). If the effect of the independent variable on the outcome variable decreases to zero with the inclusion of the mediator, perfect mediation is said to have occurred. When the effect of the independent variable on the outcome variable decreases by a nontrivial amount, but not to zero, partial mediation is said to have occurred (Baron & Kenny, 1986). Following this procedure, we find that indeed board behavior is a mediating variable. First, from the regression results in Model 3 (with board advice task as dependent variable) and Model 3' (with board control task as dependent variable), we find that CEO generation is a significant variable explaining board behavior. More specific, founder CEOs positively contribute to the board's advice task (Model 3: $\beta = 2.01$, $p < 0.05$) as well as board's control task (Model 3': $\beta = 2.28$, $p < 0.05$) [4]. Second, we differentiated between Model 4 and Model 4' because the underlying board tasks were highly correlated which restricts us from including them both into the same regression. The results of these models show that board advice task (Model 4: $\beta = 0.15$, $p < 0.10$) and board control task (Model 4': $\beta = 0.13$, $p < 0.10$) are positively related with EO, providing support for hypothesis 2 and 3. Moreover, we find that the coefficient of CEO generation as well as its significance decreases once we include board behavior in the analysis. From this analysis, we can conclude that board behavior is a partially mediating variable. Board behavior is a partially mediating variable because – upon including board behavior as a predictor – the effect of CEO generation on EO is not totally ruled

[4] As suggested, path a in Figure 2 is significant for both board roles. This is a good reason to believe that board behavior is a mediating and not a moderating variable because for a good moderating variable it is desirable to be uncorrelated with both the predictor and the dependent variable (Baron and Kenny, 1986).

out (Baron & Kenny, 1986). Taken together, following the Baron and Kenny (1986) procedure, we can support our fourth hypothesis, namely that board behavior mediates between CEO generation and firm-level EO.

Bootstrapping. Many researchers (e.g. MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002; Preacher & Hayes, 2004) also recommend an additional step in mediation analyses, namely testing the significance of the mediated effect. More specific, we should compare the strength of the mediated effect to the point hypothesis that it equals zero. Sobel (1982) was one of the first mainstream researchers who conducted an approximate significance test for this mediated effect. First, computation of the mediated effect is done by simply multiplying the coefficient that relates the independent variable to the mediating variable (Path a) with the coefficient that relates the mediator to the outcome when controlled for the independent variable (Path b). As Table 4 shows, the mediated effect of the board's control role can easily be found by multiplying a(2.2766) with b(0.1334), resulting in a mediated effect of 0.304. Likewise, the mediated effect of the board's advice role is found by multiplying a(2.0063) with b(0.1506), which gives a mediated effect of 0.302.

Then, in estimating the standard error of the mediated effect, Sobel (1982) made an important assumption, namely that the mediated effect is normally distributed in the population. Thus, when the mediated effect follows a normal distribution, the Sobel test (1982) provides accurate confidence intervals. However, many researchers have already demonstrated that the mediated effect tends to have a positive skew (e.g. Preacher & Hayes, 2004; Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). Consequently, Sobel's (1982) symmetric confidence interval, based on the assumption of normality, will typically yield underpowered tests of mediation. Therefore, more and more researchers propose the use of bootstrap analyses (Efron & Tibshirani, 1994) when testing for mediation (MacKinnon et al., 2002; Preacher & Hayes, 2004; Schneider et al., 2005) because this approach does not make assumptions about the shape of the distribution of the mediated effect.

Instead, bootstrapping uses computer intensive resampling and treats a given sample as the population. The bootstrap technique involves two important steps (Shrout & Bolger, 2002):

1. Create a bootstrap sample of size N (in our case N= 211) by randomly sampling from the original data set, with replacement. Applied to our study, one of the original 211 cases was selected, added to the bootstrap sample and replaced to the original sample. Next, another selection from the original sample of 211 was made and added to the bootstrap sample. Again, this selection was replaced in the original sample and this procedure was repeated until the bootstrap sample contained 211 cases.

2. Calculate the mediated effect of the bootstrap sample and repeat step 1 and 2 for a large number of times.

We followed this approach by creating 1000 bootstrap samples and consequently 1000 estimates of the mediated effect. In doing this, we circumvent the power problem introduced by nonnormality in the sample distribution of the mediated effect (e.g. Shrout & Bolger, 2002). Namely, to check whether the strength of the mediated effect significantly differs from zero, a 95% confidence interval can be calculated by sorting the 1000 estimates of the mediated effect from low to high. The upper limit of the 95% confidence interval is defined as the 976th score in the sorted distribution, and the lower limit is defined as the 25th score in the distribution (Preacher & Hayes, 2004). In case of a non-normal bootstrap distribution, a correction should be made to provide confidence intervals with better coverage probability. Therefore, we use 95% bias-corrected confidence intervals to assess whether the bootstrapped estimate of the mediated effect significantly differs from zero.

As our results indicate, the bootstrapped estimates of the mediated effects are similar to the point estimates computed from the conventional regression analysis of raw data (0.304 for the board's control role and 0.302 for the board's advice role). For the board's control role, we find that the *true* indirect effect is estimated to lie between 0.0305 and 1.0752 with 95% confidence. For the board's advice role, we find that the *true* indirect effect is estimated to lie between 0.0122 and 1.0075. Since zero is not in the 95% bias-corrected confidence interval for both board roles, we can conclude that the mediated effects are indeed significantly different from zero at $p < 0.05$ (two tailed). Thus, current results show that board behavior indeed mediates between CEO generation and firm-level EO, providing support for our fourth hypothesis.

2.6. Discussion and conclusion

This study investigated the role CEO generation and board behavior play in explaining firm-level EO. The results of our study show that both CEO generation and board behavior are important antecedents of EO. In line with earlier studies (e.g. Miller & Le Breton-Miller, 2011; Poon et al., 2006; Simsek et al., 2010), we find that the CEO is indeed an important antecedent of EO. While the mainstream research focused mainly on CEO's individual personality traits, this study confirms that in the context of private family firms, their generational stage is also is an important antecedent of EO.

We find support for Hypothesis 2 and 3, which state that the board's control and advice task are positively related to a firm's EO. Table 2 shows positive correlations between the board's control task and EO and the board's advice task and EO, both significant at the 0.05 level. Also when controlling for firm size, firm age and CEO characteristics, Model 4 and Model 4' provide support for the positive association between board behavior and EO, both at the 0.10 significance level. Although our results are in line with previous findings in board literature (Gabrielsson, 2007), the explicit relationship between board behavior and EO has not been studied yet. Most studies of boards and governance infer board behavior from indicators of their demographic characteristics (Daily & Dalton, 1992, 1993; Daily et al., 2002). Current study improves our understanding of board outcomes using a direct measure for their behavior. Moreover, the results show that board behavior is a partially mediating variable in explaining EO. These results provide convincing support for Hypothesis 4 and confirm the prominent role CEOs play in shaping firm-level outcomes through their board of directors.

Simultaneously focusing on board behavior and the generational stage of the CEO, this study explores the relationship between the CEO and firm-level EO in the context of private family firms. It makes several important contributions to family business -, corporate governance - and EO-literature. First, the study adds to the literature on succession in private family firms by drawing on the established conceptual framework of EO to improve the understanding of transgenerational corporate entrepreneurship in family firms. More specific, our study explicitly examines the generational stage of the family firm CEO and links it to EO. While succession is a critical issue in the discussion of family firms (Burkart, Panunzi, & Shleifer, 2003) and numerous studies investigated the pros and cons of passing the firm to the next generations (e.g. Gomez-Mejia, 2011; Pérez-González, 2006; Shen & Cannella Jr, 2002; Villalonga & Amit, 2006), results are mixed. Our findings contribute to this stream of research and indicate that family firms with descendant CEOs show lower levels of EO than founder-led family firms. In sum, when the founder passes the CEO position to the next generation, our results suggest that we can expect a decline in firm-level EO. From a purely financial point of view, these results might seem worrying because a drop in EO is said to reduce financial performance (Wiklund, 1999). Nevertheless, in the last decennium several family business scholars (e.g. Berrone et al., 2012; Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012; Gomez-Mejia, 2011; Gómez-Mejía et al., 2007; Kellermanns, Eddleston, & Zellweger, 2012) have stressed that family firm behavior must be seen from a socioemotional wealth perspective because these firms often make decisions that are not driven by an economic logic. After all, according to this socioemotional wealth perspective, family firms are not only concerned with financial returns but also with non-financial goals that meet the family's affective needs, such as identity or the perpetuation of the family dynasty. Our results suggest that founder CEOs exhibit higher levels of EO than firms that are led by second or later generation CEOs. Thus, it seems that descendant CEOs attach more importance to family-related goals, resulting in lower levels of EO. Nevertheless, socioemotional wealth literature suggests that family-related nonfinancial goals are highest in founding-family-controlled and managed firms and decrease as the firm moves into later stages (Gómez-Mejía et al., 2007).

These seemingly contrasting findings might suggest a curvilinear relationship between the generational stage of the CEO and the amount of firm-level EO. Indeed, while the initial drop in EO may be caused by second generation CEOs, the importance of family goals can diminish and emphasis on EO may supersede non-financial goals when third or later generations get involved in the management. In a future study, it might be interesting to distinguish between second, third, fourth or even later generation CEOs and investigate the possibility of a curvilinear relationship with firm-level EO. Also, family firms are often reluctant to professionalize and appoint an outsider as CEO because it may decrease family control over strategic decisions (Gómez-Mejía et al., 2011). Nevertheless, Huybrechts, Voordeckers, and Lybaert (2013) recently found that non-family CEOs can have a positive influence on the level of entrepreneurial risk taking. Therefore, it might be interesting to investigate the effect of appointing an external (non-family) CEO on the level EO in later generation family firms.

Likewise, future research can elaborate on the seemingly contrasting nature of family goals and business goals (EO). Our argumentation implies that an increasing amount of family-related goals will overtake EO when the firm is passed to the next generation. Nevertheless, we are not suggesting a trade-off view where EO and family goals exclude each other because reality shows us that both goals can go hand in hand. In a family business context, managers are concerned with combining the attributes of the family- and business system which means that simply maximizing EO at any point in time is clearly not their sole concern. Future research should elaborate on how family managers can harmonize family goals while at the same time sustaining a satisfying level of EO.

Next, our study contributes to a small but growing number of corporate governance scholars who argue for the need of a 'behavioral approach' (Gabrielsson & Huse, 2004). By taking into account the board's actual performance of the control and advice task, we go beyond the 'black-box' demography approach most often employed in contemporary research (Gabrielsson, 2007). Moreover, we add to theoretical and empirical research on the antecedents and outcomes of actual board behavior. Research on corporate governance has long recognized the significant role CEOs play in designing and leading the board (Patton & Baker, 1987). Few studies, however, have specifically examined the relationship between CEO generation and actual board behavior, despite the fact that powerful CEOs are found to influence board behavior in accordance with their personal preferences (e.g. Zahra & Pearce, 1989). Indeed, CEOs are thought to play a substantial role in designing and leading the board. Zahra and Pearce (1989, p. 300) state it as follows: "CEOs are seen as having considerable power that they may exercise to enhance or reduce board involvement. Board input is thought to be valued only if it is compatible with CEO objectives, preferences, and style". The findings of this study provide valuable insights on how CEOs use their power to shape board behavior. Also, we contribute to a specific stream of research within corporate governance on how board of directors contribute to value creating activities (Huse, 2009). We find that EO increases when boards are actively involved in controlling and advising management. This, in turn, is expected to boost the firm's value creating potential because EO is found to be an important driver of firm growth and profitability (Rauch et al., 2009). Finally, we contribute to the EO-literature because our study clarifies and theoretically articulates the relationship between CEO generation and EO. In doing so, our study presents a more nuanced understanding of how an individual can shape firm-level EO by articulating and demonstrating the important role of the board of directors.

There are a number of limitations associated with this study that should be acknowledged and might offer opportunities for future research. One potential limitation of our study is that the sample was taken in 2002-2003, which is the pre-financial crisis (2007-2008) period. While we believe the financial crisis has no impact on how the CEO uses his power to influence board behavior and EO, it might be an interesting avenue for future research to replicate our study with data from a period of economic crisis such as experienced in recent years. Next, we only differentiate between 2 types of family CEOs, namely the founder and the descendant CEO. Future research might elaborate our analysis by differentiating between second, third, fourth, or even later generation CEOs. Also, investigating the effect of a non-family CEO on a family firm's EO is likely to yield interesting insights. In addition, future research can improve our mediation analysis by using other techniques than the traditional Baron and Kenny (1986) approach. Although the Baron and Kenny (1986) paper has been enormously influential both in shaping how scholars think about mediation and in providing procedures to identify mediation patterns in data, other mediation methods are gaining recognition in the field (Iacobucci, Saldanha, & Deng, 2007). Therefore, an interesting route for future research is the use of alternative mediation methods such as structural equation modeling (SEM) since it has proven its appropriateness in identifying mediation structures particularly when multiple items have been measured to capture any of the focal constructs (Iacobucci, et al., 2007).

Although our model can best be applied to family firms that actually have a board of directors, having an active board is not a prerequisite. Indeed, even without an active board, CEOs seem to affect organizational outcomes, like EO. Theoretically, the dominant role of senior executives is expressed by path c in Figure 2 and our first hypothesis was fully dedicated to the influential role of family firm CEOs. Empirically, our results find support for a strong direct relationship between the CEO and EO. Nevertheless, our mediation analysis finds confirmation for a *partially* mediating effect since path c is not fully reduced to zero when we control for board behavior. Since the residual path c is not zero, there is still a direct relationship. Even more, this may also indicate the operation of multiple mediating factors. Therefore, future research may focus on other generative mechanisms that explain the relationship between CEO generation and EO.

Furthermore, our work has used the Miller/Covin and Slevin (1989) scale to measure a firm's EO. While this scale is still the most frequently used EO measure in the literature (Covin & Wales, 2011; George, 2011), other scales can be used to measure EO. The same holds for the measurement of board behavior where different scales exist in the literature. We have chosen to use van den Heuvel et al.'s (2006) validated 11-item scale because it has already proven it's reliability in a family business context (Bammens, Voordeckers, & Gils, 2008; van den Heuvel et al., 2006).

3. Chapter 3
Long-term orientation as a resource for entrepreneurial orientation in private family firms: The need for participative decision making

3.1. Abstract

Drawing upon the resource-based view (RBV) of the firm, this study proposes that a family firm’s long-term orientation (LTO) can be an import resource that increases firm-level entrepreneurial orientation (EO). Nevertheless, resource orchestration suggests that managers need to orchestrate their resources in order to realize any potential advantage. Therefore, we argue that a family firm’s LTO provides potential resources to engage in entrepreneurial activities, while a participative decision making (PDM) style serves as coordinating mechanism that helps the firm to manage these resources. Using data from 209 private family firms, the results show a positive association between LTO and EO. Also, PDM was found to positively interact with LTO when regressed on EO, providing empirical support for our central hypothesis.

3.2. Introduction

Although family firms account for 85 percent of all companies worldwide (La Porta, Lopez-De-Silanes, & Shleifer, 1999), there has been surprisingly small amount of research on entrepreneurship in family firms (Lumpkin, Brigham, & Moss, 2010). Recently, the study of entrepreneurship in family firms has gained momentum through special issues, books and articles (e.g. Nordqvist, Habbershon, & Melin, 2008; Nordqvist & Melin, 2010; Uhlaner, Kellermanns, Eddleston, & Hoy, 2012). Over the years, entrepreneurial orientation (EO) has emerged as a key construct within the strategic management and entrepreneurship literatures. The concept of EO dates back to Miller's (1983) work, in which entrepreneurial firms are described as "those that are geared towards innovation in the product-market field by carrying out risky initiatives, and which are the first to develop innovations in a proactive way in an attempt to defeat their competitors" (p. 771). Since EO is found to be a critical driver for firm growth and profitability (Covin & Slevin, 1989; Lumpkin & Dess, 1996; Rauch, Wiklund, Lumpkin, & Frese, 2009), researchers are gaining interest in potential drivers of EO. In a family business context, several variables that may hamper or foster entrepreneurship, like for example generational involvement and organizational culture were revealed (e.g. Kellermanns & Eddleston, 2006; Miller & Le Breton-Miller, 2011; Simsek, Heavey, & Veiga, 2010; Zahra, Hayton, & Salvato, 2004). In this context, Zahra et al. (2004) investigated the effect of a family firm's time-orientation on their willingness to engage in entrepreneurial activities. They argue that longer planning horizons create commitment towards long-term value creating activities such as entrepreneurship. Relying on the resource-based view (RBV) of the firm, they find empirical support for a positive association between long-term orientation (LTO) and entrepreneurship in family firms (Zahra, et al., 2004). Lumpkin et al. (2010), on the other hand, propose that a family firm's LTO is positively associated with innovativeness and proactiveness, but at the same time LTO may reduce the firm's willingness to venture into the unknown. Although they did not empirically test their propositions, it is clear that the relationship between a family firm's LTO and their EO is equivocal and remains to be studied. In sum, Lumpkin et al. (2010) state that it is likely that other variables could intervene or moderate the relationship between LTO and EO.

Therefore, this article elaborates on participative decision making (PDM) in private family firms and its moderating role in the LTO-EO relationship. Namely, PDM refers to the degree to which the firm's main strategic and operating decisions are made through consensus seeking versus individualistic or autocratic processes by the formally responsible executive (Covin, Green, & Slevin, 2006). PDM is explored in the current research as a moderating variable because joint decision making is an enhancing mechanism, we propose, that facilitates an LTO to be supportive for EO. Indeed, although LTO must be seen as the dominant logic that is held by the family firm's dominant coalition (Brigham, Lumpkin, Payne, & Zachary, 2013), there may be periods in which the firm has to face significant pressure on short-term results (Kappes & Schmid, 2013). During these periods of increased short-term pressure, PDM can serve as a coordinating mechanism that ensures managerial commitment (Huang, Shi, Zhang, & Cheung, 2006) towards their dominant logic (LTO) and prevent that relational conflicts will prevail (Eddleston, Otondo, & Kellermanns, 2008). Since it is known that relational conflicts may impede entrepreneurial behavior (Eddleston, et al., 2008; Filbeck & Smith, 1997; Harvey & Evans, 1994), PDM can be seen as a means that strengthens the LTO-EO relationship by reducing potential relational conflicts (Eddleston, et al., 2008). Building on Zahra et al.'s (2004) work, we propose that a family firm's LTO can function as a distinctive resource that contributes to higher levels of EO but possessing this resource alone is not sufficient; instead, family firms need to orchestrate their resources in order to be more entrepreneurial. Prior research indicates that competitive advantage results from efficiently controlling and exploiting valuable and rare resources (Hitt, Ireland, Sirmon, & Trahms, 2011; Sirmon, Hitt, & Ireland, 2007), like LTO. Just like all non-family firms, family firms often have to cope with short-term pressures, for example, during cash flow management or changing market conditions. Therefore, to fully exploit their LTO as a resource for engaging in entrepreneurial activities, family firms can engage in PDM because it enhances managerial commitment (Huang, et al., 2006) towards the implementation of their dominant logic (LTO) and it reduces potential conflicts (Eddleston, et al., 2008) that may prevail as a result of short-term pressures.

The current article directly responds to the aforementioned call to further explore the relationship between LTO and EO in private family firms (Lumpkin, et al., 2010). In particular, this study explores the moderating effect of PDM on the LTO-EO relationship. By introducing PDM in this debate, we rely on the idea of resource orchestration (e.g. Sirmon, Hitt, Ireland, & Gilbert, 2011) to suggest that efficient management of firm resources is at least as important as which resources the firm possesses. Indeed, in their day-to-day operations, family firms continuously face short-term pressures (e.g. liquidity- and cash flow concerns) which may obstruct the LTO-EO relationship. Therefore, PDM can serve as a mechanism that helps to ensure family firms to persist in putting their LTO into practice by engaging in entrepreneurial activities. Namely, involving different managers in the decision process were decisions are made based on consensus (i.e. PDM), will increase their commitment towards implementing the dominant logic (LTO) and it will reduce potential conflicts that may arise as a result of short-term pressures. Taken together, PDM will serve as mechanism that moderates the LTO-EO relationship in such a way that LTO will have a more positive effect on EO when the level of PDM increases. Furthermore, we believe our paper answers in part Chua, Chrisman and Sharma's (Chua, Chrisman, & Sharma, 1999) call to focus on family firm behavior and their decision making styles, rather than simply looking at their components. In differentiating between different levels of LTO and PDM we recognize that family firms are a highly heterogeneous group. As a consequence, simply having an LTO is not a sufficient condition for a family firm to have higher levels of EO.

In the following sections, we briefly review prior literature concerning the LTO-EO relationship in private family firms. Next, drawing on literature from resource orchestration and conflict theory we discuss the moderating role PDM plays in the relationship between LTO and EO. After deriving our main hypotheses, we elaborate our research method where we build on Brambor, Clark and Golder (2006) and Kam and Franzese's (2007) work to propose that even if the coefficient of the interaction term is significant, it is still possible that for certain ranges of PDM, LTO no longer affects EO. Next, the empirical results will be presented and discussed. The paper concludes with a discussion of the study's contributions and limitations.

3.3. Theoretical framework

3.3.1. Long-term orientation in private family firms and its relationship with entrepreneurial orientation

Compared to non-family firms, it seems that family firms tend to have greater interest in their long-run performance and they usually display a longer CEO tenure (Zellweger, 2007). Furthermore, family firms often try to pass the firm to the next generation (Gómez-Mejía, Cruz, Berrone, & De Castro, 2011) and they generally have committed shareholders providing patient capital (Ward & Aronoff, 1991). Therefore, having a long-term orientation (LTO) is often labeled as a common characteristic of many family firms. Indeed, a family firm's orientation towards time has been extensively studied by many different researchers, using different labels like for example 'long-term nature of founding family ownership' (Anderson & Reeb, 2003, p. 1306), 'longer planning horizons' (Berrone, Cruz, & Gomez-Mejia, 2012; Zellweger, 2007, p. 1), and a 'long-time horizon' (Gómez-Mejía, et al., 2011, p. 682). Furthermore, recent evolutions in family business literature have shown that family firm behavior can often be explained by their desire to maintain the continuity of the business across generations and their willingness to perpetuate the family dynasty (Berrone, et al., 2012; Gómez-Mejía, et al., 2011; Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). In sum, given their particular orientation towards time, family firms provide us an interesting research context to investigate whether an LTO fosters or hinders these firms in pursuing entrepreneurial opportunities. To investigate this relationship, we use an EO framework, where EO is seen as a reflective construct where the underlying dimensions -innovativeness, risk-taking, and proactiveness- are assumed to covary which is in line with Miller (1983) and Covin and Slevin's (1991) conceptualization of EO.

In the current paper, LTO is defined as 'the tendency to prioritize the long-range implications and impact of decisions and actions that come to fruition after an extended time period' (Lumpkin, et al., 2010, p. 241). Arguing that all family firms have an LTO is an oversimplification of reality because family firms are a heterogeneous group (Sharma & Nordqvist, 2007), also when it comes to their orientation towards time. Nevertheless, family firm scholars are highly interested in the effect of this LTO on a family firm's EO. In general, it seems that having an LTO is supportive for the level of EO in family firms (Lumpkin, et al., 2010; Zahra, et al., 2004). The rationale behind this positive relationship can be found in the resource-based view (RBV) of the firm. In particular, the RBV advocates that possessing valuable and rare resources provides the basis for value creation (Sirmon, et al., 2007). Zahra et al. (2004) posit that an LTO can be an important resource for a family firm to increase their entrepreneurial activities. Also, it seems that investments in EO only come to fruition after an extended period of time (Wiklund, 1999), making it more likely that firms with an LTO will invest in EO. Thus, we propose the following hypothesis:

Hypothesis 1: The stronger a family firm's long-term orientation, the higher levels of entrepreneurial orientation it will exhibit.

3.3.2. Participative decision making as a coordinating mechanism

Although LTO can serve as a resource for a family firm's EO, merely possessing such a resource does not always guarantee that the firm will in fact exhibit higher levels of EO. Indeed, the management of the firm needs to take actions to facilitate efforts that allow the firm to effectively exploit their resources. Namely, to realize value creation, firms/managers must transform or exploit the resources at hand (Hitt, et al., 2011; Sirmon, et al., 2007). Applied to our research question, LTO can be seen as a specific resource for family firms to engage in entrepreneurial activities but simply possessing this resource is insufficient. Surprisingly, past research on LTO and EO has implicitly assumed that the actions necessary to exploit these resources are self evident when they are not. Therefore, the goal of this paper is to unravel how and when LTO can be seen as a resource that increases a family firm's EO.

Basically, the main idea of resource orchestration is that managers play an important role in the exploitation of firm resources (Sirmon, Hitt, Ireland, & Gilbert, 2011). In resource based theory, the role of mangers is often underdeveloped, especially in terms of processes and actions they initiate and oversee (Kraaijenbrink, Spender, & Groen, 2010). Thus, while resource-based theory has a very simple view about how firm resources are connected to value creating activities, Sirmon et al.'s (2011) idea of resource orchestration suggests that what a firm does with its resources is at least as important as which resources it possesses. Stated differently, possessing resources alone does not guarantee the development of competitive advantage through entrepreneurship. Similarly, when the collective mind-set of a family firm's dominant coalition is focused on the long-run (LTO), they possess an essential resource to engage in entrepreneurial activities (EO) because these entrepreneurial actions only come to fruition after an extend time period (Wiklund, 1999). Nevertheless, in line with the idea of resource orchestration, managers must orchestrate the resources at hand (LTO) in order to result in higher levels of EO.

Family firms with an LTO are often provided with patient capital (Sirmon & Hitt, 2003) which makes them more willing to focus on opportunities that generate wealth for future generations (Zellweger, 2007). The consequence of this LTO is that it enables family firms to pursue investment opportunities that non-family firms with short-term horizons do not consider worthwhile (Bertrand & Schoar, 2006; Zellweger, 2007). Nevertheless, along the way family firms can face significant short-term pressures that require immediate measures for improvement of short-term results (Kappes & Schmid, 2013). During these periods of short-term pressure (e.g. economic crisis, liquidity problems), the transmission of the family firm's LTO into higher levels of EO, is put to a test. Although the patient capital provided by family owners may give them the opportunity to sustain entrepreneurial orientation, managers must ensure that that the firm remains committed toward putting their LTO into practice. Indeed, the impact of short-term pressure may reduce managerial commitment towards implementing the firm's LTO. Even more, when managers do not agree on how to react to situations in which improving short-term results is of particular importance, it may stimulate conflict, regardless of size and composition of the management team.

Although not all conflict is inherently bad (Kellermanns & Eddleston, 2004), the co-mingling of business and family roles and its corresponding tension in time orientation, can reduce commitment and encourage relationship conflict in the management team. Relationship conflict often engenders negative emotions like anger, resentment and worry (Jehn & Mannix, 2001). Even more, relationship conflict is known to diminish a family firm's attention towards business needs (Eddleston & Kellermanns, 2007). Therefore, the way in which managers interact may affect the relationship between LTO and EO in private family firms. For example, when a family firm whose dominant logic is focused on the long-run is confronted with situation were short-term pressure is high, this can induce relational conflicts between different members of the management team. Namely, family firms continuously need to balance their LTO with competing time pressures that follow from day-to-day operations in the management team (Lumpkin & Brigham, 2011). Even among family firms that embrace an LTO, situations surrounding intertemporal choices often make it challenging to maintain and implement their LTO (Lumpkin & Brigham, 2011; Thaler, 2000), as a resource for EO.

To reduce these potential conflicts and ensure that managers remain committed towards putting the firm's LTO into practice, participative decision making (PDM) can serve as a moderating mechanism in the LTO-EO relationship. PDM refers to the degree to which the firm's main strategic and operating decisions are made through consensus seeking versus individualistic or autocratic processes by the formally responsible executive (Covin, et al., 2006). Chirico et al. (2011, p. 308) state it as follows: PDM "is needed as a coordinating mechanism not only to avoid conflict and poor information flows accompanying increased generational involvement, but also to ensure employees' cooperation and commitment to the mobilizing vision". Thus, it is known that PDM reduces relational conflict and is especially relevant in the context of family firms where business goals, family goals and personal goals continuously need to be balanced (Eddleston, et al., 2008). Also, PDM ensures that strategic decisions are made through consensus which creates greater organizational commitment and motivation (Eddleston & Kellermanns, 2007). Furthermore, PDM can be seen as integrative mechanism that allows individual managers to better understand where the organization is headed (LTO), it can diminish managers' individual biases and enhance goal convergence (Ketokivi & Castañer, 2004). Whereas continuous interaction among managers is beneficial in general (Thomas & McDaniel, 1990), a participative atmosphere is especially necessary in the context of family firms, irrespective of the composition of the management team (Kellermanns & Eddleston, 2004). Hence, following the idea of resource orchestration, family firms can benefit from PDM as a coordinating mechanism that helps to translate LTO into EO.

Conversely, when family firms are characterized by individualistic or autocratic processes rather than employing PDM, they may fail to successfully transform their LTO into EO. Indeed, failing to involve different levels of management in the decision-making process will provoke relational conflicts between managers. These conflicts will reduce their commitment and prevent successful exploitation of their LTO, resulting in lower levels of EO. In sum, PDM can be seen as a moderating variable that strengthens the LTO-EO relationship by enhancing managerial commitment (Huang, et al., 2006) and reducing potential relational conflicts (Eddleston, et al., 2008) among managers and board members. Therefore, we posit that the interaction of LTO and higher levels of PDM will positively affect a family firm's EO. Formally:

Hypothesis 2: Increased long-term orientation interacts with a family firm's participative decision making to positively affect their firm-level entrepreneurial orientation.

3.4. Research method

3.4.1. Sample

The sampling frame was taken in the 2012-2013 period from a wider survey exploring succession and governance matters in private family firms in Flanders, which is the northern region of Belgium. In family business literature, there is a huge diversity of proxies that have been used in the empirical literature to identify a family firm (e.g. Rutherford, Kuratko & Holt, 2008; Gómez-Mejía et al., 2011). This study employed the commonly selected criteria of ownership and management control (Chua et al., 1999) and CEO's perception of being a family firm (Westhead & Cowling, 1998) to select an operational definition of family firms. Accordingly, in this paper, a firm is classified as a family firm if (1) at least 50 per cent of the shares are owned by the family, the company is family managed or the family is responsible for the strategic choices or succession decisions, or (2) at least 50 per cent of the shares are owned by the family, the company is not family-managed but the CEO perceives the firm as a family firm. Altogether, 3600 firms were randomly selected from a family business database. A response rate of 12.5% resulted in 452 surveys. In our final sample we excluded firms that employed less than 5 people (n=23) and we deleted firms where the management team only contained one single manager (n=55) because in these type of firms PDM is not relevant. Furthermore, after the deletion of cases with missing values on relevant variables (n=131) and non-family firms (n=34), we maintained an ultimate sample of 209 cases. Correlations of the data used in the regression analysis are specified in Table 7, supplementary descriptives are presented in Table 8.

3.4.2. Variables and measures

Entrepreneurial Orientation. The nine-item Miller/Covin and Slevin (1989) scale was used to capture the family firm's EO. This scale includes 3 sub-dimensions (innovation, proactiveness, and risk taking), where each sub-dimension consists of three separate items. The nine-item Miller/Covin and Slevin (1989) scale is a reflective measure of EO, which means that EO is empirically defined in terms of the common variance among the indicators (Covin & Lumpkin, 2011). This is in line with our theoretical conceptualization of EO where we defined EO as the concurrent exhibition of innovativeness, risk-taking, and proactiveness (Covin & Slevin, 1989; Miller, 1983). This is important because recent studies have accentuated the need for consistency between the measurement model and the theoretical conceptualization of the EO (e.g. Covin & Wales, 2011). Furthermore, according to Covin and Wales (2011) and George (2011) the nine-item Miller/Covin and Slevin (1989) scale is the most commonly employed (reflective) EO measure and has exhibited high levels of validity and reliability in various studies. In our study, the underlying EO dimensions were strongly correlated and the Cronbach's alpha for EO was found to be 0.89, which is good for exploratory research (Hair, Anderson, Tatham, & Black, 1998).

Long-term orientation. This orientation refers to a family firm's 'tendency to prioritize the long-range implications and impact of decisions and actions that come to fruition after an extended time period' (Lumpkin, et al., 2010, p. 241). A family firm's orientation towards time is reflected in its choice of control system. Financial controls emphasize a short-term orientation (Zahra, 1996) whereas strategic controls reinforce a long-term orientation (Zahra, et al., 2004). Financial controls are often based on objective performance quotas like cash flow or return on investment. Strategic controls, on the other hand, are mostly based on soft performance indicators like for example customer satisfaction, or formal and informal face-to-face meetings with managers. We assess a family firm's LTO using Zahra, Hayton, and Salvato's (2004) operationalization. The Cronbach's alpha for LTO was found to be 0.73, which is also adequate for exploratory research (Hair, et al., 1998). Scale items can be found in Table 5. Next, we validated our LTO measure using convergent validity. Convergent validity refers to the extent to which endeavors to measure the same concept with different methods are in agreement (Venkatraman & Grant, 1986). Given that R&D expenses have been previously used as a proxy for LTO because they are characterized by large upfront payments and deferred returns (Chrisman & Patel, 2012; Kappes & Schmid, 2013), we look at the correlation between the measure of LTO (Zahra, et al., 2004) and the firm's commitment to R&D, technological leadership, and innovation (measured on a seven-point Likert scale). Here we find a positive correlation (0.2644, $p < 0 .01$), which is in line with our expectations. The positive correlation between Zahra et al.'s (2004) LTO measure and the firm's commitment to R&D provides evidence for convergent validity of the LTO measure.

Table 5: LTO scale

Here, we illustrate the exact items (Zahra, Hayton, & Salvato, 2004) that were used to capture a family firm's LTO. All items followed a seven-point Likert scale (1= not used at all, 7= widely used). To what extent are the following used in managing and evaluating your company's performance? Please circle the one number that best describes your company's situation over the past 3 years.

- Formal face-to-face meetings among managers to discuss company performance
- Informal face-to-face meetings among managers to evaluate company goal achievements
- Evaluating company performance against subjective criteria such as customer satisfaction

The time orientation of a firm is reflected in its choice of control system. When organizations have an LTO, they are likely to favor strategic, rather than financial controls. Consequently, a higher score on this scale (i.e. strategic controls) indicates a higher level of LTO (Zahra et al., 2004).

Participative decision making. In the current study, PDM was defined as the degree to which the firm's main strategic and operating decisions are made through consensus seeking versus individualistic or autocratic processes by the formally responsible executive (Covin, et al., 2006). In line with this definition, we used Covin et al.'s (2006) five-item scale to capture the PDM construct. The Cronbach's alpha for PDM was found to be 0.69, which is also sufficient for exploratory studies (Hair, et al., 1998). Scale items can be found in Table 6.

Table 6: PDM scale

Here, we illustrate the exact items (Covin, Green, & Slevin, 2006) that were used to capture a family firm's PDM. All items followed a seven-point Likert scale (1= totally not agree, 7= fully agree). A higher score on this scale indicates a more PDM style.

To what extent do you agree with the following statements:

- Our major operating and strategic decisions result from consensus oriented decision making
- Our major operating and strategic decisions are made by single individuals with responsibility in the decision area (reverse coded)
- Our business unit's philosophy is to involve all levels of management in major operating and strategic decisions
- Consensus seeking is a common and pervasive decision-making practice in my business unit
- Information and power are shared extensively in making decisions in my business unit.

Control variables. To guarantee proper model specification, we incorporated numerous control variables in our model. In particular, we controlled for several firm-related variables that could influence the relationship between LTO and EO:

firm size, firm industry, past performance, liquidity, the presence of a non-family manager in the management team, the size of the management team, and the generation that is currently involved in the management of the firm. Firm size (e.g. Casillas & Moreno, 2010; Zahra, et al., 2004) was measured as the natural logarithm of the number of full-time employees; firm industry (e.g. Casillas & Moreno, 2010; Zahra, et al., 2004) was measured using four dummy variables that allow for five major business lines to be differentiated: manufacturing, construction, wholesale, retail, and services; past performance (e.g. Cruz & Nordqvist, 2012; Zahra, et al., 2004) was measured as the 3-year ROA average (2010-2012); liquidity (e.g. Wiklund & Shepherd, 2005; Zahra, et al., 2004) was measured as the 3-year average of the firm's current ratio (2010-2012); the presence of a non-family manager in the management team was measured using a dummy variable that equals one when there is a non-family manager present in the management team and zero otherwise. We control for the presence of a non-family manager because this may affect the degree of relationship conflict in family firms (Kellermanns & Eddleston, 2004) and as a consequence it may ultimately affect the LTO-EO relationship. In addition, we control for potential relationship conflict by including the size of the management team as a control variable (Amason & Sapienza, 1997), measured as the natural logarithm of the number of managers in the management team. Including more people in the management team not only increases the diversity of knowledge input but also relationship conflicts are more likely to prevail (Amason ans Sapienza, 1997). Also, we control for the generation that is currently involved in the management of the firm by creating a dummy variable that equals one when the management is in hands of the founding family and zero when later generations are involved in the management of the firm. We control for this generation effect because it may influence the LTO-EO relationship by inducing relationship conflict in family firms (Eddleston, et al., 2008; Kellermanns & Eddleston, 2004). Control variables were drawn from either the survey or the Belfirst database of Bureau van Dijk. We used the company name and VAT identification number to match the data of our survey with the financial statements of the Bureau van Dijk database.

Collecting data from the same data source can result in common method bias problems. Namely, when all variables in the model are entered in an unrotated factor analysis and only a small number of factors emerge with one primary factor accounting for the majority of variance among the variables, common method bias is a found to be a significant problem (Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003). To check whether common method bias is a substantial problem in our study, we performed the Harman's single-factor test (Harman, 1967). We entered all relevant variables into an unrotated factor analysis, which resulted in six factors with eigenvalues greater than one. None of the single factors explained more than 19% of variance in the data. Although this analysis does not fully eliminate the possibility of common method bias, it minimizes our concern for a common method factor. Even more, as suggested by Podsakoff et al. (2003) we constructed our survey by taking into account several procedural remedies (e.g. psychological separation of measurement and counterbalancing question order) to minimize the concern for a common method factor. For this reason, we conclude that common method bias is not a main concern in this study. Also, we checked for the possible existence of non-response bias. Since prior literature suggests that late respondents are comparable to non-respondents (Kanuk and Berenson, 1975; Oppenheim, 1996), the late respondents were treated as representative of non-respondents and were compared with the early respondents. We used t-tests to analyze potential differences between early respondents and late respondents who answered the survey in the second round after sending a reminder. These t-tests indicated no statistically significant differences between the late and early respondents, alleviating our concern for potential non-response bias.

3.4.3. Analysis and results

The average family firm in our sample employed 30.58 employees and 3.43 managers. In 42.11 percent of the cases a non-family member was present in the management team and approximately two third (66.99 %) of the sample was managed by second or later generation family members. Table 7 further elaborates on the correlations of the variables included in our model. The correlations were moderate and did not indicate multicollinearity problems in our sample. However, it seems that having an LTO is positively associated with EO ($r=0.3399$, $p< 0.01$), which is a preliminary indication that a family firm's LTO can serve as a resource for their EO.

To provide empirical evidence for our study's hypotheses, we tested two different models using robust linear regression analysis. We use robust standard errors to correct for potential heteroscedasticity. Table 9 shows the results of these models where the first model is used to test our first hypothesis. Namely, to test the effect of a family firm's LTO on their level of EO, we used the following regression model: $EO = \alpha + \beta_1 LTO + \delta Controls + \varepsilon$. Results show that the estimated model was significant ($p< 0.01$) and it seems that firm size ($\beta= -1.7380$, $p< 0.05$), the presence of a non-family manager ($\beta= 3.3394$, p<

0.05), and the retail sector (β= 5.0813, $p < 0.05$) are the only control variables that significantly affect the level of EO in private family firms. Furthermore, results from the regression analysis in model 1 show that a family firm's LTO was significantly associated with their level of EO (β= 0.6821, $p < 0.01$), which provides support for our first hypothesis.

Table 7: Correlation table

	1	2	3	4	5	6	7	8	9	10	11	12	13
1. EO	1.00												
2. LTO	0.34***	1.00											
3. PDM	0.14**	0.24***	1.00										
4.Firm size (Ln employees)	-0.03	0.09	0.07	1.00									
5. Manufacturing	0.10	0.04	0.06	0.10	1.00								
6. Construction	-0.17**	-0.04	-0.08	-0.02	-0.34***	1.00							
7. Wholesale	0.08	0.10	0.03	-0.04	-0.30***	-0.23***	1.00						
8. Retail	0.12*	-0.04	-0.03	-0.04	-0.22***	-0.17**	-0.15**	1.00					
9. Past performance	-0.04	-0.03	0.09	0.03	-0.11	0.10	-0.00	0.04	1.00				
10. Liquidity	-0.17**	-0.12*	-0.12*	-0.09	-0.01	0.12*	-0.05	-0.03	0.13*	1.00			
11. Presence of non-family manager	0.27***	0.23***	0.22***	0.34***	0.17**	-0.17**	0.03	-0.03	0.04	-0.19**	1.00		
12. Size management team (Ln)	0.17*	0.09	0.16**	0.34***	0.12*	-0.12*	0.00	-0.023	0.02	0.06	0.62***	1.00	
13. Generation in management	0.06	0.02	-0.11	-0.12*	0.04	0.05	-0.12*	0.00	-0.12*	-0.13*	-0.00	-0.04	1.00

*,**,*** Significance at 0.10 0.05 and 0.01, respectively

Table 8: Descriptives

	Minimum	Maximum	Mean	Standard Error
Entrepreneurial Orientation (9-63)	12	56	35.88	9.41
Long term orientation (3-21)	3	21	11.79	3.95
Participative decision making (5-35)	11	35	22.45	4.48
Number of employees	5	261	30.58	29.16
Past performance (ROA)	-25.39	36.78	5.21	7.61
Liquidity (Current Ratio)	0.23	29.45	2.55	3.37
Size of the management team	2	15	3.43	1.84
	Percentage of observations			
Presence of non-family manager				
Yes	42.11%			
No	57.89%			
Generation in management				
Founding family	33.01%			
Later generations	66.99%			
Firm Industry				
Manufacturing	30.62%			
Construction	20.57%			
Wholesale	16.75%			
Retail	10.05%			
Services	22.01%			

Table 9: Robust linear regression analysis, 2 Models

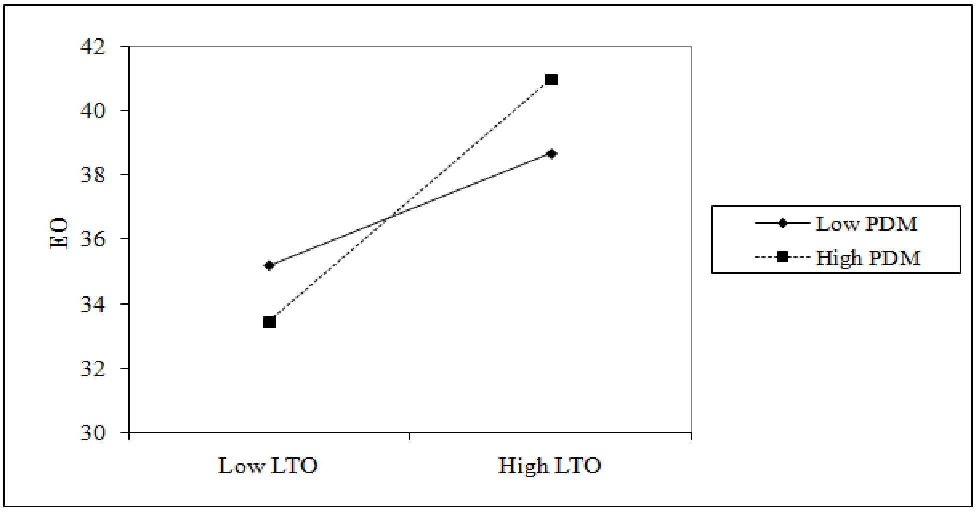
	Model 1		Model 2	
Dependent variable: EO	β	S.E.	β	S.E.
Controls				
Firm Characteristics				
Firm size	-1.7380**	0.8281	-1.7177**	0.8290
Past performance	-0.0135	0.0797	-0.0176	0.0788
Liquidity	-0.2521	0.1607	-0.2432	0.1658
Presence of non-family manager	3.3394**	1.6707	3.1100*	1.7063
Size management team	1.3227	1.7606	1.3733	1.7891
Generation in management	0.6629	1.3164	0.7011	1.3008
Industry[a]				
Manufacturing	2.2624	1.8174	2.2022	1.8024
Construction	-0.6976	1.8910	-0.4987	1.8992
Wholesale	2.2919	1.9744	2.1195	1.9512
Retail	5.0813**	2.2967	4.6508**	2.3202
Hypothesis				
LTO	0.6821***	0.1600	-0.5854	0.7722
PDM			-0.6425	0.4471
LTO*PDM			0.0575*	0.0346
R^2	0.2199		0.2320	
F	6.04***		5.63***	

N=209
*,**,*** Significance at 0.10 0.05 and 0.01, respectively
[a] Suppressed category for the firm's industry is "services"

Although this finding is in line with prior literature (e.g. Zahra, et al., 2004; Lumpkin et al. 2010), we performed a post hoc analysis to control for an inverse curvilinear relationship between LTO and EO. However, the inclusion of LTO-square in our regression model did not change our results, suggesting that there is no curvilinear relationship between LTO and EO.

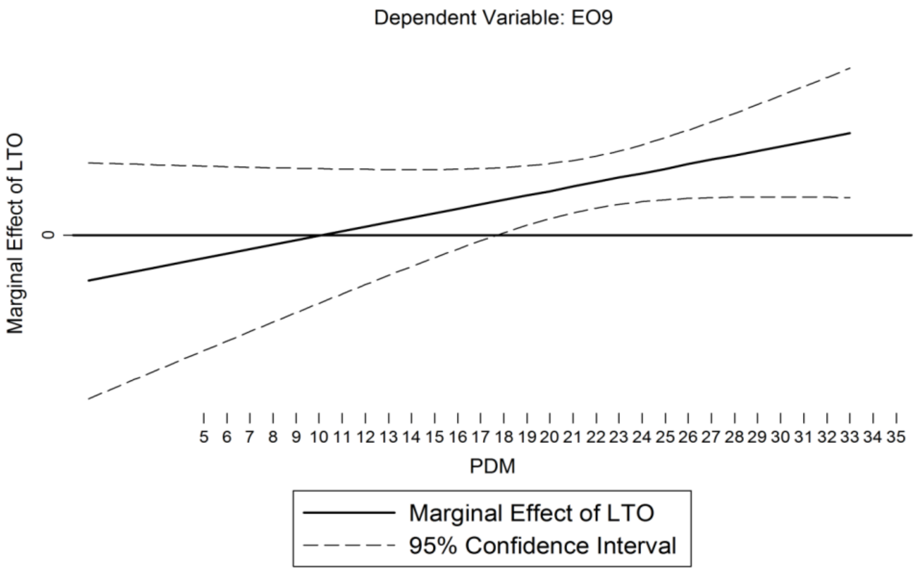
After finding support for the direct LTO-EO relationship, we conducted an additional regression analysis, to test our second hypothesis. Specifically, to test the moderating effect of PDM on the LTO-EO relationship, we tested the following equation in model 2: $EO = \alpha + \beta_1 LTO + \beta_2 PDM + \beta_3 LTO*PDM + \delta Controls + \varepsilon$. An examination of the second model reveals some interesting results. Namely, hypothesis 2 argues that LTO and PDM interact to positively affect a family firm's EO. As seen in model 2, the interaction term (LTO*PDM) was positive and weakly significant ($\beta = 0.0575$, $p < 0.10$). Thus, hypothesis 2 is supported. It can be seen in Figure 3 that in firms with a high degree of PDM, the positive relationship between LTO and EO is more intense than in firms with low levels of PDM.

Figure 3: Interaction between LTO and PDM



Nevertheless, when the regression coefficient in model 2 is significant, it might be the case that the interaction effect is not significant between certain values of the moderating variable (Brambor, et al., 2006; Kam & Franzese, 2007). For example, it might be possible that family firms require a minimum level of PDM in order for an LTO to support EO. Therefore, we performed an additional analysis where we calculate the marginal effect of LTO on EO. As can be seen in the following equation: $\frac{\partial EO}{\partial LTO} = \beta_1 + \beta_3 PDM$, the marginal effect of LTO on EO is dependent on the level of PDM. By taking into account the relevant elements of the variance-covariance matrix and recalculating the standard errors as suggested by Brambor, Clark, and Golder (2006), we calculated the marginal effect of LTO on EO. The solid line in Figure 4 clearly shows the marginal effect of LTO on EO. The dotted lines surrounding the solid line present the 95% confidence interval, which allows us to analyze the circumstances under which LTO has a statistically significant effect on EO. Thus, the LTO-EO relationship is significant when both the upper and lower bounds of the confidence interval are above (or below) the zero line. At this point, it is clear that a family firm's LTO has a significant positive effect on their EO when the level of PDM is higher or equal to 18. Looking at our sample, we see that the majority of family firms (84.7%) are characterized by a PDM level that is higher or equal to 18. Taken together, a minimum level of PDM is necessary to translate an LTO into higher levels of EO which is in line with the argument of resource orchestration.

Figure 4: Marginal effect of EO on a family firm's LTO as PDM changes



Percentage distribution of the PDM variable: PDM values 5-17= 15.31% of the sample; PDM values 18-35= 84.7% of the sample

3.5. Discussion and conclusion

A family firm's LTO is a potential strategic resource that family firms can use to attain competitive advantage by promoting EO. Applying the RBV of the firm, Zahra et al. (2004) found evidence for this direct relationship. Our study elaborates the work of Zahra and his colleagues by investigating how this LTO is translated into higher levels of EO. Namely, the results show that LTO is only associated with higher levels of EO when there is a certain amount of PDM among managers in the family firm. Even more so, when the firm is characterized by very low levels of PDM, LTO no longer seems to affect EO. This is in line with our central reasoning and supports the idea of resource orchestration which posits that managers should leverage the resources ad hand. Namely, merely having an LTO is not enough to result in higher levels of EO; instead, managers should create mechanisms that ensure different opinions are taken into account in order to reduce rancorous conflict and isolation between different business units (Chirico, et al., 2011). Indeed, PDM was found to be an important moderating variable in the LTO-EO relationship because it encourages managers to voice their individual opinions which enhances knowledge sharing, fosters commitment and constructive interactions, while at the same time reducing potential relational conflicts. Conversely, our results do not imply that family firms with powerful CEOs cannot be successful. Prior literature has recognized the importance of CEO power (e.g. Finkelstein, 1992) in family firms and the way in which it can successfully influence their strategic decision making. Nevertheless, our results indicate that an autocratic decision making style (i.e. low PDM) is not supportive for the transmission of a family firm's LTO into higher levels of EO. Also, our study focused on private family firms of a certain size, employing at least 5 people and having a management team of at least 2 senior managers, which makes it more likely for relational conflict to prevail and reinforces the need for PDM.

Interestingly, our conclusions parallel the findings of Lumpkin et al. (2010) who theoretically explored the extent to which family businesses can be entrepreneurial given an LTO. However, their study conceptualizes EO as a multidimensional construct where the underlying dimensions are allowed to vary independently (e.g. Kreiser, Marino, & Weaver, 2002; Lumpkin & Dess, 1996). Although their conceptualization of EO is different from the composite dimension approach (Covin & Slevin, 1989; Miller, 1983) we apply in our paper, neither approach is superior to the other (Covin & Lumpkin, 2011). More important is the fact that Lumpkin et al. (2010) allude that other variables could intervene or moderate the LTO-EO relationship by stating the following (Lumpkin, et al., 2010, p. 257): "different conflict management styles could influence the relationships developed in this article". By introducing PDM into this debate, our study contributes to their theoretical framework. Indeed, our paper empirically shows that PDM, as a conflict management style, moderates the relationship between LTO and EO by reducing potential relational conflicts. Our paper mainly focused on the dark side of conflict (relational), because it is especially the dark side that influences the mechanism that translates LTO in EO. Nevertheless, conflict also seems to have a bright side (Amason, 1996; Kellermanns & Eddleston, 2004) but these conflict types (e.g. task and process conflict) are fundamentally different in nature an do not affect the LTO-EO relationship.

In a broad sense, this study also contributes to the literature on "familiness" (Habbershon & Williams, 1999) of the firm. The familiness concept stems from the RBV and refers to "the idiosyncratic firm level bundle of resources and capabilities resulting from the systems interactions" (Habbershon & Williams, 1999, p. 451). Indeed, the interaction between the family- and the business system often creates the opportunity to be more long-term oriented (Ward, 1997). Thus, an LTO can be seen as a potential resource for EO that stems from the familiness of the firm. Here, we do not suggest that all family firms have an LTO because the family business population is known to be a heterogeneous group (Klein, Astrachan, & Smyrnios, 2005; Sharma & Nordqvist, 2007). Although there is a belief in family business literature that family firms will be more long-term oriented than non-family firms (Anderson & Reeb, 2003; Gómez-Mejía, et al., 2007; Kellermanns, Eddleston, Barnett, & Pearson, 2008), future research may investigate to what extent our results might also apply to non-family firms because these firms can also have an LTO.

Although our results suggest that PDM positively moderates the LTO-EO relationship, we encourage scholars to reflect on potential drawbacks of employing a PDM style in a family business context. Indeed, the main disadvantage of PDM is that it can be a slow and time intensive process because it takes considerable time and effort to get everyone informed and organized. Also, family firms are often highly concerned with their privacy and independence in management (Gómez-Mejía, et al., 2007). Therefore, extensively sharing information with non-family managers might be a an obstacle for certain family firms to engage in PDM. Although our model controls for the presence of a non-family manager and the generation that is currently involved in the management of the firm, future research may further investigate how family firm heterogeneity may affect PDM and its outcomes.

Future research should also identify conditions under which the LTO-EO relationship becomes less straightforward. For example, environmental dynamism can complicate the LTO-EO relationship in such a way that family firms are more likely to benefit from a short-term orientation rather than an LTO. Namely, hostile environments may force family firms to think quick and prioritize the short term implications and impact of their decisions. Also, an investment opportunity may sometimes require a fast decision without careful deliberation concerning its long-term consequences (Lumpkin & Brigham, 2011). In sum, other moderating variables may exist that can alter the relationship between a family firm's LTO and EO. Therefore, a more fine-grained analysis of the relationship between a firm's time orientation and its level of EO is a highly desired future research area.

As with all research, our study has some limitations which means that the results discussed above must be interpreted with caution. The first limitation has to do with the operationalization of our main variables. EO, as our dependent variable, was measured using the nine-item Miller/Covin and Slevin (1989) scale. Although this scale is the most widely used EO scale in the literature (Covin & Wales, 2011; George, 2011), other operationalizations exist that could provide added value to our research. Nevertheless, the nine-item Miller/Covin and Slevin (1989) scale has exhibited high levels of validity and reliability in prior research (Covin & Wales, 2011; George, 2011). For our independent variable, namely LTO, there is far less convergence among scholars about how to measure the construct (Lumpkin, et al., 2010). Since there is no consensus about the measurement of LTO, we have chosen to measure a family firm's time orientation using Zahra et al.'s (2004) LTO scale because it best fits our research context. In the current study, we followed Zahra et al.'s (2004) reasoning that a firm's time orientation is reflected in its choice of control system. Namely, firms that have an LTO are more likely to favor strategic, rather than financial controls. Although our LTO scale shows high convergent validity, future research may benefit from the development of a more fine-grained LTO scale. Using insights from different fields may help entrepreneurship scholars to create such an enhanced LTO scale. For example, culture-based studied (e.g. Hofstede, 2001) have typically focused on time orientations of individuals and identify long- versus short-term orientation as attributes of national culture. Future research may investigate the extent to which insights from these studies can be extrapolated to an entrepreneurial context.

Moreover, our study did not address the potential performance consequences of having an LTO. Although our study indicates that longer planning horizons stimulate entrepreneurial behavior, future research should further investigate the extent to which these efforts ultimately generate performance gains. Empirical research is needed to tease out the effect of temporality when studying the EO-performance relationship in private family firms. Even more, entrepreneurial activity that is driven by the desire to achieve long-term success might not only be considered with financial returns. Instead, family firms whose ultimate goal is to achieve long term survival must satisfy multiple stakeholders (Zellweger & Nason, 2008), including non-financial goals of family members, often referred to as 'socioemotional wealth' (Berrone, et al., 2012; Gómez-Mejía, et al., 2011; Gómez-Mejía, et al., 2007). Thus, besides the temporal component explored in our research, other family-related non-financial goals may intervene in the entrepreneurial process.

Nonetheless, our study has an important implication for practice. We showed that family firms are very different when it comes to their orientation towards time, but in general their LTO provides them a potential resource to engage in entrepreneurship. Our results showed that an LTO is merely a potential resource of which managers should be aware when steering the family firm. Indeed, managers should actively try to engage all key individuals in the decision-making process in order to prevent that short term pressures can evoke conflicts or threaten managerial commitment which may impede successful implementation of the family firm's dominant logic (LTO). Therefore, to avoid these potential drawbacks, managers in family firms should try to facilitate mechanisms that favor PDM.

4. Chapter 4
The entrepreneurial orientation–performance relationship in private family firms: The moderating role of socioemotional wealth[5]

4.1. Abstract

Drawing on socioemotional wealth (SEW) literature, this paper revisits the established entrepreneurial orientation (EO) - performance relationship in a family business context. The main idea in entrepreneurship literature is that EO leads to increased firm performance. We question this logic in a family business context because family related non-financial goals, like SEW, may prevent the firm to reap the fruits of their entrepreneurial efforts. Specifically, we argue that socioemotional wealth engenders inefficiencies that place constraints on the realization of the benefits of entrepreneurship. Therefore, we propose that a high level of socioemotional wealth preservation hinders the transmission of the family firm's EO into positive performance effects. To test this hypothesis, an empirical study was developed using a sample of 232 Belgian private family firms. Robust linear regression analysis reveals that the positive effect of EO on financial performance decreases as the level of socioemotional wealth preservation increases.

4.2. Introduction

Since many years, researchers argue that firms pursuing a high entrepreneurial orientation (i.e. a strategic posture that involves a propensity to be innovative,

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proactive and open to risk in exploring new products, services and markets (Covin and Slevin, 1991) perform better (e.g. Su, Xie and Li, 2011; Rauch, Wiklund, Lumpkin and Frese, 2009; Wiklund and Shepherd 2005; Covin and Slevin 1989). The implicit logic behind this pervasive belief seems to be that entrepreneurial firms will identify and pursue lucrative product/market opportunities which in turn will improve their company financial performance (Zahra and Covin, 1995). Although this idea is widely accepted in the literature, empirical evidence showed that there exists considerable variation in the size and direction of reported relationships between entrepreneurial orientation (EO) and firm performance (Rauch et al. 2009). These observations inspired researchers to apply a contingency framework incorporating moderating variables that may explain variations in the EO-performance relationship (Covin and Slevin 1991, Lumpkin and Dess 1996), ranging from external variables, such as environmental dynamism (e.g., Wiklund and Shepherd, 2005; Moreno and Casillas, 2008), to internal variables, such as strategic process variables (Covin, Green and Slevin, 2006).

Recently, the EO-performance relationship has been investigated in a family business context. Family firms constitute an appropriate and unique context to analyze EO and its relationship with performance because of their distinctive set of ownership, management and governance conditions vis-à-vis non-family firms (e.g. Casillas and Moreno, 2010; Huybrechts, Voordeckers, Lybaert and Vandemaele, 2011). Moreover, the interaction between family and business has a significant impact on the decision-making process and entrepreneurial activities in family firms (Nordqvist, Habbershon and Melin, 2008). However, family firms are not a homogenous group as different "types" of family firms seem to exist, based on differences in company ownership, management structures, and company objectives (Westhead and Howorth, 2007). Therefore, several recent studies (e.g. Casillas and Moreno, 2010; Casillas, Moreno and Barbero, 2010; Chirico, Simon, Sciascia and Mazzola, 2011) investigated family firm specific variables such as family and generational involvement as moderators on the EO-performance relationship. For example, Casillas et al. (2010) found that EO has a positive effect on firm growth in second-generation family firms. In addition, Casillas and Moreno (2010) reported that family involvement (in management and strategic decision-making processes) has a boosting effect on the relationship between the innovativeness dimension of EO and firm growth and a reducing effect on the relationship between the risk taking dimension of EO and firm growth.

Although these studies provided significant contributions to both the entrepreneurship and the family business literature, they are subject to a threat that is ubiquitous in family firm research. More specific, family business scholars often rely on reductionist proxies (e.g. percentage of family members in management functions or composition of board of directors) to gauge the degree of family influence in these firms (Gómez-Mejía, Cruz, Berrone and De Castro, 2011). Although these indicators are usually convenient, they only partly capture the essence of family firms (Chua, Chrisman and Sharma, 1999). Recently, family firm scholars are attaching more and more importance to this essence approach and call for the inclusion of variables that relate to the noneconomic aspects and emotions of family businesses (Gómez-Mejía et al. 2011). Therefore, the aim of this paper is to examine socioemotional wealth (SEW) preservation as a moderator on the EO-performance relationship. SEW refers to the nonfinancial 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, Haynes, Núñez-Nickel, Jacobson and Moyano-Fuentes, 2007) and may drive family business behavior to a large extent. Because family firms are often loss averse when it comes to their SEW, they will behave in order to preserve these non-financial benefits which may have a significant effect on the EO-performance relationship. Recent literature has shown that SEW has two sides, a bright side and a dark side (Kellermanns, Eddleston, and Zellweger, 2012). This means that SEW concerns can lead to favorable (e.g. employee commitment, emotional attachment, better environmental performance) and unfavorable outcomes (e.g. altruism, incompetent family managers, inefficient use of firm resources) in family firms. In this paper we will argue that it is especially the dark side of SEW that moderates the relationship between EO and financial performance.

While EO is known to be a resource-consuming strategic orientation (e.g. Covin and Slevin, 1991; Su, Xie, and Li, 2011), it involves making large resource commitments in order to reach higher financial performance. Hence, in private family firms, firm resources play a crucial role in the performance implications of EO. For that reason, we introduce SEW as a moderator on the EO-performance relationship because it provides insight into how family firms exploit their resources (Gomez-Mejia, Cruz, Berrone, and De Castro, 2011). Indeed, in private family firms, firm resources are often used inefficiently due to SEW considerations (Cruz, et al., 2012). By their own nature, family firms are characterized by a wide range of emotions and interpersonal linkages which may engender parental altruism (Schulze, Lubatkin and Dino, 2003a) or managerial entrenchment (Gomez-Meija and Nunez-Nickel, 2001). We draw on family business literature (e.g. Gómez-Mejía, Cruz, Berrone, and De Castro, 2011) to argue that family firms often face inefficiencies (like parental altruism and managerial entrenchment) as a result of their SEW preservation. For example, employment of incapable family members creates specific agency costs (Lubatkin et al. 2005, Cruz, Justo and De Castro 2012) or may enlarge rent extraction in the family firm (Gomez-Mejia et al., 2011), leading to lower profitability. Consequently, from a financial point of view, EO may increase the family firm's sales level (top line in the profit and loss account) but it does not automatically enhance their profitability (bottom line in the profit and loss account).

Our paper contributes to the literature in several ways. First, this study fits the call for incorporating moderating variables that potentially affect the relationship between EO and performance (Covin and Slevin, 1991; Lumpkin and Dess, 1996). More in particular, we introduce SEW in the EO-performance debate as a family-firm-specific variable that describes family firm's behavior, rather than simply looking at the generational stage (e.g. Casillas, Moreno and Barbero, 2010; Chirico, Sirmon, Sciascia, Mazzola, 2011) that controls the firm or the proportion of family members involved in management functions (e.g. Casillas and Moreno, 2010). In doing so, we expand Covin and Slevin's (1991) and Lumpkin and Dess' (1996) contingency framework by introducing a new category of moderating variables, namely behavioral moderators. Furthermore, this paper contributes to the family business literature because it introduces EO as a major determinant for a family firm's financial performance without ignoring the importance of non-financial aspects in family businesses.

The remainder of this article is divided into five sections. First, we explore the appropriate theoretical and empirical literature that relates to the EO-performance relationship. Second, SEW is introduced as a moderating variable in the EO-performance relationship and our central hypothesis is derived. In the third section, we elaborate our research method where we build on Brambor et al. (2006) and Kam and Franzese's (2007) work to suggest that even if the coefficient of the interaction term is not significant, it is still possible that SEW may moderate the effect EO has on financial performance. Fourth, the results of our empirical study will be presented and discussed. Finally, the paper ends with a discussion section where the major conclusions are highlighted and future research paths are presented.

4.3. Theoretical and empirical background of the EO-performance relationship

Since almost 30 years of research, the phenomenon of an EO has become one of the major topics in the entrepreneurship literature. The concept of EO stems from Miller's (1983) work, in which entrepreneurial firms are defined as "those that are geared towards innovation in the product-market field by carrying out risky initiatives, and which are the first to develop innovations in a proactive way in an attempt to defeat their competitors" (p. 771). Although there have been various conceptions about EO's components, research has converged on three core dimensions of EO (Miller and Le Breton-Miller, 2011): innovation, risk-taking, and proactiveness. Therefore, the current paper defines EO as a firm-level construct where innovativeness, risk-taking, and proactiveness are assumed to covary, in line with Miller (1983) and Covin and Slevin's (1991) conceptualization of EO. In this view, each organization falls somewhere along a conceptual continuum ranging from conservative (low EO) to entrepreneurial (high EO) (Covin and Slevin, 1988).

Although many different approaches and samples have been used, researchers generally agree on the fact that EO positively influences firm performance. This widely accepted belief primarily stems from Schollhammer (1982; 210) who stated that "Entrepreneurship is the key element for gaining competitive advantage and consequently greater financial rewards". However, Lumpkin and Dess (1996) were one of the first scholars to discuss the EO-performance relationship by stressing the importance of viewing this relationship in a contingency framework. Contingency theory suggests that certain key variables, such as environmental- or organizational variables, need to be configured to reach a fit in order to obtain optimal performance. Current research aims at finding such key variables in order to explain additional performance variance. The possible existence of variables that moderate the relationship between a firm's entrepreneurial posture and firm performance was already recognized in 1991 by Covin and Slevin. They made a distinction between three classes of moderating variables, namely internal, external, and strategic variables.

Several researchers are increasingly operationalizing Covin and Slevin's (1991) model, which indicates a tendency of incorporating moderating variables in EO-performance research. Resource availability (e.g. Frank, Kessler and Fink, 2010; Moreno and Casillas, 2008; Wiklund and Shepherd, 2005) and environmental characteristics (e.g. Casillas et al., 2010; Frank et al., 2010; Van Doorn and Volberda, 2009; Moreno and Casillas, 2008; Wiklund and Shepherd, 2005; Lumpkin and Dess, 2001) are by far the most widely used moderators in EO-performance studies. Several other studies investigated additional moderating variables such as the stage of industry life cycle (Lumpkin and Dess, 2001), strategic process variables (Covin, Green and Slevin, 2006), longevity (Runyan, Droge and Swinney, 2008), senior team attributes (Van Doorn and Volberda, 2009), and internal social exchange processes (De Clercq, Dimov and Thongpapanl, 2010). Within a family business context, generational involvement (Casillas et al., 2010; Chirico et al., 2011), and family involvement (Casillas and Moreno, 2010) have been studied as moderating variables.

Recently, Miller (2011) stressed that the issue of context may influence EO and its relationship to performance. He stated that: “a good way of making context precise is to investigate a particular organization type” (Miller, 2011,p 9). In this paper, we meet the needs of this call by investigating family businesses as a particular organizational type because we believe the intersection between family business literature and entrepreneurship literature (e.g. Uhlaner, Kellermanns, Eddleston and Hoy, 2012) has the potential to explain extra performance variance in family businesses. Family firms are the most dominant organizational form in the world (Dyer, 2003) but in the meantime they are so diverse that they cannot be treated as one single group of organizations (Westhead and Howorth, 2007). Therefore, instead of making generalized assumptions about their behavior, we add to current literature by directly measuring a deeper underlying variable that drives their behavior, namely SEW. In the following section, we introduce SEW as a moderating variable on the EO-performance relationship in family businesses.

4.4. Socioemotional wealth as a moderator on the EO-performance relationship in family businesses

4.4.1. Socioemotional wealth

Family firms are an important and prevalent type of firms that are often characterized by the family's large undiversified equity position and its control of leadership. The interplay between the family and the business is often represented in Tagiuri and Davis's (1996) three-circle model that makes a clear distinction between three subsystems, namely the business-, the ownership-, and the family subsystem, each having its own goals and ambitions. In family firms, the business and the family are often so intertwined that it is hard to distinguish where one ends and the other begins, with business goals often embraced by family goals (Sharma, Chrisman and Chua, 1997). When making business decisions, family firms combine a mix of family-oriented goals and business-oriented goals (Matho, Davis, Pearce and Robinson, 2010). Therefore, we introduce SEW, as an essential construct in family business literature, in order to analyze family business behavior. Gómez-Mejía et al. (2007, p. 106) define SEW as "non-financial aspects of the firm that meet the family's affective needs", and state that SEW preservation is often a goal in itself because family firms are loss averse when it comes to their SEW. Stated differently, family business owners, consciously or unconsciously, value non-financial aspects that result from their family control such as identity, the perpetuation of the family dynasty, and the ability to exercise family influence (Gómez-Mejía et al., 2007; Berrone, Cruz, Gómez-Mejía and Larraza Kintana, 2010). To safeguard these non-financial benefits, family firms are willing to accept an increased risk of poor firm performance (Gómez-Mejía et al., 2007), as opposed to publicly traded firms where decisions are largely made based on financial goals in order to maximize shareholder value (Matho et al., 2010). As a consequence, managerial decisions in family firms can be driven by a desire to preserve and enhance the family's SEW because they are likely to see potential gains or losses in SEW as a key criterion in managing the firm (Gómez-Mejía et al., 2011; Berrone, Cruz and Gómez-Mejía, 2012).

One can argue that all types of firms may exhibit non-financial goals (such as corporate social responsibility or customer satisfaction), but only family firms show signs of family-centered nonfinancial goals, which often relate to the family's identity and reputation concerns (Zellweger, Eddleston and Kellermanns, 2010). Moreover, when the family member's self-concept is strongly tied to the firm's identity, -where the firm often bears the person's name- the individual derives considerable non-economic benefits from membership in such an organization (Gómez-Mejía et al., 2007). According to social identity theory (e.g. Stets and Burke, 2000), people classify themselves and others into various social groups. Family membership is one of the most important social groups and accordingly, the family business is directly tied to the family member identity. Therefore, family members will strive to portray a positive image of their firm in order to enhance their self-esteem and accomplish their need for acknowledgment and achievement (Matho et al., 2010). In line with this idea, family business owners are highly concerned with the firm's reputation because they want the business to endure several family generations (Ward and Aronoff, 1991), and to perpetuate the family dynasty. In addition, Zellweger and Astrachan (2008) state that family business owners subjectively value their ownership stake in monetary terms, indicating that the family's perceived value of the firm may differ from the financial value of their ownership stake and the private financial benefits of their control. Stated differently, the more importance the family attaches to the preservation of their SEW through their firm, the higher their perceived value of the firm will be. Again, these findings are in line with Gómez-Mejía et al.'s (2007) proposition that family firms are loss averse when it comes to decisions that affect their SEW because they are unwilling to sell the firm for only its financial value.

4.4.2. The EO-performance relationship in family firms revisited

In line with Miller (1983) and Covin and Slevin (1991), we see EO as the concurrent exhibition of innovativeness, proactiveness, and risk taking. A behavioral model of EO is suggested because behaviors rather than attributes are what give meaning to the entrepreneurial process (Covin and Slevin, 1991; Covin and Lumpkin, 2011). Consequently, firms with a high degree of EO are characterized by a set of distinct but related behaviors that have the qualities of innovativeness, proactiveness, and risk taking. The primary tenet in entrepreneurship literature is that EO leads to improved performance (Lumpkin and Dess, 1996). We question this basic supposition in a family business context. More specific, we question the logic that entrepreneurial activities (e.g. be the first to introduce new products or services, dramatically change product or service lines) automatically enhance financial performance since family firms often face inefficiencies as a result of their SEW preservation. Thus, the relationship between EO and increased financial performance might be less straightforward than often proposed.

As mentioned before, SEW is a relatively new concept which means that its relationship with financial performance and EO remains to be studied (Berrone, Cruz, and Gomez-Mejia, 2012). However, there are some studies that tried to link SEW to firm performance (e.g. Berrone, Cruz, Gomez-Mejia, and Larraza-Kintana, 2010; Cruz, Justo, and De Castro, 2012), but results are mixed. Also, the entrepreneurship literature has already linked some of the proposed SEW dimensions to entrepreneurial outcomes (e.g. Aldrich and Cliff, 2003; Lumpkin, Brigham, and Moss, 2010; Zahra, Hayton, and Salvato, 2004), but again with inconclusive results. When it comes to the EO-performance relationship in private family firms, the extent to which SEW influences this relationship has not yet been studied. In what follows, we illustrate how the 'dark side' of SEW (Kellermanns, et al., 2012) stifles the transmission of EO into good financial performance.

Since gains or losses in SEW represent the pivotal frame of reference that family firms use to make major decisions (Gómez-Mejía et al., 2007; Berrone et al., 2012), its impact on the EO-performance relationship cannot be underestimated. Fundamental to this theory is the notion that family firms frame problems in terms of assessing how actions will affect socioemotional endowment. When this endowment is threatened, the firm is willing to make decisions that are not driven by an economic logic (Berrone et al., 2012). For example, family firms who place high importance on the preservation of their SEW tend to create or save jobs for family members in order to perpetuate the family dynasty (Gómez-Mejía et al., 2007). Furthermore, founder CEOs often have the possibility to be unusually generous to their children and relatives (Schulze, Lubatkin, Dino, Buchholtz, 2001). Once the family has sufficient ownership for undisputed control, it can begin to free ride by exploiting the firm's resources for personal benefits and for privileges of family members (Schulze et al., 2003a). Consequently, family employees are often given perquisites and privileges that they would not otherwise receive (Gersick, Davis, Hampton and Lansberg, 1997; Ward, 1987). Even more, Kirchhoff and Kirchhof (1987) found that when family member participation increases, wage and salary expenses increase as a percentage of revenue. So, our argument is that family firms are often saddled with additional costs as a result of their SEW preservation. Moreover, family firms which place high importance on maintaining family control and exercising family influence, are often reluctant to professionalize (Gómez-Mejia et al., 2011). That is, hiring outside managers and delegating authority, are likely to reduce family control over strategic decisions (e.g. Gómez-Meija et al., 2011). Clearly, limiting executive management positions to family members (managerial entrenchment) can be problematic as the risk of employing low quality managers increases (e.g. Anderson and Reeb, 2003; Lubatkin, Schulze, Ling and Dino, 2005) which may compromise the pecuniary realization of entrepreneurship efforts.

Hence, we argue that even though a family firm is entrepreneurially oriented, the transmission of EO into good financial performance can be hampered by SEW preservation because EO -as a resource consuming orientation- requires different resources in order to reach better financial performance (e.g. Covin and Slevin, 1991; Su, et al., 2011). Free riding behavior, perquisites and privileges can lead to inefficient use of resources and additional costs (Cruz et al., 2012) which prevent the family firm to translate EO into profits. More specific, entrepreneurial activity such as for example the introduction of new products may increase the firm's sales level (top line in the profit and loss account) (e.g. Casillas and Moreno, 2010; Casillas et al., 2010), but due to inefficiencies related to SEW preservation, this is not fully translated into higher profits (bottom line in the profit and loss account). Thus, SEW has a price tag which constrains the family firm in realizing the benefits of entrepeneurship and reaching higher profitability levels. Therefore, we argue that SEW plays a crucial moderating role in the EO-performance relationship as SEW preservation has an impact on the mechanism that translates entrepreneurial efforts into profits. Thus, to understand how EO relates to financial performance in a family business context, it is warranted to take into account the importance family members attach to the preservation of their SEW. Therefore we propose the following hypothesis:

Hypothesis: The level of socioemotional wealth preservation will moderate the relationship between EO and a family firm's financial performance, in such a way that a family firm's EO will have a less positive effect on financial performance when the level of socioemotional wealth preservation increases.

4.5. Research method

4.5.1. Sample

The sampling frame was taken in the 2002-2003 period from a wider study investigating firm characteristics, strategic and environmental issues, board and management composition, succession, governance and performance issues in family businesses in Flanders, which is the northern region of Belgium. In family business literature, there is a wide assortment of proxies that have been used in the empirical literature to define family firms (e.g. Rutherford, Kuratko and Holt, 2008; Gómez-Mejía et al., 2011). In this study, we made use of commonly selected criteria of ownership and management control (Chua, Chrisman and Sharma, 1999) and CEO's perception of being a family firm (Westhead and Cowling, 1998) to select an operational definition of family firms. As a consequence, in this paper, a firm is classified as a family firm if: (1) at least 50 per cent of the shares are owned by the family, and the family is responsible for the management of the company, or (2) at least 50 per cent of the shares are owned by the family, the company is not family-managed, but the CEO perceives the firm as a family firm. All family firms included in the sample were privately-owned. A total number of 3400 firms were randomly selected from a family business database and a survey was mailed to the CEO. A response rate of 9.2% resulted in 311 surveys, of which 295 were retained due to the deletion of non-family firms and incomplete cases. To run our own regression analysis, we deleted cases with missing values on relevant variables, resulting in a final sample of 232 cases. Potential nonresponse bias was tested using two separate procedures. First, following the argument that late respondents are expected to be comparable to nonrespondents (Kanuk and Berenson, 1975), we differentiated between the 20% earliest respondents and the 20% latest respondents and performed several t-tests and Chi-square tests on the variables included in the analyses. The results revealed no significant differences on any of the variables, suggesting that there is no nonresponse bias in the results. Robustness checks with cut-off points at 10% and 30% showed exactly the same results. In addition, performance indicators (dependent variable) were drawn from the Belfirst database of Bureau Van Dijk. In Belgium, all firms are obliged to file their financial statements to the National Bank of Belgium which is the primary source where Bureau Van Dijk retrieves its data from. We were able to match the data of our survey with the financial records of the Bureau Van Dijk database using the company name and VAT identification number. Furthermore, by using two different sources of data, common method bias concerns are mitigated (Podsakoff, MacKenzie, Jeong-Yeon, and Podsakoff, 2003). Sample characteristics of the data used in the regression analysis are specified in Table 10 and Table 11.

4.5.2. Variables and measures

Financial performance is the most commonly used performance indicator when studying family businesses (Rutherford et al., 2008). Return on assets (ROA) was selected as the dependent variable because it is a well-understood and widely used accounting measure of financial performance. We calculated each firm’s ROA as income before non cash items, interests and taxes divided by total assets as reported in the financial statements, multiplied by 100. To fully capture the effect of EO on financial performance, we measure performance in 2004 because it is often assumed that EO has a lagged effect on performance (Wiklund, 1999; Zahra, 1991).

Entrepreneurial Orientation. We use the nine-item scale validated by Miller/Covin and Slevin (1989) to gauge EO, capturing the firm's innovation, proactiveness, and risk taking. Each individual sub-dimension includes 3 separate items. Recent studies have accentuated the need of consistency between the measurement model and the conceptualization of the EO construct (e.g. Covin and Wales, 2011). Taking into account the consistency condition, we use the Miller/Covin and Slevin (1989) scale because this measure assesses combinations of EO’s elements via a composite dimension and is thus most consistent with our conceptualization of EO. Furthermore, according to Covin and Wales (2011) and George (2011), the nine-item Miller/Covin and Slevin (1989) scale is the most commonly employed EO measure and has exhibited high levels of validity and reliability in numerous studies. In our study, the underlying EO dimensions were highly correlated and the alpha level for EO was found to be quite high (0.84). The correlation between the underlying EO dimensions allowed us to combine the 3 components and relate the composite EO-index to performance (Miller, 2011).

Socioemotional Wealth preservation. As previously discussed, SEW can be defined as "non-financial aspects of the firm that meet the family's affective needs" such as the ability to exercise family influence, maintaining family control and the perpetuation of the family dynasty (Gómez-Mejía et al., 2007). In this study, SEW was measured using four questions taken from the Strategic Orientations of Small and Medium-Sized Enterprises (STRATOS) questionnaire (Bamberger, 1994 p.399; Bamberger and Weir, 1990 p.109): 1) maintaining family traditions/family character of the business, 2) creating/saving jobs for the family (both may be considered as proxies for the perpetuation of the family dynasty) 3) independence in ownership, 4) independence in management (both may be considered as proxies for the ability to exercise family influence and maintaining family control) (Gómez-Mejía et al., 2007; Goel, Voordeckers, Van Gils and van den Heuvel, 2013; Vandekerkhof, Steijvers, Hendriks, & Voordeckers, forthcoming). The respondents were asked to indicate the importance they attach to each item on a 5-point Likert scale (1= totally unimportant, 5=very important). The first item "maintaining family traditions/family character of the business" refers to the role of affect and emotions in the family firm. SEW comes in a wide variety of related forms but the perpetuation of family values and traditions through the business is one important aspect of SEW (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, and Moyano-Fuentes, 2007). Hence, the family is loss averse when it comes to maintaining the family character of the business, even if this reduces efficient exploitation (Cruz, et al., 2012). The second item "creating/saving jobs for the family" is related to Gómez-Mejía, et al.'s (2007) "perpetuation of the family dynasty". Also, creating or saving jobs for other family members is an essential part of the SEW construct because evidence has shown that passing the firm to the next generation (Zellweger, Kellermanns, Chrisman, and Chua, 2012) and creating employment for family members (Cruz, et al., 2012) are both key goals for family firms. Since family firms are loss avers when it comes to treats to their SEW (Gómez-Mejía, et al., 2007), they will often limit vacancies to family members even if this confines the size and the quality of the pool of potential employees. The third item "independence in ownership" is also an important premise in the SEW debate and can be linked to Gómez-Mejía, et al.'s (2007) "family influence". Zellweger et al. (2012, p. 851) state that: "Conceptually, the family's control of the firm through ownership is critical to creating and preserving socioemotional wealth since such control is what allows the family to pursue their interests through the firm. In other words, control is a necessary condition and plays a critical role in the theory of socioemotional wealth." Independence in ownership by definition implies that the family controls the firm and therefore it is highly relevant in measuring SEW. The fourth item "independence in management" refers to the family's ability to exercise family influence in the management of the firm. Family members can exert direct control over strategic decisions by appointing family members in the management team or selecting a family CEO. Basically, having the opportunity to be altruistic to other family members (e.g. providing management positions) adds to the family's SEW (Gómez-Mejía, et al., 2007; Schulze, Lubatkin, and Dino, 2003b). The variables included in the scale loaded on one single factor and capture the main elements of the SEW construct because they relate to the family's affective bond and their psychological ownership over the business (Gómez-Mejía et al., 2007). The questions were summed into one single index, and the Cronbach's alpha reliability coefficient of the SEW scale was found to be 0.7, which is acceptable for exploratory research (Hair, Anderson, Tatham, & Black, 1998). Next, we validated our SEW measure using convergent validity and predictive validity. First, 'convergent validity' refers to the degree to which multiple endeavors to measure the same concept with different methods are in agreement (Venkatraman & Grant, 1986). Given that generation has been previously used as a proxy for SEW (Stockmans, Lybaert, & Voordeckers, 2010), we look at the correlation between our measure of SEW and generation by creating a dummy variable that equals one if the family founder serves as CEO and 0 if a descendant serves as CEO. Here, we find a positive correlation (0.1696, $p<0.01$), which is in line with prior literature because SEW tends to decrease over generations (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). The significant correlation between SEW and our generation dummy provides evidence for convergent validity of our SEW measure. Next, 'predictive validity' refers to the extent to which two measures that theoretically should be related, are in fact related (Venkatraman & Grant, 1986). In family business literature, SEW has been theoretically linked to (-) firm size (Gómez-Mejía, Cruz, Berrone, & De Castro, 2011; Gómez-Mejía, et al., 2007), (-) firm age (Gómez-Mejía, et al., 2007), (+) the proportion of family members on the board (Gómez-Mejía, et al., 2011), and (+) the proportion of family members in the management team (Gómez-Mejía, et al., 2011). Correlating these variables to our SEW measure provides the following results: firm size (-0.1606, $p<0.05$), firm age (-0.1379, $p<0.05$), proportion of family members on the board (+0.1672, $p<0.01$), proportion of family members in the management team (+0.3020 $p<0.01$). Again, these correlations are in line with theory, providing support for predictive validity of our SEW variable.

Control variables. To ensure proper model specification, we included several control variables which are similar to other EO-performance studies. In particular, we included numerous firm-level variables such as firm size (e.g. De Clercq et al., 2010; Casillas et al., 2010; Casillas and Moreno, 2010), measured as the natural logarithm of the number of full-time employees; firm age (e.g. De Clercq et al., 2010; Casillas et al., 2010; Casillas and Moreno, 2010), measured as the natural logarithm of the number of years the firm had been in business; firm industry (e.g. De Clercq et al., 2010; Casillas et al., 2010; Casillas and Moreno, 2010), measured through four dummy variables that allow for five major business lines to be differentiated: manufacturing, construction, wholesale, retail, and services; the firm's life-cycle stage, because it is stated that corporate life cycle may influence the relationship between EO and performance (Miller and Le Breton-Miller, 2011). We created two dummy variables that allow for three main phases to be differentiated: growth, maturity, and consolidation. This is a generally accepted classification in the literature (Gray and Ariss, 1985) and simplifying a firm's growth process into reduced categories is also standard practice (Phelps, Adams and Bessant, 2007). All control variables are derived from questions in the 2002-2003 survey or from the Belfirst database of Bureau Van Dijk.

4.5.3. Analysis and results

We present correlations of our variables in Table 10, supplementary descriptives are presented in Table 11. In our sample, the mean value for a family firm's EO, on a scale from 9 (low EO) to 45 (high EO), was found to be 24.2 with a standard deviation of 6.6. These findings support the notion that the average family firm exhibits a moderate level of EO (e.g. Uhlaner et al., 2012; Short, Payne, Brigham, Lumpkin, and Broberg, 2009; Naldi, Nordqvist, Sjöberg and Wiklund, 2007). In addition, the average firm included in our sample places relatively high importance on the preservation of their SEW. On a scale from 4 (low SEW concerns) to 20 (the firm attaches high importance to the preservation of their SEW), a mean value of 14.8 was found with a standard deviation of 3.3. Also, the correlation table shows that SEW decreases with firm age and firm size, which is in line with prior literature (e.g. Gómez-Mejía et al., 2007; Gómez-Mejía et al., 2011). Besides this, an average firm in our sample is 41 years old and employs approximately 26 employees. A large amount of the firms are currently in the maturity stage of their life-cycle (47.4%). In most cases, firms operate in the manufacturing (34.9%) and the wholesale sector (20.3%). Linear regression analysis was used to test our hypothesis.

Table 10: Correlation table

	1	2	3	4	5	6	7	8	9	10	11
1. Performance	1.00										
2. Maturity stage (dummy)	-0.07	1.00									
3. Consolidation stage (dummy)	-0.07	-0.38***	1.0000								
4. Firm age (Ln age)	0.02	0.13**	0.19***	1.00							
5. Firm size (Ln employees)	-0.10	0.08	-0.03	0.24***	1.00						
6. Manufacturing (dummy)	-0.01	-0.04	-0.00	0.10	0.28***	1.00					
7. Construction (dummy)	-0.05	-0.04	-0.05	-0.03	0.11*	-0.29***	1.00				
8. Wholesale (dummy)	-0.03	0.04	-0.02	-0.07	-0.12*	-0.37***	-0.20***	1.00			
9. Retail (dummy)	-0.10	0.07	-0.03	-0.04	-0.20***	-0.31***	-0.17**	-0.22***	1.00		
10. EO	0.12*	-0.05	-0.13*	0.05	0.25***	0.02	-0.10	0.09	0.06	1.00	
11. SEW	-0.01	-0.01	-0.08	-0.14**	-0.16**	-0.01	-0.04	-0.02	0.08	0.10	1.00

N=232
*,**,*** Significance at 0.10 0.05 and 0.01, respectively

Table 11: Descriptives

	Minimum	Maximum	Mean	Standard Error
Entrepreneurial Orientation (9-45)	9	42	24.18534	6.608741
Socioemotional Wealth (4-20)	4	20	14.82759	3.334915
Financial Performance	-13	72	14.35345	10.32482
Number of employees	1	372	25.93533	43.71006
Firm age	3	362	40.68103	39.2241
	Percentage of observations			
The firm’s life-cycle stage				
Growth stage	38.8%			
Maturity stage	47.4%			
Consolidation stage	13.8%			
Firm industry				
Manufacturing	34.9%			
Construction	13.3%			
Wholesale	20.3%			
Retail	15.5%			
Services	16.0%			

Table 12: Linear regression analysis, 3 Models

Dependent variable: Financial Performance	**Model 1**		**Model 2**		**Model 3**	
	β	S.E.	β	S.E.	β	S.E.
Controls						
Life-cycle Stage [a]						
Maturity Stage	-2.0271	1.6502	-2.0484	1.6517	-1.8834	1.5033
Consolidation Stage	-3.6540	2.5435	-3.5820	2.5574	-3.6368	2.1953
Firm Characteristcs						
Firm Age	0.8890	1.0096	0.9027	1.0368	0.7409	0.8330
Firm Size	-1.4765**	0.7387	-1.4523**	0.7141	-1.5402**	0.7188
Industry[b]						
Manufacturing	-3.7206	2.6491	-3.7597	2.6833	-3.7356*	2.0735
Construction	-4.6804	3.3587	-4.6583	3.3633	-4.8401*	2.5326
Wholesale	-5.0219*	2.5888	-4.9968*	2.5910	-5.1173**	2.2216
Retail	-6.9979**	2.7372	-6.9413**	2.7394	-6.8271**	2.3674
Hypothesis						
EO	0.2203**	0.0944	0.2180**	0.0960		
SEW			0.0442	0.2061		
EO*SEW			-0.0134	0.0306		
EO*SEWhigh					0.1765	0.1125
EO*(1-SEWhigh)					0.2561**	0.1108
R^2	0.0869		0.0879		0.0940	
F	1.99**		1.61*		2.29**	

N=232
*,**,*** Significance at 0.10 0.05 and 0.01, respectively
[a] Suppressed category for the firm's life-cycle stage is "growth stage"
[b] Suppressed category for the firm's industry is "services"

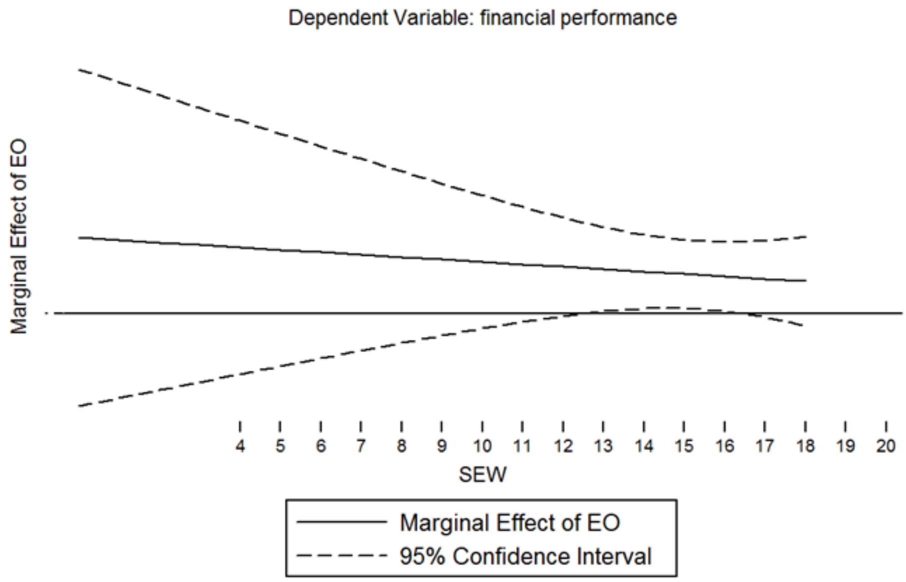
In Table 12, we provide the regression results for different models. The first model, in which only control variables and the direct effect of EO on financial performance were taken into account, provides an R2 value of 0.0869 ($p < 0.05$). Results indicate that EO is positively associated with a family firm's financial performance ($\beta=0.22$, $p<0.05$), which is in line with previous literature. The second model includes the interaction effect of SEW (EO*SEW), to test our central hypothesis. We use robust linear regression analysis to test this interaction effect, after mean centering EO and SEW to reduce multicollinearity concerns. We use robust standard errors to correct for potential heteroscedasticity. At this point, the following regression model was used: *Financial performance* $= \alpha + \beta_1 EO + \beta_2 SEW + \beta_3 EO*SEW + \delta \, Controls + \varepsilon.$ Here, we proposed that EO will have a less strong positive effect on financial performance when the level of SEW increases. At first glance, it appears that the results do not confirm our hypothesis because the interaction term is not significant.

There are however some important side notes that need to be taken into account. Firstly, Brambor, Clark and Golder (2006; p70) note that "The coefficients in interaction models no longer indicate the average effect of a variable as they do in an additive model. Even more important to remember is that the analyst is not directly interested in the significance or insignificance of the model parameters per se anyway. Instead, the analyst who employs a multiplicative interaction model is typically interested in the marginal effect of X on Y". The marginal effect of X (EO) on Y (financial performance) can be expressed by the following equation: $\frac{\partial financial\ performance}{\partial EO} = \beta_1 + \beta_3 SEW$. Therefore, we look at the marginal effect of X (EO) on Y (financial performance) by taking into account the relevant elements of the variance-covariance matrix and recalculate the standard errors (Brambor et al., 2006).

In doing so, SEW can turn out to have a significant moderating impact on the relationship between EO and performance for a certain range of values even though Table 12 reveals an insignificant moderating effect. The solid line in Figure 5 presents the marginal effect of EO on financial performance. The dotted lines surrounding the solid line present the 95% confidence interval, which allows us to determine the conditions under which EO has a statistically significant effect on financial performance. Thus, the EO-performance relationship is significant when both the upper and lower bounds of the confidence interval are above (or below) the zero line. Figure 5 shows that a firm's EO has a significant positive effect on a firm's financial performance when the level of SEW is situated between 12 and 17. Looking at our sample, we see that 59.1% of the family firms are characterized by a level of SEW situated in this range. Within this interval, the positive effect declines as the level of SEW increases. For extremely large (18-20) values of SEW, it seems that EO no longer affects performance. This means that when the family attaches too much importance on the preservation of their SEW, the dark side of SEW becomes too dominant and prevents that entrepreneurial efforts are successfully converted into good financial performance, which is exactly in line with our hypothesis. Since 25.4% of the family firms in our sample are characterized by SEW values between 18 and 20, our hypothesis is supported by almost 85% of our data. Only a small proportion of our sample, namely 15.5%, is characterized by extremely small SEW values (4-11). Here, we find no support for our hypothesis which is probably due to the rather substantial range of values for which we only have very few cases available.

To confirm our central hypothesis, we performed a more straightforward post hoc regression analysis. Namely, we created a dummy variable 'SEWhigh' that equals one when the level of SEW is situated between the range of 18 and 20. This cut-off value follows from our Brambor analysis and coincides with the SEW values where the marginal effect of EO on firm performance becomes insignificant. At this point, the following estimated regression model was used (Yip & Tsang, 2007): $\textit{Financial performance} = \alpha + \beta_1 \textit{EO*SEWhigh} + \beta_2 \textit{EO*(1-SEWhigh)} + \delta \textit{ Controls} + \varepsilon$. The results from model 3 in Table 7 indicate that EO has a significant positive effect ($\beta = 0.2561$, $p<0.05$) on financial performance when SEW is lower than 18 (EO*(1-SEWhigh). On the other hand, when SEW is higher than 18, EO no longer affects financial performance (EO*SEWhigh). These results are in line with our previous findings. Taken together, our results indicate that the marginal effect of EO on firm performance decreases when the family attaches more importance to the preservation of their SEW which provides support for our hypothesis. The moderating role of SEW becomes even more dominant for extremely large values of SEW because our results indicate that higher EO is no longer translated in better financial performance when the family attaches too much importance on the preservation of their SEW.

Figure 5: Marginal effect of EO on a firm's financial performance as SEW changes



Percentage distribution of the SEW variable: SEW values 4-11= 15.5% of the sample; SEW values 12-17= 59.1% of the sample ; SEW values 18-20= 25.4% of the sample

Although most EO-performance studies have found a positive linear relationship between EO and performance, there is some empirical evidence that an inverse curvilinear relationship may exist due to differences in market context (e.g. Tang, Tang, Marino, Zhang and Li, 2008). In our study, a post hoc analysis supported a linear relationship between EO and performance. The inclusion of EO-square in our regression model did not change our results, suggesting that there is no curvilinear relationship between EO and performance.

4.6. Discussion and conclusion

EO is a corollary concept that emerged primarily from the strategic management literature (Lumpkin and Dess, 1996) while SEW can be seen as a "homegrown"

(Berrone, et al., 2010, p. 2) theoretical formulation within the family business field. Nevertheless, our study shows that both concepts influence the behavior of private family firms and ultimately helps explain performance variance in these firms. Indeed, prior literature shows that EO must be seen as a resource consuming strategic orientation (e.g. Covin and Slevin, 1991) since it requires different types of resources in order to reach better financial performance. For example, access to financial resources (e.g. Frank, Kessler, and Fink, 2010; Wiklund and Shepherd, 2005) and physical resources (Moreno and Casillas, 2008) are found to be important moderating variables in the EO-performance relationship. SEW, as a dominant paradigm in the family business field, provides insight into how family firms exploit their resources (Gomez-Mejia, et al., 2011) and consequently adds to our understanding of the EO-performance relationship in private family firms.

Results show that EO positively influences financial performance. These findings are in line with previous research (e.g. De Clercq et al., 2010; Rauch et al., 2009; Wiklund and Shepherd 2005; Covin and Slevin, 1989) and indicate that the positive EO-performance link also applies to a family business context. This demonstrates the importance of having an EO in family firms because it helps to create or sustain a higher level of financial performance. Consistent with our central hypothesis, the level of a firm’s EO is less positively related to firm performance when the level of SEW preservation is high and even becomes insignificant when SEW is extremely high. These findings are in line with our central reasoning and contribute to the literature on the dark side of SEW (Kellermanns, et al., 2012). We demonstrated how SEW hampers the transmission of EO into financial performance gains. For firms with extremely high SEW values[6], it seems that a higher entrepreneurial orientation does not affect financial performance. These findings can be interpreted as an extension of our central reasoning. Namely, it might mean that when family firms place too much importance on the preservation of their SEW, firm resources will be used inefficiently (Cruz et al., 2012). Thus, even if the firm demonstrates high EO, they won't be able to reap the financial benefits.

It is straightforward to see what happens in a profit and loss account. For example, the introduction of a new product can increase the firm's sales level (top line), but when the family places too much importance on the preservation of their SEW, excessive costs (e.g. free riding costs, perquisites) will prevent the firm from translating entrepreneurial efforts into higher profit figures (bottom line). Especially in entrepreneurship literature, there has been a tendency to equate sales growth with business success. However, sales growth is only one step towards business success (profitability) because other factors, like SEW, need to be taken into account. Therefore, while EO is essentially a growth orientation (Lumpkin and Dess, 1996), which is almost universally portrayed as a good thing, we believe it does not automatically make the firm profitable. These findings seem to be tantamount to an ongoing discussion in growth literature where growth without profitability is not always seen as a sign of sound development (Davidsson, Steffens and Fitzsimmons, 2009).

[6] Since our SEW variable ranges from 4 (low SEW concerns) to 20 (the firm attaches high importance to the preservation of their SEW), the mathematical average of our SEW scale is 12. With "extremely high" we mean SEW values between 18 and 20. These values follow from our Brambor analysis and coincide with the SEW values where the marginal effect of EO on firm performance becomes insignificant.

Next, while the importance of the EO-performance relationship has been frequently recognized, only a small number of scholars has discussed this phenomenon in a family business context (e.g. Cruz and Nordqvist, 2012; Zellweger and Sieger, 2012), which is rather distinct from other organizational contexts due to the combination of family and business systems. Thus, family firm specific variables that may affect the EO-performance relationship remain largely unexplored. We examine family firm behavior and its impact on the EO-performance relationship by taking into account a variable that drives their behavior, namely SEW. In doing so, we aim to contribute to the literature in at least two ways. First, by theoretically and empirically investigating the repercussions of family firm behavior on the EO-performance relationship, we illustrate how SEW preservation changes the effect EO has on a firm's financial performance without ignoring the heterogeneous character of family firms. Generally speaking, we develop Covin and Slevin's (1991) and Lumpkin and Dess' (1996) works by introducing a behavioral variable into their contingency framework. This behavioral approach is a relatively new attempt to shed light on the black box between EO and performance and is not limited to the family business context only. Behavioral moderators, like SEW, have the potential to explain additional performance variance in all kinds of firms, over and above the traditional environmental and organizational contingencies, because they will certainly influence the implementation of a firm's EO. We believe our results are inspiring and hope future research will build on our train of thought.

Furthermore, we want to point out that our results can be interpreted not only in light of EO-performance studies, but also are complementary to other research fields. More specific, disentangling the black box between an input variable and an output variable is attracting increased attention from researchers of different research fields (e.g. Fey, Morgulis-Yakushev, Hyeon and Björkman, 2009; Daily, Dalton and Cannella, 2003). In this study, we contribute to the attempt to partially open up the black box of the EO-performance link in family firms. Investigating this black box is especially relevant in the context of private family firms because they are often seen as complex systems (Tagiuri and Davis, 1996) that continuously need to configure certain variables in order to be successful (Miller and Le Breton Miller, 2006). Thus, simply having an EO is not a sufficient condition for a family business to be successful because the transmission of EO into higher financial performance can be hampered by certain (family related) variables. We contributed to the literature in partially opening up the black box by means of presenting SEW as a variable that impedes the transmission of EO into good financial performance.

Moreover, our findings are complementary to other recent arguments in the family firm literature such as family firm heterogeneity. In particular, family business literature can be divided into two major streams of literature that describe the diversity in family firms (Sharma and Nordqvist, 2007). The first stream can be described as the 'components of family involvement' (e.g. Klein, Astrachan and Smyrnios, 2005; Westhead and Cowling, 1998), which simply captures the extent and mode of family involvement in ownership, management, governance, and succession. The second stream, known as the 'essence approach' (Chua et al., 1999), focuses on the repercussions of family involvement on the behavior and decision making styles in these firms. In this context, our paper adds to the essence approach in a way that it underlines the giant diversity in family firms by accentuating an underlying variable that drives their behavior. Although we did not explicitly hypothesize, our findings reveal that family firms attach varying importance to the preservation of their SEW, which seems to determine their behavior. This suggests that simply defining a family business by its components does not necessarily capture its essence, because the variability in SEW preservation entails differences in their actual behavior. Indeed, some firms are highly attached to the preservation of their SEW whereas others attach rather moderate importance to the preservation of these noneconomic factors. Nevertheless, it is acknowledged that SEW plays a pivotal role in the behavior of family firms (Gómez-Mejía, et al., 2011), but the way in which it influences organization outcomes is a highly desired future research area since SEW has two sides, a dark side and a bright side (Kellermanns, Eddleston, & Zellweger, 2012). Depending on the research model, we encourage scholars to reflect on this ambidextrous feature of SEW and decide whichever side of SEW is dominant in the context of their study. For example, SEW can increase the commitment and trustworthiness of family employees (bright side) but at the same time SEW may lead to inefficient use of firm resources and incompetent family management (dark side). We believe the concept of SEW can only prosper if researchers bear in mind its two faces because a unified view of SEW might be too straightforward.

Our study also has some limitations which may provide interesting avenues for future research. First, we use a one-year time lag to test the EO-performance relationship. Future research may investigate the extent to which EO affects performance over an extended period of time or if it is only a "quick fix" where performance is only temporarily affected (Wiklund, 1999). Also, we use ROA as an objective performance measure to evaluate financial performance of family firms. Since many family firms are not only concerned with financial returns, future research may replicate our study using ‘perceived financial performance’ as a dependent variable, because family firms can be satisfied with suboptimal levels of financial performance when they are also able to preserve their SEW.

Second, it would be interesting to expand the model by incorporating other moderating variables that help to gain a more profound understanding of family business performance. In particular, other variables relating to family firm behavior, such as family orientation (Lumpkin, Martin and Vaughn, 2008) or long-term orientation (Le Breton-Miller and Miller, 2006), can be used as supplementary variables to build more complex models which might improve researcher’s knowledge concerning the family firm’s EO-performance relationship. Third, our work has used the Miller/Covin and Slevin (1989) scale to capture a firm’s EO. Although this scale is the most commonly employed EO measure in the literature (Covin and Wales, 2011; George, 2011; George and Marino, 2011), other scales exist which may provide interesting additional insights. Similar reasoning applies for the SEW scale where more refinements can be made in future research.

Although there is no indication to believe the EO-performance relationship is not stable over time, it might be an interesting avenue for future research to replicate our study with data from a period of economic crisis, such as experienced in recent years, to test whether these extreme circumstances affect the relationship between EO and performance in private family firms.

5. Chapter 5
Entrepreneurial intentions and entrepreneurial actions in family firms: A look at the dark side of socioemotional wealth

5.1. Abstract

This study attempts to distinguish and link entrepreneurial intentions (EI) and entrepreneurial actions (EA) in a family business context. Entrepreneurial intentions capture the firm's willingness to create new value within an existing organization, whereas entrepreneurial actions refer to the actual behavior of the company. Building on literature from applied psychology we suggest that, although entrepreneurial intentions are often a good predictor for entrepreneurial activity, intentions do not always lead to the expected action. Especially in a family business context, the dark side of socioemotional wealth (SEW) will prevent the firm to put their intentions into practice, leading to an intention-behavior gap.

5.2. Introduction

> *"Five frogs are sitting on a log. Four decide to jump off. How many are left? The right answer is five because there is a difference between deciding and doing (Feldman & Spratt, 1999)."*

In psychological literature, an intention to perform a certain behavior has proven to be the best predictor for that specific behavior (e.g. Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). Nevertheless, more recent studies have demonstrated that the intention-behavior relationship is far from perfect since several factors may obstruct or hinder smooth implementation of these intentions (e.g. Godin, Conner, & Sheeran, 2005; Sniehotta, Scholz, & Schwarzer, 2005). In entrepreneurship literature, researchers are also using intention models to explain and predict entrepreneurial actions (EA) by focusing their interest on entrepreneurial intentions (EI) (Krueger, Reilly, & Carsrud, 2000). Although these models are often highly accurate and useful to understand entrepreneurial activity, they frequently disregard the fact that intentions are not always (fully) translated into actions (Jenkins & Johnson, 1997).

Indeed, a large amount of literature has been devoted to revealing and understanding the drivers of EI because they offer a means to better explain and predict entrepreneurial activity (Krueger, et al., 2000). In doing so, researchers generally rely on the theory of reasoned action (Fishbein & Ajzen, 1975) or the theory of planned behavior (Ajzen, 1991) to examine antecedents of EI. Although these studies have highly contributed to our understanding of the entrepreneurial process, they are often subject to a common threat. Namely, these studies are ultimately interested in explaining entrepreneurial behavior but they hardly question the underlying assumption that EI will indeed bring about the desired EA. The current paper posits that, even though intentions are found to be a good predictor for behavior, this assumption is too often taken for granted. In fact, several studies in psychological literature demonstrate that intentions are not always (fully) translated into action. In psychological literature, this phenomenon is frequently referred to as the 'intention-behavior gap' (Godin, et al., 2005; Sniehotta, et al., 2005), meaning that the intention-behavior relationship is strong but not perfect. In day-to-day life, numerous examples exist of people who, for example, do not (fully) succeed in realizing their intentions to stop smoking or start exercising. Similarly, Mintzberg and his colleagues have found that strategic intentions do not necessarily convert into strategic outcomes (Mintzberg, 1978; Mintzberg & Waters, 1985). Based on the abovementioned arguments, we expect to find a similar discrepancy between intention and behavior when it comes to entrepreneurship. Therefore, entrepreneurship scholars should take into account this potential gap when studying EI as a predictor for EA. Consequently, the aim of this study is to observe EI of extant private family firms and examine how socioemotional wealth (SEW) considerations, defined as family related non-financial goals, may hamper the transmission of EI into EA.

We argue family firms constitute a unique and appropriate context to analyze the relationship between EI and EA because family-related non-financial goals may hinder the transmission of intentions into actions. In family business literature, SEW refers to these non-financial goals and is currently seen as a dominant paradigm in the field (Berrone, Cruz, & Gomez-Mejia, 2012). More specific, SEW refers to the nonfinancial 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 (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007) and may drive family business behavior to a large extent. SEW is often depicted as a prosocial and positive stimulus for family firms but recent developments in family business literature have shown that SEW also has a dark side (Kellermanns, Eddleston, & Zellweger, 2012). Namely, family-centric behavior can have detrimental consequences for other stakeholders when the family seeks to maintain or extend its SEW endowment. In the current paper, we especially focus on this negatively valenced dark side of SEW as a potential barrier in transmitting EI into EA. Building on the intention-behavior literature mainly developed in applied psychology (Gollwitzer & Sheeran, 2006; Schwarzer, 2008; Webb & Sheeran, 2008), we suggest that family-centric decisions - aimed at the preservation of their SEW - will prevent their intentions (EI) to be effectively put into practice (EA), leading to an intention-behavior gap. Therefore, we introduce the dark side of SEW as a moderating variable on the EI-EA relationship and argue that in private family firms the dark side of SEW moderates the relationship between EI and EA, in such a way that a family firm's EIs will be less positively related to their EA when the level of SEW preservation is higher.

Our study contributes to the literature in several ways and we believe it has potential implications for entrepreneurship -as well as family business research. First, we contribute to the intention-action literature by empirically testing this relationship in an entrepreneurial context. The relationship between EI and EA appears to be more complex than stated. Especially in private family firms, the dark side of SEW may thwart the successful transmission of EI into EA. Next, SEW is more and more becoming the dominant paradigm in the family business field but yet, little is known on how these non-financial family goals intervene in the entrepreneurial process. We contribute to family business literature by expanding on the dark side of SEW and illustrating how it hampers the EI-EA relationship.

The rest of the article is structured as follows. In the first section, we introduce EI and EA as two distinct but related constructs. Next, the dark side of SEW is introduced as a moderating variable on the EI-EA relationship and our central hypotheses are derived. In the third section, the results of our empirical study will be presented and discussed. Finally, the paper ends with a discussion section where the major conclusions are highlighted and future research opportunities are presented.

5.3. Entrepreneurial intentions as an immediate determinant of entrepreneurial actions

EI can be linked to EA by building on insights from psychological literature where a great amount of literature is devoted to the relationship between intentions and actions. Namely, according to the theory of reasoned action and the theory of planned behavior (Ajzen, 1985, 1991; Fishbein & Ajzen, 1975), a person's intention to perform (or not to perform) a behavior is the immediate determinant of that action. In psychological literature, empirical evidence concerning the positive relationship between intentions and actions has been collected with respect to many different types of behavior (e.g. Ajzen & Fishbein, 1980; Schwarzer, 2008; Sheppard, Hartwick, & Warshaw, 1988). While these theories generally apply to a person's individual behavior, we can extrapolate certain insights from psychological literature to understand entrepreneurial behavior of private family firms because these firms are often small and highly influenced by one person, the CEO (Zahra & Pearce II, 1989). Even more, intention models have proven to be far more predictive in explaining entrepreneurial behavior than merely using situational or personal factors (Krueger, et al., 2000). This makes the use of intention models an important opportunity to increase our ability to understand and predict EA. Also, intention models provide useful insight to any planned behavior, like for example strategy formation. When we look at the literature on strategy formation in organizations (e.g. Mintzberg, 1978; Mintzberg & Waters, 1985), we see that this stream of literature has a great deal of common characteristics with the intention-behavior literature found in psychological journals. More specifically, the concepts of intended and realized strategy are of central importance in strategic literature. Taken together, intentions offer critical insight into the underlying process that leads to EA. The predictive power of intentions might be even stronger in explaining entrepreneurial behavior of private family firms because these firms are often small, have high ownership concentration, and are frequently dominated by one person (Fiegener, Brown, Dreux IV, & Dennis Jr, 2000; Zahra & Pearce II, 1989). Therefore, we suggest that a family firm's intention to be entrepreneurial is an important driver of their actual entrepreneurial activity. Therefore, we propose the following baseline hypothesis:

Hypothesis 1: A family firm's entrepreneurial intentions are positively related with their entrepreneurial actions.

5.4. Socioemotional wealth in family firms: Placing a curbe on the implementation of entrepreneurial intentions

5.4.1. Intention behavior gap

Although there appears to be general agreement among psychologist that intentions are a good predictor for the expected behavior, there are many factors that can obstruct the intention-behavior relation. Namely, there appears to be common agreement among social psychologists (Heider, 1958; Lewin, 1951) that most human behavior is goal-directed but having the intention to act is only a first step to goal realization because people often face problems en route to goal attainment (Gollwitzer & Sheeran, 2006; Mintzberg & Waters, 1985). The relative importance of intentions in the prediction of behavior is expected to vary across situations, the level of will power, and commitment towards performing the intended behavior (Ajzen, 1991). It follows that when intentions are not (fully) realized, a 'gap' abounds between intentions and actions. When it comes to firm-level entrepreneurship, this proven gap between intentions and actions becomes crucial to understand the entrepreneurial process in private family firms. In the next section, we focus on this 'intention-behavior gap' in private family firms and see how SEW preservation affects the entrepreneurial process in private family firms. More specific, we introduce SEW preservation as a moderator on the EI-EA relationship. In sum, we argue that a family firm's EIs will be less positively related to their EA when the level of SEW preservation increases.

An explanation for this way of thinking can be found in psychological literature where there is growing evidence that people often do not fully behave in accordance with their intentions (e.g. Gollwitzer & Sheeran, 2006; Schwarzer, 2008; Webb & Sheeran, 2008). In everyday life, numerous examples exist of people who do not succeed in realizing their intentions. This phenomenon is a primary concern in applied psychology and is denominated as the 'intention-behavior gap' (Godin, et al., 2005). A significant stream of research (e.g. McBroom & Reed, 1992; Orbell & Sheeran, 1998; Sheeran, 2002) has decomposed the intention-behavior relation in terms of a 2*2 matrix where goal intention (to act vs. not to act) is confronted with goal achievement (acted vs. did not act). A review by Sheeran (2002) found that those who intend to act but do not act accounted for the largest part in the 2*2 matrix. In sum, people might 'get derailed' (Gollwitzer & Sheeran, 2006, p. 77) while pursuing their goal intentions because many situational contexts or self-states are not conductive to intention realization.

5.4.2. Entrepreneurial intentions, socioemotional wealth, and entrepreneurial actions in private family firms

An increasing number of studies shows that family firms are different from other organizations in significant ways. Also, when looking at family firms as a group, individual differences exist between these firms. To explain many of these differences, Gomez-Mejia et al. (2007) developed a general 'socioemotional wealth' (SEW) model which has become a dominant paradigm in the family business field since it helps explain the behavior of these firms (Berrone, et al., 2012). Namely, SEW literature (e.g. Berrone, et al., 2012; Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012; Gómez-Mejía, Cruz, Berrone, & De Castro, 2011; Gómez-Mejía, et al., 2007) posits that family firms are often motivated by, and committed to, the preservation of their SEW, referring to nonfinancial aspects or affective endowments of family owners. Perpetuating the family dynasty, creating jobs for family members, having the ability the exercise family influence or maintaining family control are all examples of such nonfinancial aspects that drive the behavior of family firms. Moreover, when family firms make strategic choices or decisions, gains or losses in SEW represent their pivotal frame of reference (Berrone, et al., 2012). It is clear that SEW has a bright side because it can lead to higher levels of commitment, trust, long term orientation, etc (e.g.Berrone, et al., 2012; Gómez-Mejía, et al., 2011). Nevertheless, SEW may also serve as a motivation for self-serving behavior on the side of the family and clarify why some family firms place family needs above those of the firm and its stakeholders (Kellermanns, et al., 2012). In family business literature, this family-centric behavior is often referred to as the dark side of SEW (Kellermanns, et al., 2012) which is often associated with an inefficient use of firm resources. Altruism, nepotism, and creating or saving jobs for incompetent family members are examples of the dark side of SEW. In the context of our study, this dark side of SEW is appropriate to understand the relationship between EI and EA in private family firms. In fact, when family firms are faced with a potential threat to their SEW, they are willing to make decisions that are not driven by an economic logic. Family firms that are highly loss averse when it comes to the preservation of their SEW, we argue, are prepared to put their entrepreneurial intentions aside and behave in order to preserve their SEW. For example, when a family firm has planned to introduce a new product (EI) but after a while it seems this innovation requires the knowledge and capabilities of an external non-family manager, the firm may choose not to launch the product (EA) in order to preserve their SEW, leading to a gap between EI and EA. In what follows, we build on insights from psychological literature to elaborate our argument.

More specifically, we draw on the goal systems theory of Kruglanski, Shah, Fishbach, Chun and Sleeth-Keppler (2002) to develop our argument. The goal systems theory focuses on how different goal-systems may be activated at the same time and how they may compete with each other for mental resources (Kruglanski, et al., 2002). This theory further suggests that goal systems are highly context-dependent and that the activation of these goals may occur in some contexts only but not others (Barch, 1999; Kruglanski, et al., 2002; Wegner, 2002; Wilson, 2002). In addition, goal systems theory suggests that goal-pursuit is resource dependent, so that the greater the investment of resources in pursuit of a given goal, the less resources should be available for alternative goals or means because mental resources are limited (Kruglanski, et al., 2002). This means that progress towards a focal goal (implementation of a firm's EI) may be hampered when the firm also strives for other goals (SEW) because these goals may pull resources away from each other, and hence undermine goal commitment (Kruglanski, et al., 2002). In line with these arguments, a meta-analysis by Klein, Wesson, Hollenbeck and Alge (1999) found that reduced goal commitment leads to reduced task performance.

Also, when we look at Mintzberg and Waters' (1985) strategy formation process, we find a similar discrepancy between what firms want to do (intended strategy) and what firms actually do (realized strategy). In their study, Mintzberg and Waters' (1985) present a number of potential reasons why a firm's realized strategy often differs from what they planned to do in advance. One of the reasons they put forth in their articles is the issue of 'unrealized strategy' (Mintzberg, 1978; Mintzberg & Waters, 1985), referring to intended strategies that do not get realized. Jenkins and Johnson (1997) found empirical support for Mintzberg and Waters' (1985) strategy formation process by demonstrating that entrepreneurial intentions are not always related to entrepreneurial actions. Given the above arguments from psychological and strategic literature, we argue that the dark side of SEW reduces the family firm's commitment towards implementing EI, generating a certain amount of unrealized intentions. More specifically, we argue that the more importance the family attaches to the preservation of their SEW, the more their EI will not get realized, resulting in a reduced level of EA.

Taken together, we propose that the dark side of SEW plays a crucial moderating role in the EI-EA relationship in family firms because it reduces their commitment towards the implementation of their EI. Thus, to understand the EI-EA relation in a family business context, we need to consider the importance they attach to the preservation of their SEW. Therefore we propose the following:

Hypothesis 2: The dark side of socioemotional wealth will moderate the relationship between a family firm's EI and their EA, in such a way that a family firm's EI will have a less positive effect on their EA when the level of socioemotional wealth preservation increases.

5.5. Research method

5.5.1. Sample

The sampling frame was taken in the 2012-2013 period from a wider study investigating succession and governance issues in private family firms in Flanders, which is the northern region of Belgium. In family business literature, there is a broad variety of proxies that have been used in the empirical literature to capture the family firm construct (e.g. Rutherford, Kuratko & Holt, 2008; Gómez-Mejía et al., 2011). In this study, we made use of frequently selected criteria of ownership and management control (Chua et al., 1999) and CEO's perception of being a family firm (Westhead & Cowling, 1998) to select an operational definition of family firms. As a consequence, in this paper, a firm is classified as a family firm if (1) at least 50 per cent of the shares are owned by the family, the company is family managed or the family is responsible for the strategic choices or succession decisions, or (2) at least 50 per cent of the shares are owned by the family, the company is not family-managed but the CEO perceives the firm as a family firm. A total number of 3600 firms were randomly selected from a family business database. A response rate of 12.5% resulted in 452 surveys. In our final sample we excluded firms that employed less than 5 people (n=23), non-family firms (n=38), and cases with missing values on relevant variables (n= 198). This resulted in a final sample of 193 cases. Correlations of the variables used in the regression analysis are specified in Table 15, supplementary descriptives are presented in Table 16.

5.5.2. Variables and measures

Entrepreneurial Intentions. We defined EI as the firm's willingness to create new value within an existing organization. This is expressed by the firm's intention to engage in innovative, proactive and risky actions. In line with prior research (e.g. Fini, Grimaldi, Marzocchi, Sobrero, 2012) we operationalized the EI construct using an adaptation of the nine-item Miller/Covin and Slevin (1989) EO scale. Since the Miller/Covin and Slevin (1989) scale incorporates items that reflect both dispositions and behaviors (Covin & Lumpkin, 2011), we transformed all items to intentions. For example, original items of the Miller/Covin and Slevin (1989) scale like "In dealing with its competitors, my firm typically initiates actions to which competitors then respond", were transformed to "In general, my firm has the intention to initiate actions to which competitors then respond". The nine-item scale had sound measurement properties, a Cronbach's alpha value of 0.84 suggesting high internal consistency and reliability. Also, we included a question in our survey to determine whether the firm's EI were stable over time. We deleted those cases who indicated that their intentions changed during the last few years (37 cases). The exact items for the EI-scale can be found in Table 13.

Entrepreneurial Actions. Miller and Friesen's (1982) seven-item index was used to measure the firm's EA. Here, the focus is on actions that were effectively carried out by the firm rather than their mere intentions. The Cronbach's alpha for the EA scale was 0.89, suggesting high internal consistency and reliability. The exact items for the EA-scale can be found in Table 14.

Table 13: EI scale

Here, we illustrate the exact items that were used to capture a family firm's EI. All items followed a seven-point Likert scale (1= your company best fits the statement on the left, 7=your company best fits the statement on the right). This scale is an adaptation of the 9- item Miller/Covin and Slevin scale (1989). In general, my firm has the intention to:

emphasize the marketing of tried-and-true products or services	1 2 3 4 5 6 7	Emphasize R&D, technological leadership, and innovations
market no new lines of products or services	1 2 3 4 5 6 7	market very many new lines of products or services
favor minor changes in product or service lines	1 2 3 4 5 6 7	favor dramatic changes in product or service lines
respond to actions which competitors initiate	1 2 3 4 5 6 7	Initiate actions to which competitors then respond
be very seldom the first business to introduce new products/services, administrative techniques, operating technologies, etc.	1 2 3 4 5 6 7	be very often the first business to introduce new products/services, administrative techniques, operating technologies, etc.
avoid competitive clashes, preferring a "live-and-let-live" posture	1 2 3 4 5 6 7	adopt a very competitive, "undo-the-competitors" posture
to favor low-risk projects (with normal and certain rates of return)	1 2 3 4 5 6 7	favor high-risk projects (with chances of very high returns)
explore the environment gradually via cautious, incremental behavior	1 2 3 4 5 6 7	initiate bold, wide-ranging acts to achieve the firm's objectives
adopt a cautious, "wait-and-see" posture in order to minimize the probability of making costly decisions	1 2 3 4 5 6 7	adopt a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities

Table 14: EA scale

Here, we illustrate the exact items (Miller & Friesen, 1982) that were used to capture a family firm's EA. All items followed a seven-point Likert scale (1= not agree, 7= totally agree). A higher score on this scale indicates a higher level of EA. The scale items are: • Our company has introduced many new products or services over the past three years. • Our company has made many dramatic changes in the mix of its products and services over the past three years. • Our company has emphasized making major innovations in its products and services over the past three years. • Over the past three years, this company has shown a strong proclivity for high-risk projects (with chances of very high return). • This company has emphasized taking bold, wide-ranging actions in positioning itself and its products (services) over the past three years. • This company has shown a strong commitment to research and development (R&D), technological leadership, and innovation. • This company has followed strategies that allow it to exploit opportunities in its external environment.

Socioemotional Wealth preservation. As previously discussed, socioemotional wealth can be defined as "non-financial aspects of the firm that meet the family's affective needs" such as the ability to exercise family influence, maintaining family control and the perpetuation of the family dynasty (Gómez-Mejía et al., 2007). Furthermore, according to Gómez-Mejía et al. (2007), managerial choices in family firms will be driven by a desire to preserve and enhance the family's SEW because they are likely to see potential gains or losses in SEW as their primary frame of reference in the management of the firm. In this study, we focus on the dark side of SEW by using the following 6 items: 1) in delegating responsibilities and selecting new managers, being a family member is a big advantage, 2) family members deserve other remuneration than non-family members, 3) providing jobs for the family is one of the main goals of the firm, 4) successors need to be chosen from the family, 5) creating/saving employment for the family is a main objective, 6) independence in management is an important objective for the firm. The respondents were asked to indicate to what extent they agree with each item on a 7-point Likert scale (1= totally disagree, 7=totally agree). The variables included in the scale loaded at one single factor and capture the main elements of the dark side of SEW because they are family-centric and, from an economic point of view, they often lead to sub-optimal decisions (Kellermanns, et al., 2012). The questions were summed into one single index, and the Cronbach's alpha reliability coefficient of the SEW scale was found to be 0.64. Furthermore, we ran a CFA to evaluate model fit for our self constructed SEW measure. We use a two-index presentation strategy, combining standardized root mean squared residuals (SRMR) and Comparative Fit Index (CFI), as suggested by Hu and Bentler (1999). Although there is no single cut-off value for what constitutes adequate fit, SRMR values lower than 0.05/0.08 and CFI values higher than 0.90/0.95 generally indicate acceptable fit. Therefore, the employed psychometric properties for our SEW variable (SRMR= 0.014, CFI= 0.947) provide good overall fit (Hu & Bentler, 1999).

Control variables. To ensure proper model specification, we included several control variables in our model. In particular, we included numerous firm-level variables such as firm size (e.g. Casillas & Moreno, 2010; De Clercq, Dimov, & Thongpapanl, 2010), measured as the natural logarithm of the number of full-time employees in 2012; firm industry (e.g. Casillas & Moreno, 2010; De Clercq, et al., 2010), measured through four dummy variables that allow for five major business lines to be differentiated: manufacturing, construction, wholesale, retail, and services; past performance, measured as the 3-year ROA average

(2010-2012), because it seems that past performance affects a firm's actual entrepreneurial behavior (e.g. Cruz & Nordqvist, 2012; Tsai, 2001); liquidity, measured as the 3-year average of firm's current ratio (2010-2012). We control for liquidity because high liquidity firms are more inclined to put their EI into practice (e.g. Wiklund & Shepherd, 2005). All control variables were drawn from the Belfirst database of Bureau Van Dijk. In Belgium, all firms are obliged to file their financial statements to the National Bank of Belgium which is the most important source where Bureau Van Dijk retrieves its information from. We were able to match the data of our study with the financial records of the Bureau Van Dijk database using the firm's name and VAT identification number. Furthermore, by using two different sources of data, common method bias concerns are alleviated (Podsakoff, MacKenzie, Jeong-Yeon, and Podsakoff, 2003).

Nevertheless, we are aware of the fact that gathering data from the same source in the same survey can result in common method bias. Therefore, we applied Harman's single-factor test (Harman, 1967), as described by Podsakoff, MacKenzie, Jeong-Yeon and Podsakoff (2003). All the self-reported variables in the study were entered into an unrotated factor analysis to assess the numbers of unique factors that emerged. If common method variance is a concern, than only one primary factor should emerge, or a small number of factors should explain the majority of variance among the variables. We entered all relevant variables into an unrotated factor analysis, which resulted in six factors with eigenvalues greater than one. Moreover none of the single factors explained over 20% of variance in the data. Although this analysis does not fully rule out the possibility of common method bias, it does reduce our concern for a common method factor. For this reason, we conclude that common method variance is not a key issue in current study. Also, we tested for the possible existence of non-response bias. Since prior literature advocates that late respondents are comparable to non-respondents (Kanuk and Berenson, 1975; Oppenheim, 1996), the late respondents were treated as representative of non-respondents and were compared with the early respondents. We used t-tests to analyze potential differences between early respondents and late respondents who answered the survey in the second round after sending a reminder. These t-tests indicated no statistically significant differences between the late and early respondents, alleviating our concern for potential non-response bias.

5.5.3. Analysis and results

Table 15 shows the correlations between all variables included in our analysis. The correlation table clearly shows that EI and EA are highly correlated ($r= 0.7327$, $p < 0.01$), which gives a first indication for a positive relationship between EI and EA. To test our hypotheses, we used robust linear regression analysis (see Table 17).

Table 15: Correlation table

	1	2	3	4	5	6	7	8	9	10
1. EI	1.00									
2. EA	0.73***	1.00								
3. SEW	0.06	0.09	1.00							
4. Manufacturing (dummy)	0.24***	0.13*	-0.10	1.00						
5. Construction (dummy)	-0.22***	-0.14**	0.01	-0.36***	1.00					
6. Wholesale (dummy)	-0.01	0.04	-0.06	-0.26***	-0.23***	1.00				
7. Retail (dummy)	0.03	0.08	0.07	-0.22***	-0.20***	-0.14**	1.00			
8. Firm size (Ln employees)	-0.01	-0.00	-0.04	0.13*	-0.03	0.04	-0.09	1.00		
9. Return on Assets 2010-2012	-0.10	-0.11	0.07	-0.12	0.11	0.03	-0.07	-0.01	1.00	
10. Current Ratio 2010-2012	-0.13*	-0.09	0.11	-0.01	0.14**	-0.08	-0.02	-0.04	0.10	1.00

*,**,*** Significance at 0.10 0.05 and 0.01, respectively

Table 16: Descriptives

	Minimum	Maximum	Mean	Standard Error
Entrepreneurial actions (7-49)	7	47	24.70	8.82
Entrepreneurial intentions (9-63)	9	57	33.91	8.75
Socioemotional wealth (6-42)	9	40	22.35	6.07
Number of employees	5	261	26.74	27.05
Past performance (ROA)	-14.42	47.83	5.43	8.02
Liquidity (Current Ratio)	0.23	29.45	2.77	3.75

	Percentage of observations
Firm Industry	
Manufacturing	29.02%
Construction	23.83%
Wholesale	14.51%
Retail	10.88%
Services	21.76%

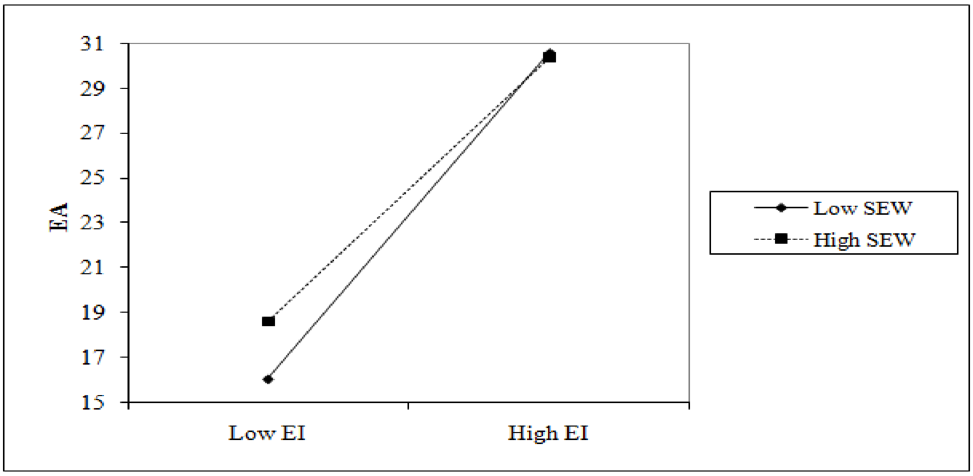
Table 17: Robust linear regression analysis, 2 Models

Dependent variable: Entrepreneurial Actions	**Model 1**		**Model 2**	
	β	S.E.	β	S.E.
Controls				
Firm Characteristcs				
Firm Size	0.1220	0.5893	0.0704	0.6059
Return on Assets	-0.0478	0.0579	-0.0565	0.0615
Current Ratio	0.0187	0.0964	-0.0100	0.0970
Industry[a]				
Manufacturing	0.2116	1.2104	0.5936	1.2096
Construction	1.3251	1.4024	1.6643	1.3949
Wholesale	2.0118	1.5419	2.2694	1.5320
Retail	2.3048	1.6228	2.3516	1.6101
Hypothesis				
EI	0.7463***	0.0480	0.7487***	0.0483
SEW			0.0879	0.0703
EI*SEW			-0.0132*	0.0070
R^2	0.5482		0.5569	
F	36.12***		28.91***	

N=193
*,**,*** Significance at 0.10 0.05 and 0.01, respectively
[a] Suppressed category for the firm's industry is "services"

Model 1 is used to test our first hypothesis, namely whether a family firm's EI are positively related with their EA. Indeed, after controlling for firm size, industry, past performance, and liquidity, model 1 indicates that EI positively contributes ($\beta = 0.75$, $p < 0.01$) to EA, providing support for our first hypothesis. Next, the second model includes the interaction effect of SEW (EI*SEW), to test our second hypothesis where we proposed that EI will have a less strong effect on EA when the level of SEW increases. We use robust linear regression analysis, to test this interaction effect, after mean centering EI and SEWdark to reduce multicollinearity concerns. Also, we use robust standard errors to correct for potential heteroscedasticity. At this time, the following regression formula was used: $EA = \alpha + \beta_1 EI + \beta_2 SEW + \beta_3 EI*SEW + \delta\ Controls + \varepsilon$. The interaction term was found to be weakly significant and negatively related to EA ($\beta = -0.0132$, $p < 0.10$), which is consistent with hypothesis 2. It can be seen in Figure 6 that in firms with a high degree of SEW preservation, the positive relationship between EI and EA is less intense than in firms with scant SEW preservation.

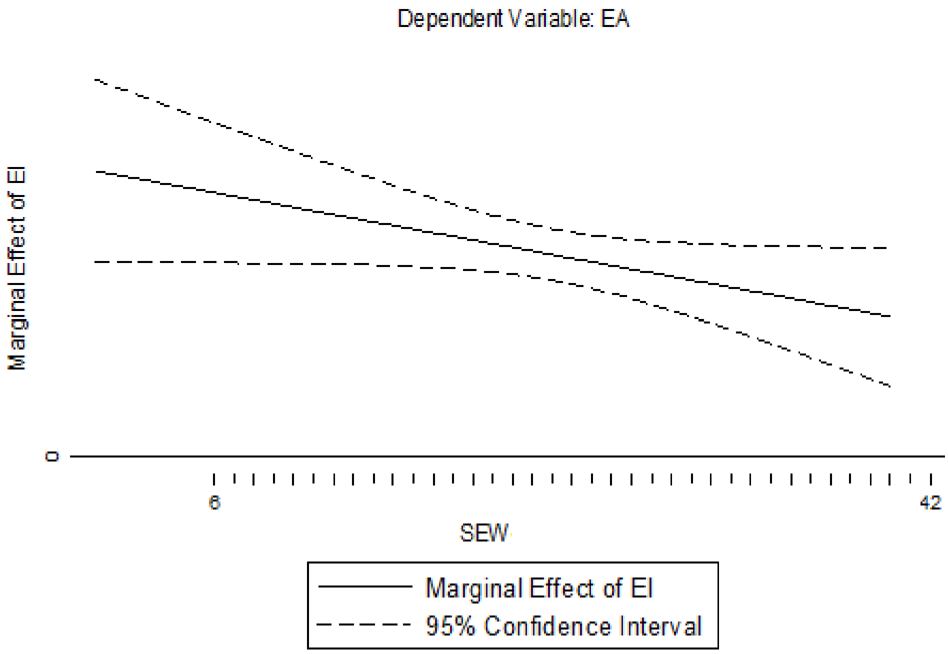
Figure 6: Interaction between EI and SEW



Nevertheless, researchers should calculate marginal effects even if the interaction coefficient is significant because it might be the case that the interaction effect is not significant between certain values of the moderating variable (Brambor, Clark, & Golder, 2006; Kam & Franzese, 2007). The solid line in Figure 7 clearly presents the marginal effect of EI on EA. The marginal effect of X (EI) on Y (EA) can be expressed by the following equation: $\frac{\partial EA}{\partial EI} = \beta_1 + \beta_3 SEW$. We look at the marginal effect of X (EI) on Y (EA) by taking into account the relevant elements of the variance-covariance matrix and recalculate the standard errors (Brambor et al., 2006). The dotted lines adjoining the solid line present the 95% confidence interval, which allows us to determine the conditions under which EI has a statistically significant effect on EA.

Thus, the EI-EA relationship is significant when both the upper and lower bounds of the confidence interval in Figure 7 are above (or below) the zero line. In our case, it is thus clear that a family firm’s EI has a significant positive effect on their EA for all relevant SEW values. We can therefore conclude that, in a family business context, EI leads to EA but this positive relationship decreases when the family attaches more importance to the preservation of their SEW.

Figure 7: Marginal effect of a family firm's EI on their EA as SEW changes



5.6. Discussion and conclusions

In entrepreneurship literature, there is an implicit assumption that that EI lead to EA (Jenkins & Johnson, 1997). Although this is often the case, the assumption that intentions are sufficient to bring about the desired outcome is challenged in the fields of strategic management (e.g. Mintzberg, 1978; Mintzberg & Waters, 1985) and psychological literature (Godin, et al., 2005; Sniehotta, et al., 2005). A conflict in values or goals can slow, stop and even divert intended action (Bird, 1988). While family firms continuously need to balance family- and business goals, this paper differentiates and links EI and EA in a family business context.

The results of this study offer support for the hypotheses that EI is indeed an important determinant of EA in family firms, but the positive effect decreases when the level of SEW preservation increases. These findings are encouraging in a number of respects. First, they provide empirical support for the intention-behavior relationship which is often studied in psychological literature. As far as we know, this relationship, has not been extrapolated to an entrepreneurial context in its current form. By suggesting a bridge between both research fields, current paper offers a wide array of future research possibilities for entrepreneurship researchers to study the entrepreneurial process from a psychological perspective.

Also, by introducing SEW into the entrepreneurial process, we contribute to family business literature by demonstrating a potential penalty of the dark side of SEW (Kellermanns, et al., 2012). Namely, our findings provide empirical support for the fact that the dark side of SEW moderates the EI-EA relationship in such a way that an increasing level of these family-centric goals affects the transmission of EI into EA. In other words, family firms may plan to act entrepreneurially (EI), but in the end these plans may not be fully realized due to their SEW preservation. For example, investments in R&D and innovation often require a long and resource consuming process in order to be successful. So, having the intention to invest in R&D is only a first step to goal realization. While the dark side of SEW is known to incite struggles for control among family branches and between potential successors (Kellermanns, et al., 2012), it pulls resources away and undermines the family's commitment towards these investments, leading to an intention-behavior gap.

Furthermore, we contribute to the ongoing debate in EO literature around the controversial question whether EO must be seen as a dispositional or a behavioral construct (Covin & Lumpkin, 2011). Without choosing either side in this discussion, this paper throws in to this matter by expanding it to an intention-behavior debate. Namely, we show that both conceptualizations of EO are highly related since a disposition or intention towards entrepreneurial behavior often leads to the preferred behavior. Nevertheless, we show that certain variables, like the dark side of SEW, may cause this relationship to be less straightforward than expected. More specific, due to their SEW preservation, family firms can get derailed while pursuing their entrepreneurial intentions resulting in an intention-behavior gap. Second, while most EO researchers are interested in the effect of EO on firm performance, we also contribute to this line of research. In general EO is assumed to have a positive effect on a firm's financial performance but empirical results are often inconclusive (Rauch, Wiklund, Lumpkin, & Frese, 2009). We believe our results may help EO researchers to gain a better understanding of the relationship between EO and performance by taking into account the proven gap between EI and EA.

Despite we carefully designed our study, this research still suffers from some limitations. First of all, our study is based on a cross-sectional design which means we only look at a snapshot to explore the EI-EA relationship in private family firms. However, cross-sectional designs are widely used in intentions research without losing robustness or validity (Krueger, et al., 2000). Nevertheless, measuring intentions and actions in the same survey can result in social desirability bias. Therefore, future research can investigate the EI-EA relationship by introducing a time lag between the measurement of EI and EA because this may reduce potential social desirability bias. Next, this study takes an important step towards an increased understanding of a family firms EI and their realized EA. While there is a relationship between EI and EA, the relationship is more complex- it depends on the level of SEW preservation since it pulls resources away and challenges the family's commitment towards implementing their EI. Nevertheless, our study did not investigate the 'successfulness' of the firm's EA. Stated differently, it might be possible that family firms suffer from an intention-behavior gap when it comes to their EI-EA relationship while at the same time, they can be very successful over generations. Therefore, future research may investigate the extent to which EA mediates the relationship between a family firm's EI and its actual financial performance.

Finally, our study has an important practical implication. Namely, entrepreneurs, advisors and consultants will all benefit from a better understanding of how intentions are transformed into actions. Even more important, our intention-based model yields useful practical applications in private family firms since we have shown that a family firm context may impede the transmission of EI into EA. Since family firms make decisions with SEW preservation as their primary reference point (e.g. Gómez-Mejía, et al., 2011; Gómez-Mejía, et al., 2007), consultants and advisors must be aware of these non-financial aspects when they are involved in the entrepreneurial process of private family firms.

6. Chapter 6 Conclusion

6.1. Outline

The objective of this dissertation was to enhance the understanding of entrepreneurship in family firms. Through the bundling of four independent studies, this dissertation adds to current literature by identifying and filling several gaps related to this topic. This final chapter summarizes the empirical findings of each of these studies and, accordingly, it discusses the main theoretical and practical implications of this dissertation. The conclusions are structured as follows. Section 6.2 summarizes the main empirical findings of each of the chapters. Theoretical implications are presented in section 6.3, providing an interpretation of the results by relating the findings to extant theory. In section 6.4, practical implications of the dissertation are presented. Finally, section 6.5 concludes with some suggestions for future research.

6.2. Empirical findings

Findings Chapter 2. The objective of this chapter was to analyse the relationship between the generational stage of the CEO and family firm EO. Based on a sample of 211 private family firms, the results of Chapter 2 show that the generational stage of the CEO is an important antecedent of EO. More specific, firms that are lead by founder CEOs have higher levels of EO than firms that are lead by descendant CEOs. So, it seems that an individual-level variable (CEO) can affect a firm-level outcome (EO). Nevertheless, all family firms included in this sample were limited liability companies which makes them legally obliged to have a board of directors. Therefore, we investigated how the board influences EO in these firms.

Hence, based on notions from family orientation and identity theory, this study not only finds that founder-led firms show higher levels of EO than firms that are led by subsequent generations, but also, board behavior is found to mediate these relationships. Taken together, family firm CEOs have the power to influence organizational-level outcomes, like EO, but they will exert their power through the board of directors. Our results suggest that founder CEOs are more inclined to adopt the roles and social identity of an "entrepreneur" business builder and consequently use their power to positively influence board behavior. Descendant CEOs, on the other hand, use their power to serve family issues leading to decreased board behavior. We distinguished between two specific board tasks that are most relevant to understand their behavior, namely the board's control task and the board's service task. We found that both board tasks are positively related with EO. More specific, it seems that boards with a well established control role try to protect shareholders' interest and ensure that the firm remains entrepreneurial. With regard to the board's advise task, the provision of advice and counsel complements the knowledge and resource base of the management team which induces cognitive conflict that, in the end, enhances the firm's EO.

Findings Chapter 3. The study represented in Chapter 3 investigates the extent to which a family firm's orientation towards time affects their EO. Family firms are often said to have longer planning horizons since they generally want to pass the firm to the next generation. Also, patient capital is a common characteristic of many family firms which gives them the opportunity to plan for the long-run. Therefore, family firms are often said to have a long-term orientation (LTO). Previous research (Zahra, Hayton, & Salvato, 2004) has positioned LTO as a resource for family firms to engage in entrepreneurship since an LTO enables family firms to pursue investment opportunities that non-family firms with short-term horizons do not consider worthwhile (Bertrand & Schoar, 2006; Zellweger, 2007). The aim of this chapter was to elaborate on LTO as a potential resource for EO by introducing participative decision making (PDM) as a moderating mechanism in the LTO-EO relationship, where PDM refers to the degree to which the firm's main strategic and operating decisions are made through consensus seeking versus individualistic or autocratic processes by the formally responsible executive (Covin, Green, & Slevin, 2006). The idea of resource orchestration suggests that managers need to orchestrate their resources (LTO) in order to realize any potential advantage (EO). Hence, in Chapter 3 the role of PDM as a coordinating mechanism in the LTO-EO relationship was investigated using data from 209 private family firms. The central finding of this study is that, in general, a family firm's LTO contributes to higher levels of EO. Moreover, when the firm employs a PDM style, the positive relationship between LTO and EO becomes even stronger. Even more, our analysis suggest that a minimum level of PDM is required in order for LTO to result in higher levels of EO. These findings are in line with the idea of resource orchestration which suggest that simply possessing a resource (LTO) is not a sufficient condition to result in a competitive advantage (EO).

Findings Chapter 4. In this chapter, we investigated the EO-performance relationship in private family firms. Since many years, researchers generally agree on the fact that EO positively influences a firm's financial performance

(Rauch, Wiklund, Lumpkin, & Frese, 2009). Although many different approaches and samples have been used to study the EO-performance relationship, research has only recently started to investigate this relationship in a family business context. Early efforts have been made to investigate how the distinctive character of family firms influences the EO-performance relationship. For example, Casillas et al. (2010) found that EO only has a positive effect on firm growth in second-generation family firms. Nevertheless, although family firms constitute a distinctive context to study the EO-performance relationship, much work remains to be done. Indeed, although these studies provide interesting insights, they are subject to a common threat in family firm research. Namely, these studies too often rely on reductionist proxies (e.g. the percentage of family members in management functions or the composition of the board of directors) to capture the distinctive character of family firms. Instead, researchers should investigate family firm heterogeneity based on their actual behavior rather than simply looking at these reductionist proxies. Therefore, the aim of this chapter was to study the EO-performance relationship by introducing a moderating variable that captures the essence of family firms, namely, socioemotional wealth (SEW). As a dominant paradigm in family business research, SEW refers to all the non-financial aspects of the firm that meet the family's affective needs (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). Family firms are often loss averse when it comes to the preservation of their SEW and therefore they will behave in order to preserve these non-financial benefits. From an analysis of 232 Belgian private family firms, empirical results supported a positive EO-performance relationship. These findings are in line with prior research (e.g. Rauch, et al., 2009) and show that the positive EO-performance link also applies to a family business context.

Nevertheless, we find that the level of a firm's EO is less positively related to firm performance when the level of SEW preservation is high and even becomes insignificant when SEW is extremely high. Hence, our results show that SEW hampers the transmission of EO into financial performance. Even more, when the family attaches too much importance on the preservation of these non-financial benefits, firm resources will be used inefficiently and the family won't be able to reap the fruits of their entrepreneurial efforts.

Findings Chapter 5. In Chapter 5 we delved deeper into the relationship between entrepreneurial intentions (EI) and entrepreneurial actions (EA) of private family firms. Based on insights from applied psychology, we argue that even though intentions are found to be a good predictor for behavior, this assumption is too often taken for granted. Indeed, entrepreneurship scholars frequently use intention models to explain and predict EA without questioning the underlying assumption that EI will indeed result in the desired outcome (EA). In fact, several studies in applied psychology argue that intentions are not always (fully) translated into action. In psychological literature, this phenomenon is frequently referred to as the 'intention-behavior gap' (Godin, Conner, & Sheeran, 2005; Sniehotta, Scholz, & Schwarzer, 2005), meaning that the intention-behavior relationship is strong but not perfect. Based on a sample of 193 private family firms, we find that the EI-EA relationship in private family firms is indeed strong but not perfect. Moreover, the dark side of SEW seems to moderate the EI-EA relationship in such a way that a family firm's EI will have a less positive effect on their EA when the level of socioemotional wealth preservation increases. Our results are in line with psychological literature where the 'intention-behavior gap' is a widely accepted phenomenon.

6.3. Theoretical implications

This section addresses how our study contributes to existing literature. Both family business and entrepreneurship literature are well established research fields that attract substantial attention. Yet the overlap of both fields - entrepreneurship in family firms- is still a relatively young and unexplored research topic. The aim of this dissertation was to enhance the understanding of entrepreneurship in private family firms and, consequently, their financial performance. By combining different theories and perspectives, our findings shed light on this particular topic. A multi-theoretical approach is essential to understand the many dynamics and mechanisms that influence entrepreneurship in family firms. The distinctive character of family firms makes it difficult to understand their behavior by simply relying on a "one size fits all" theory. Therefore, this dissertation relies on insights from different fields.

Hence, our main theoretical contribution lays in combining theories and insights from different research fields to enhance our understanding of entrepreneurship in family firms. First, we discuss the relevance of each of these theories and perspectives in understanding the behavior of enterprising families. Next, we discuss the dissertation's contribution to the debate on family firm heterogeneity.

6.3.1. Contributions to the drivers of EO in private family firms

In entrepreneurship research a family firm's EO is often attributed to the CEO on the premise that corporate strategy and entrepreneurial choices are particularly amenable to the influence of CEO characteristics (e.g. Chatterjee & Hambrick, 2007). Stated differently, family firm CEOs have the power to influence organizational-level outcomes like EO. Prior literature has shown that firms that are lead by founder CEOs have higher levels of EO than firms that are lead by descendant CEOs (Miller & Le Breton-Miller, 2011). Although it seems that an individual-level variable (CEO) can affect a firm-level outcome (EO), the underlying mechanism remains a bit vague. To this end, Chapter 2 contributed to extant literature by introducing the board of directors as a mediating variable and theoretically link board behavior to EO. In doing so, insights from agency theory and resource dependence perspectives were combined. In conclusion, Chapter 2 not only contributes to entrepreneurship- and family business literature but also to literature on corporate governance since we provide theoretical arguments that link board behavior with EO.

Next, the idea of resource orchestration is that managers play a central role in the exploitation of firm resources (Sirmon, Hitt, Ireland, & Gilbert, 2011). Indeed, Sirmon et al.'s (2011) idea of resource orchestration advocates that what a firm does with its resources is at least as important as which resources it possesses. In other words, possessing resources alone does not guarantee the development of competitive advantage. Building on these insights, Chapter 3 theoretically contributes to EO research where the role of mangers is largely underdeveloped, especially in terms of processes and actions they initiate and oversee (Kraaijenbrink, Spender, & Groen, 2010). Indeed, the dominant view has been to rely on resource based theory to position LTO as a resource for EO (Zahra, et al., 2004). By introducing the idea of resource orchestration into this debate, this dissertation enhances our understanding of the LTO-EO relationship.

6.3.2. Contributions to the EO-performance relationship in private family firms

In entrepreneurship literature, there has been a tendency to associate sales growth with business success. Nonetheless, sales growth is only one step towards business success (profitability) because other factors, like SEW, need to be taken into account. Indeed, most family firms aim to achieve a combination of financial and nonfinancial goals (Sharma, 2004). Drawing on SEW literature, this dissertation theoretically elaborates how family related non-financial goals intervene in the entrepreneurial process. More specific, we provide theoretical arguments why SEW engenders inefficiencies that place constraints on the realization of EO. Although EO is essentially a growth orientation (Lumpkin & Dess, 1996), which is almost universally portrayed as a good thing, we show that it does not automatically make the firm profitable. Furthermore, Chapter 4 connects to Kellermanns et al.'s (2012) novel perspective of SEW. That is, SEW has two sides, namely, a bright side and a dark side. This involves that SEW preservation can lead to favorable (e.g. employee commitment, emotional attachment, better environmental performance) and unfavorable outcomes (e.g. altruism, incompetent family managers, inefficient use of firm resources) in family firms. In Chapter 4 we argue that it is especially the dark side of SEW that moderates the relationship between EO and financial performance.

6.3.3. Insights from psychological literature

As already mentioned, the unique character of family firms makes it difficult to understand their behavior by solely relying on a "one size fits all" theory. Therefore, this dissertation looks beyond the traditional approaches in entrepreneurship research and explores the applicability of insights from other domains. In Chapter 5, we rely on insights from applied psychology to explore the EI-EA relationship in private family firms. At first glance, 'entrepreneurship in family firms' and 'applied psychology' might seem two irreconcilable fields. Nevertheless, this dissertation shows that we can extrapolate certain insights from psychological literature to understand entrepreneurial behavior of private family firms. Even more, the intention-behavior debate in Chapter 5 contributes to EO literature where scholars disagree about the fundamental nature of EO (Covin & Lumpkin, 2011). Indeed, the scholarly community continues to disagree whether EO exists as a dispositional or behavioral phenomenon. Without choosing either side in this discussion, Chapter 5 theoretically shows that both conceptualizations of EO are very much related since a disposition or intention towards entrepreneurial behavior often leads to the preferred behavior. Nevertheless, insights from applied psychology show that certain variables, like the dark side of SEW, may cause this relationship to be less straightforward than expected.

6.3.4. Family firm heterogeneity

When studying entrepreneurship in family firms, scholars too often rely on reductionist proxies (e.g. the percentage of family members in management functions or the composition of the board of directors) to gauge the degree of "familiness" in these firms (Gómez-Mejía, Cruz, Berrone, & De Castro, 2011). Moreover, studies that investigate family firms versus non-family firms reported contrasting and inconclusive results. Hence, when studying entrepreneurship in family firms, it is necessary to investigate family firm heterogeneity (Sharma &

Nordqvist, 2007) based on their actual behavior rather than simply looking at these reductionist proxies.

This manuscript acknowledges that family firms are a heterogeneous group and that their entrepreneurial activity must be interpreted accordingly. In Chapter 3 we discriminated family firms on the basis of their orientation towards time and showed that it determines their predisposition towards entrepreneurship. Next, besides their particular time orientation, family firms are often concerned with the preservation of their SEW (Gómez-Mejía, et al., 2011). Indeed, family firms are often loss averse when it comes to their SEW and they will behave in order to preserve these non-financial benefits (Gómez-Mejía, et al., 2007). Chapter 4 and Chapter 5 indicate that family firms vary on the importance they attach to the preservation of their SEW which, in the end, influences their entrepreneurial process. Taken together, family firms are a heterogeneous group when it comes to their orientation towards time and the importance they attach to the preservation of their SEW. Therefore, when describing entrepreneurship in private family firms, researchers should acknowledge the heterogeneous character of this most common organizational form.

6.3.5. General contributions

One of the main conclusions from this body of research is that general theories can only be used with caution when applied in a family business context. As argued in this PhD, family firms are a distinct organizational form where family, ownership, and management frequently overlap and interact with each other. This idiosyncratic character makes the field of family businesses an interesting research area where the use of insights from traditional business research is put to a test. Indeed, although we are in favor of defending a pluralistic theoretical approach, the use of general management theories might be too myopic when studying entrepreneurship in private family firms. We showed that the resource-based view (RBV) of the firm has been a popular approach for studying entrepreneurship in family firms (e.g. Zahra et al., 2004, Habbershon & Williams, 1999). In short, the RBV presents an established theoretical model to examine the relationships among firm-level processes, assets, strategy, performance, and sustainable competitive advantage for the family firm (Habbershon & Williams, 1999). The underlying rational behind the RBV is that firms that possess resources that are valuable and rare may be able to create a competitive advantage (Sirmon, et al., 2007). These resources can both be physical (e.g. financial resources) and intangible (e.g. trust and unity) and the RBV posits that when these resources are also inimitable and lack substitutes, their value creation may be sustainable (Barney, 1991). Since the idiosyncratic character of family firms provides them with a distinctive bundle of resources that are often different from non-family firms (Habbershon & Williams, 1999), the RBV gives researchers in the field of family businesses an appropriate means to analyze them (Dyer, 2006). Nevertheless, current dissertation questions the genuine applicability of the RBV in family firms. Hence, we enhance current knowledge about the RBV in these firms and contribute to research on its efficacy. In sum, we posit that, for family firms, merely possessing valuable and rare resources does not guarantee the development of competitive advantage or the creation of value (Sirmon et al., 2007). We rely on the idea of resource orchestration to suggest that managers play a central role in the exploitation of firm resources (Sirmon et al., 2011). Family firms undoubtedly have unique characteristics that *may* lead to an advantage in the marketplace like, for example, a more trustworthy reputation, higher commitment to the business, and higher levels of trust. Nevertheless, while a family firm's resource profile may contribute to higher levels of entrepreneurship and/or performance, we believe these resources must be effectively integrated and deployed in order to achieve competitive advantage. Stated differently, this study contributes to the literature on the RBV by exploring the moderating influences of behavioral variables (e.g. PDM and SEW) on the degree to which family firm specific resources are able to contribute to higher levels of entrepreneurship and/or performance. RBV research is essentially silent about these moderating effects (Sirmon, 2007). In sum, the exploration of contingency effects is key to our understanding of the RBV in the family firm context because resources need to be orchestrated and leveraged in order to gain a competitive advantage (e.g. Sirmon et al., 2011; Eddleston, Kellermanns & Sarathy, 2008)

Besides the RBV of the firm, we rely on other theories and perspectives (e.g. insights from applied psychology, agency theory, power literature) to increase our understanding of entrepreneurship in private family firms. We believe this theoretical pluralism must be seen as a good thing since it prevents family firm scholars from drawing hard boundaries around family firm studies. Nevertheless, family firm research may benefit from a generally accepted theoretical perspective through which family firm behavior can be analyzed in order to gain academic legitimacy for the field. Although some attempts have been made to build new theories that capitalize on the distinctive character of family firms, none of them has gained enough traction to become the prevailing framework. Recently, however, some scholars are positioning SEW as a dominant theoretical perspective in the family business field (e.g. Berrone, Cruz, & Gomez-Mejia, 2012; (Gomez-Mejia, Cruz, Berrone, and De Castro, 2011). Since SEW is solidly anchored in the family business literature, we believe it has the *potential* to become the dominant paradigm in the field but much work remains to be done. In current dissertation we contribute to the expansion of SEW as the dominant paradigm in several ways. First, rather than using SEW as a feature to distinguish family firms from non-family firms, current dissertation moves away from this black-and-white approach by recognizing the giant diversity within the group of family firms. Next, this study extends the literature on SEW by showing that it not only affects family firm behavior but also serves a moderating mechanism that alters relationships that are often widely accepted in the general literature (e.g. EO-performance relationship, intention-action relationship). Thus, we show that SEW is more than an (in)dependent variable and we encourage future researchers to investigate how SEW, as a contingency variable in a family business context, may affect other generally accepted relationships.

Also, this study extends the SEW perspective by elaborating on its dark side (Kellermanns et al., 2012). It is known that SEW plays a pivotal role in the behavior of family firms (Gómez-Mejía et al., 2011) but whether these non-financial aspects are beneficial or detrimental for family firm success is still an open question. Up to now, SEW was generally portrayed as a good thing since it positively contributes to, for example, family firm's corporate responsibility (Berrone et al., 2010) and proactive stakeholder engagement (Cennamo, Berrone Cruz & Gómez-Mejía, 2012). Recently, however, Kellermanns et al. (2012) suggested that SEW can also have detrimental consequences for stakeholders when the family seeks to maintain or extend its SEW, referring to the dark side of SEW. Based on the findings of this dissertation, we contribute to the ongoing discussion whether SEW is a good or a bad thing. Taking an explicit position in this discussion is difficult because we suggest that both sides (dark and bright) can exist at the same time. Hence, depending on the research model, researchers should decide themselves whichever side of SEW is dominant in the context of their study. Stated differently, the dark side of SEW lays in the relationship to be studied rather than in the construct itself. For example, SEW can increase the trustworthiness and commitment of family employees (bright side) but at the same time SEW may engender inefficient use of firm resources and incompetent family management (dark side). We believe the concept of SEW can only flourish if researchers bear in mind its two faces because a unified view of SEW might be too straightforward.

6.4. Practical implications

Numerous practical implications for family firms and their advisors emerge from this study. First and foremost, the findings of this dissertation point to the risk of giving general advice on enhancing entrepreneurship in family firms without considering their heterogeneous character. This dissertation shows that family firms cannot be treated equal. The constellation in family firms can differ substantially and so do the respective drivers and outcomes of entrepreneurship. This idea has carefully been demonstrated in current doctoral research, where it was found that family related non-financial goals (SEW) as well as their orientation towards time and the generational stage of the CEO can have a significant impact on the entrepreneurial behavior of family firms. We therefore want to encourage family business advisors to take into account the heterogeneous character of these firms. In this regard, multiple lessons can be learned from our work. With regard to succession in private family firms, our results suggest that that family firms that are lead by descendant CEOs show lower levels of EO than founder-led family firms. From a financial point of view, these findings might seem worrying because a drop in EO is said to ultimately reduce financial performance (Wiklund, 1999). Nevertheless, when making business decisions, family firms combine a mix of family-oriented goals and business-oriented goals. For that reason, instead of simply maximizing financial returns, consultants should help family firms to find a sustainable equilibrium between these seemingly opposite goals. This dissertation has mainly focused on the negative aspects of family goals. Our findings indicate that SEW hampers the transmission of EI into EA and ultimately hinders the EO-performance relationship. On the one hand, these findings indicate that family objectives may prevent family firms to fully exploit their entrepreneurial abilities. On the other hand, family dynamics should not always be regarded as detrimental to firm success. For example, SEW can increase commitment and trustworthiness of family employees which helps them to survive periods of economic downfall. Also, Chapter 3 learns us that a family firms with a LTO are more prone to pursue investment opportunities that non-family firms with short-term horizons do not consider worthwhile. Taken together, consultants should recognize the distinctive character of family firms and create a positive setting where the business serves the family and, at the same time, the family contributes to the expansion of the business.

Our results also provide some guidance with regard to practical recommendations on how family firms can exploit one of their main strengths, namely their long-term orientation (LTO). Our findings in Chapter 3 are particularly helpful in this regard as they suggest that participative decision making (PDM) facilitates the transmission of a family firm's LTO into higher levels of EO. In this regard, we urge managers and board members to strive for a context in which PDM is an everyday occurrence. That is, major operating and strategic decisions should result from consensus oriented decision making rather than giving a single individual the formal responsibility to make these decisions because the involvement of different levels of management in the decision making process will ensure managerial commitment (Huang, Shi, Zhang, & Cheung, 2006) and prevent that relational conflicts will prevail (Eddleston, Otondo, & Kellermanns, 2008). Taken together, even though sharing information and power among decision makers can sometimes be very time-consuming, it definitively helps family firms to successfully exploit their LTO.

On the contrary, findings of Chapter 2 indicate that private family firms are often dominated by a single decision maker, namely the CEO. One should be wary that even in family firms that have a board of directors, it is very often the CEO who is the dominant decision maker. More specific, the results of Chapter 2 indicate that family CEOs often use their power to influence the behavior of the board in accordance with their personal priorities. Powerful CEOs are highly involved in director selection (Alderfer, 1986), they can limit the information they provide to the board and falsify facts in order to pursue their own objectives (Rutherford, Buchholtz, & Brown, 2007). Our results suggest that descendant CEOs place higher preference on family matters and therefore, they will exert influence over the board to promote these family issues, in such a way that it hampers effective board behavior. With regard to these findings, we will formulate some suggestions that could possibly contribute to existing codes on corporate governance. In September 2005, Belgium published a Corporate Governance Code for non-listed companies (Code Buysse). At that time, Belgium was the first country to publish such a good governance code and various countries followed their example. The general aim of this code was to provide recommendations and supply firms with a tool for doing business in an untroubled and efficient way. Although this code already has specific recommendations for family enterprises, we believe there is still some room for improvement. First of all, we advise family firms to lay down some formal rules in a family charter. As proposed by the Code Buysse, a family charter can include rules concerning the family's financial objectives, governance of the family business, and communication issues. We believe that, especially in later generation family firms, such a family charter can be an interesting tool to avoid conflicts between the -sometimes very powerful- CEO and other displeased family members. Thus, to reduce the possibility that dominant CEOs will abuse their power, we suggest to make a formal agreement in the family charter regarding the distribution of responsibilities, expectations of the board, and communication, amongst others. For the moment, Code Buysse only makes suggestions and recommendations that do not have a compulsory character. Stated differently, family firms are free to choose whether they establish a number of playing rules in a family charter or not. Although the creation of a family charter in itself is not compulsory, family firms can choose to make the charter legally binding. Regarding the findings in Chapter 2, such a legally binding charter can be an interesting tool for family founder CEOs. Indeed, when the time has come to pass the firm to the next generation, the founder may choose to establish such a legally binding charter in order to prevent that the descendant CEO will use the firm as a tool to serve personal or family needs. Of course, each charter has to be custom made and founders must have the flexibility to choose which rules they want to include in the charter depending on their needs and the relevancy for the firm. Taken together, the benefits of such a charter are versatile since it can limit the influence and opportunistic behavior of dominant CEOs. Nevertheless, few family firms actually have such a formal code of conduct. Therefore, we encourage the government to give more visibility to the existence of a family charter and promote its establishment to family firms by communicating its large amount of possibilities and advantages.

6.5. Concluding note and suggestions for future research

In summary, we reach with this dissertation our objective to gain deeper insight in entrepreneurship in family firms. We did this by providing the answer on our research questions in four different essays. First, we revealed how the board of directors mediates the relationship between CEO generation and EO. Second, we explored LTO as a potential driver for a family firm's EO. We found that involving different managers in the decision making process, were decisions are made based on consensus, facilitates the LTO-EO relationship. Third, we explored the EO-performance relationship in a family business context. Here, we found that family related non-financial goals, like SEW, may prevent the firm to reap the fruits of their entrepreneurial efforts. Fourth, we revealed that SEW preservation can also thwart the EI-EA relationship, leading to an intention-behavior gap.

We believe our results are inspiring and hope future research will build on our train of thought. When studying entrepreneurship in family firms, future research must acknowledge the giant diversity in this type of firms and further elaborate on how behavioral variables intervene in the entrepreneurial process. Hence, we need to obtain a better understanding of the conditions under which family presence can boost or stifle a firm's entrepreneurial behavior. This dissertation is a step in the right direction but several challenges remain. First, a more nuanced investigation of family goals can seriously advance our understanding of entrepreneurship in family firms. For example, the importance of inheritance, identification, family values, and altruism may vary across families. Therefore, examining how different SEW dimensions (Berrone, Cruz, & Gomez-Mejia, 2012) intervene in the entrepreneurial process may be a fruitful direction for future research. Moreover, family goals may evolve as the firm passes through generations. Therefore, future research may benefit from investigating the effects of SEW on entrepreneurship and financial performance in a more longitudinal study. Finally, future research may want to build on the quantitative evidence regarding the importance of family dynamics obtained in this study with more qualitative, in-depth analysis. For example, scholars could elaborate on the relationship between the CEO and the board of private family firms by organizing in-depth interviews with multiple respondents per business family.

7. Appendix

7.1. Questionnaire 2002-2003

Management in Vlaamse (familie)bedrijven.

(De door u verstrekte informatie zal strikt vertrouwelijk behandeld worden.)

1. Algemene ondernemingsgegevens

1.1 In welk jaar werd de onderneming opgericht? ……………………………………..

1.2 Hoeveel werknemers (in voltijdse equivalenten) telt het bedrijf momenteel?……..

1.3 Hoeveel % van de huidige omzet wordt gerealiseerd in buitenlandse markten?

□ 0% □ 1-25% □ 26-50% □ 51-75% □ 76-99% □ 100%

1.4 In welke ontwikkelingsfase is het bedrijf te situeren:

□ startfase □ groeifase □ maturiteitsfase □ consolidatiefase

2. Vragen betreffende het management van de onderneming

2.1 Hoeveel leden telt het management? ………………

2.2 Indien de onderneming een familiale onderneming is, hoeveel familieleden maken deel uit van het managementteam? ……………….

2.3 Gelieve in de volgende tabel aan te geven hoe de samenstelling van het **managementteam** gewijzigd is gedurende de afgelopen drie jaren.

	Toegevoegd aantal **familiale** leden	**Toegevoegd** aantal niet-**familiale** leden	**Vertrokken** aantal **familiale** leden	**Vertrokken** aantal niet-**familiale** leden	Korte reden voor wijziging
2002					
2001					
2000					

3. Vragen betreffende de gedelegeerd bestuurder/algemeen directeur[1] van de onderneming

3.1 De bedrijfsleider is
□ eerste generatie ondernemer
□ familiaal opvolger (2de generatie of meer)
□ manager van buiten de familie

3.2 Geslacht: □ man □ vrouw

3.3 Leeftijd: ……………..

[1] Deze vragen hebben betrekking op de persoon die verantwoordelijk is voor het leiden van de onderneming, verder aangeduid met de term **bedrijfsleider**.

3.4 Hoogst behaalde diploma:
□ lager of middelbaar onderwijs
□ hoger onderwijs buiten de universiteit korte type
□ hoger onderwijs buiten de universiteit lange type
□ universitair onderwijs

3.5 Type diploma: □ economisch □ technisch □ ander:…………………………

3.6 Aantal jaren actief in deze functie: ………………………………………
Aantal jaren actief in deze onderneming: ………………………………..
Aantal jaren actief in deze industrie: ……………………………………

3.7 Functionele ervaring opgedaan in het huidige bedrijf of andere bedrijven, voorafgaand aan deze functie en aantal jaren:
□ marketing of verkoop (……. jaren)
□ onderzoek en ontwikkeling (……. jaren)
□ productie (…….. jaren)
□ aankoop/logistiek (……… jaren)
□ financiën (…….. jaren)
□ juridisch (……... jaren)
□ administratief (…….. jaren)

3.8 In hoeverre is de bedrijfsleider actief in Raden van Bestuur? *(meerdere antwoorden mogelijk)*
□ niet actief in Raden van Bestuur
□ actief in de Raad van Bestuur van deze onderneming
□ actief in ……. (aantal) Raden van Bestuur van andere ondernemingen

4. Samenstelling van de Raad van Bestuur.

4.1 Hoeveel leden telt de Raad van Bestuur?……………………………

4.2 Indeling Raad van Bestuur volgens relatie met de onderneming:

	Man	Vrouw
• Hoeveel leden zijn "**interne bestuurders**" (=managers van de onderneming zonder familieband)?		
• Hoeveel leden zijn "**familiale tewerkgestelde bestuurders**" (= familieleden van de bedrijfsleider tewerkgesteld binnen de onderneming)?		
• Hoeveel leden zijn "**familiale niet-tewerkgestelde bestuurders**" (= familieleden van de bedrijfsleider niet tewerkgesteld binnen de onderneming)?		
• Hoeveel leden zijn "**geaffilieerde bestuurders**" (= bestuurders die een vertrouwensrelatie hebben met de onderneming zoals bankiers, advocaten en accountants)?		
• Hoeveel leden zijn **externe bestuurders met een aandeel in het kapitaal**?		
• Hoeveel leden zijn **externe bestuurders zonder aandeel in het kapitaal**?		

4.3 Is de bedrijfsleider tevens voorzitter van de Raad van Bestuur?
□ ja □ nee

4.4 Indien de Raad van Bestuur externe bestuurders telt:
Wat is hun eigenlijke beroepsactiviteit? ....
....
Vanaf welk jaartal zetelen externe bestuurders in de Raad van Bestuur? ....
Voor welke termijn zetelen externe bestuurders in de Raad van Bestuur? ....

4.5 Hoeveel leden van de raad van bestuur zijn vertegenwoordigers van investeringsmaatschappijen/venture capitalists? ....

4.6 Welke managementfuncties zijn vertegenwoordigd in de Raad van Bestuur *(aankruisen a.u.b.)*:

Algemeen manager	
Financieel manager	
Marketing of sales manager	
Productie of operationeel manager	
Onderzoek & Ontwikkeling manager	
Andere:	

4.7 Gelieve in de volgende tabel aan te geven hoe de samenstelling van de **Raad van Bestuur** gewijzigd is gedurende de afgelopen drie jaren.

	Toegevoegd aantal **familiale** leden	**Toegevoegd** aantal **niet-familiale** leden	**Vertrokken** aantal **familiale** leden	**Vertrokken** aantal **niet-familiale** leden	Korte reden voor wijziging
2002					
2001					
2000					

4.8 Wordt er in de onderneming gebruik gemaakt van een **adviesraad**? □ ja □ nee
Wordt er in de onderneming gebruik gemaakt van **comités** binnen de Raad van Bestuur?
□ ja □ nee Indien ja, welke?...

5. Taken van de Raad van Bestuur

5.1 In kolom 1 van de volgende tabel worden een aantal mogelijk taken vermeld voor de Raad van Bestuur. Geef in de tweede kolom aan in welke mate u deze taken belangrijk vindt voor een Raad van Bestuur. Duidt vervolgens in de laatste kolom aan in welke mate de Raad van Bestuur in uw onderneming deze taken reeds vervult.

Taak/Rol	**Mate van belang** 1 = niet belangrijk, 5 = zeer belangrijk	**Score eigen Raad van Bestuur** 1 = slecht, weinig aandacht 5 = zeer goede score, voldoende aandacht
	1 ---- 2 ---- 3 ---- 4 ---- 5	**1 ---- 2 ---- 3 ---- 4 ---- 5**
Opbouw ondernemingsreputatie	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □

Taak/Rol	Mate van belang 1 = niet belangrijk, 5 = zeer belangrijk	Score eigen Raad van Bestuur 1 = slecht, weinig aandacht 5 = zeer goede score, voldoende aandacht
Adviseren van het management	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Zorgen voor toegang tot extra middelen	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Regelen opvolgingsproblematiek	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Formuleren/Goedkeuren ondernemingsstrategie	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Maximaliseren aandeelhouderswaarde	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Evalueren/Controleren van managementprestaties	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Lonen/compensaties van het management bepalen	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Selecteren van nieuwe managers	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Verantwoordelijkheden management bepalen	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □
Netwerken en onderhouden van relaties	□ ---- □ ---- □ ---- □ ---- □	□ ---- □ ---- □ ---- □ ---- □

5.2 Hoeveel percent van hun tijd besteden bestuurders gemiddeld aan de in volgende tabel beschreven taken (bij benadering)?

	Gemiddeld % van bestede tijd (totaal 100%)
Luisteren naar rapporteringen en controleren van beslissingen.	
Bediscussiëren en goedkeuren van beslissingen	
Adviseren met betrekking tot cruciale punten	
Lezen van documenten	
Netwerken en relatiemanagement	

5.3 Hoe wordt de tijd verdeeld bij de activiteit '**Luisteren naar rapporteringen en controleren van beslissingen**' (bij benadering)?

Luisteren naar rapporteringen en controleren:	*Gemiddeld % van bestede tijd (totaal 100%)*
Omtrent recente financiële resultaten	
Van de algemeen directeur/bedrijfsleider	
Van andere belangrijke bedrijfsmanagers	
Van andere belangrijke familieleden	

5.4 Hoe wordt de tijd verdeeld bij de activiteit '**Bediscussiëren en goedkeuren van beslissingen'**?

Bediscussiëren en goedkeuren van beslissingen	*Gemiddeld % (totaal 100%)*
Formele beslissingen (lonen, dividenden)	
Omtrent ondernemingsstrategie	
Omtrent relatie familie-eigenaars en bedrijf	

5.5 Hoe wordt de tijd verdeeld bij de activiteit '**Adviseren omtrent cruciale punten** '?

Adviseren omtrent cruciale punten:	*Gemiddeld % (totaal 100%)*
Toekomstige markten, producten en investeringen	
Bedrijfsorganisatie	
Opvolgingskwestie	
Kwesties betreffende familiale leden	
Overige: ………………………………………………	

5.6 Hoe wordt de tijd verdeeld bij de activiteit '**Netwerken en relatiemanagement**?

Netwerken en relatiemanagement	*Gemiddeld % (totaal 100%)*
Binnen Raad van Bestuur	
Met bedrijfsmanagement	
Met familie	
Met werknemers en vakbonden	
Met aandeelhouders en stakeholders	
Met andere ondernemers, belangenorganisaties	
Met banken en andere kapitaalverstrekkers	

6. <u>Processen binnen de Raad van Bestuur</u>

6.1. Ten opzichte van wie dient de Raad van Bestuur zich te verantwoorden?
(1 = weinig belangrijke groep, 5 = zeer belangrijke groep)

	1 ---- 2 ---- 3 ---- 4 ---- 5
Familie	□ ---- □ ---- □ ---- □ ---- □
Eigenaars	□ ---- □ ---- □ ---- □ ---- □
Werknemers	□ ---- □ ---- □ ---- □ ---- □
Aandeelhouders	□ ---- □ ---- □ ---- □ ---- □
Klanten/Leveranciers	□ ---- □ ---- □ ---- □ ---- □
Vakbonden	□ ---- □ ---- □ ---- □ ---- □
Milieuorganisaties	□ ---- □ ---- □ ---- □ ---- □
Leefgemeenschap	□ ---- □ ---- □ ---- □ ---- □

6.2 Hoe frequent vergadert de Raad van Bestuur:
Formeel overleg: gemiddeld ……../ jaar; duur/meeting gemiddeld ………uren
Informeel overleg: gemiddeld ……………………………………

6.3 Wie bepaalt de agenda? ………………………………………………………..

6.4. Wie draagt de verantwoordelijkheid voor de selectie van een nieuw bestuurslid?

□ de voltallige Raad van Bestuur
□ een beperkt comité samengesteld uit leden van de Raad van Bestuur
□ de voorzitter van de Raad van Bestuur
□ de eigenaar (meerderheidsaandeelhouder)

6.5 Hoe belangrijk zijn volgende criteria bij de keuze van een nieuwe bestuurder?
(1 = onbelangrijk criterium, 5 = zeer belangrijk criterium)

	1 ---- 2 ---- 3 ---- 4 ---- 5
kennis/ervaring in de sector/industrie	□ ---- □ ---- □ ---- □ ---- □
intelligentie	□ ---- □ ---- □ ---- □ ---- □
reputatie	□ ---- □ ---- □ ---- □ ---- □
kennis/ervaring in strategisch denken	□ ---- □ ---- □ ---- □ ---- □
reeds eerder succesvol als ondernemer	□ ---- □ ---- □ ---- □ ---- □
integriteit	□ ---- □ ---- □ ---- □ ---- □
diploma's	□ ---- □ ---- □ ---- □ ---- □
relatienetwerk	□ ---- □ ---- □ ---- □ ---- □
toegang tot nieuwe middelen (kapitaal, kennis, …)	□ ---- □ ---- □ ---- □ ---- □
onafhankelijkheid	□ ---- □ ---- □ ---- □ ---- □
functie ('s) in andere raden van bestuur	□ ---- □ ---- □ ---- □ ---- □

6.6 Hoe worden geschikte kandidaten geïdentificeerd?

□ via het persoonlijke netwerk van de leden van de Raad van Bestuur
□ via selectiebureaus (headhunters)
□ door het consulteren van bestaande databanken
□ andere: ………………………………………..

6.7 Hoeveel bedraagt de vergoeding van een <u>externe</u> bestuurder gemiddeld?

……………….. euro per vergadering of ………………… euro op jaarbasis

6.8 Hoe wordt de werking van de Raad van Bestuur geëvalueerd?

□ Formeel (schriftelijk)
□ Informeel/Ad Hoc
□ Geen evaluaties

6.9 Hoe frequent gebeurt de evaluatie van de bestuurders? ……………………

6.10 Wie evalueert de werking van de bestuurders?

□ de voorzitter van de Raad van Bestuur
□ een beperkt comité bestaande uit leden van de Raad van Bestuur
□ de volledige Raad van Bestuur
□ het managementteam
□ de aandeelhouders

6.11 Hoe belangrijk zijn volgende criteria bij een (eventuele) evaluatie van de individuele bestuurders?
(1 = weinig belangrijk criterium, 5 = zeer belangrijk criterium)

	1 ---- 2 ---- 3 ---- 4 ---- 5
Mate van dossierkennis (industrie, sector, product)	□ ---- □ ---- □ ---- □ ---- □
Specifieke expertise	□ ---- □ ---- □ ---- □ ---- □
Aanwezigheid tijdens vergaderingen	□ ---- □ ---- □ ---- □ ---- □

	1 ---- 2 ---- 3 ---- 4 ---- 5
Betrokkenheid	□ ---- □ ---- □ ---- □ ---- □
Alertheid bestuurder	□ ---- □ ---- □ ---- □ ---- □
Verantwoordelijkheidszin	□ ---- □ ---- □ ---- □ ---- □

6.12 Hoe vaak worden de volgende redenen aangewend om het beheersmandaat van een lid van de Raad van Bestuur te beëindigen?
(1 = nooit, 5 zeer regelmatig)

	1 ---- 2 ---- 3 ---- 4 ---- 5
Einde van een aanstellingstermijn	□ ---- □ ---- □ ---- □ ---- □
Onvoldoende aanwezigheid	□ ---- □ ---- □ ---- □ ---- □
Leeftijdslimiet	□ ---- □ ---- □ ---- □ ---- □
Onvoldoende resultaten/inbreng	□ ---- □ ---- □ ---- □ ---- □
Wijziging in arbeidssituatie	□ ---- □ ---- □ ---- □ ---- □

6.13 Hoe evalueert U globaal (taken en processen) de werking van de Raad van Bestuur van dit bedrijf?

	1 ---- 2 ---- 3 ---- 4 ---- 5	
Niet erg nuttig/tijdsverspilling	□ ---- □ ---- □ ---- □ ---- □	Extreem nuttig

7. De familie en het familieforum

7.1 Indien de onderneming een familiale onderneming is, welke (familie)generatie maakt momenteel het bestuur van de onderneming uit?
□ eerste □ tweede □ derde □ andere: ....
□ niet van toepassing (geen familiebedrijf) ⟶ ga naar vragenreeks 10

7.2 Hoeveel familieleden (grootouders, ouders, broers, zussen, dochters, zonen, neven en nichten) werken er in het bedrijf? ....

7.3 Hoeveel familieleden delen momenteel de controle (=aandelenbezit) over de onderneming? ....
Hoeveel van de familieleden die controle hebben over de onderneming zijn tewerkgesteld binnen de onderneming? ....
Hoeveel van deze controlerende familieleden zijn manager in het bedrijf? ......

7.4 Heeft de familie een **familieforum**[2] ingesteld?
□ ja
□ neen ⟶ ga naar vraag 7.9

7.5 Wie maakt er deel uit van dit familieforum?
□ alle familieleden, ook diegenen die niet in het bedrijf tewerkgesteld zijn of over geen aandelen beschikken
□ enkel die familieleden die in het bedrijf tewerkgesteld zijn en over aandelen beschikken
□ enkel die familieleden die aandelen hebben in de onderneming
□ ....

2 Ook genoemd familieraad of familiale vergadering.

7.6 Wie is de voorzitter van het familieforum?
- □ familielid (eventueel functie in de onderneming?..............................)
- □ extern iemand (eventueel functie in de onderneming?........................)

7.7 Hoe vaak komt het familieforum samen? ..../jaar

7.8 Wat zijn de bevoegdheden van het familieforum?
(1 = geen bevoegdheid, 5 = zeer belangrijke bevoegdheid)

	1 ---- 2 ---- 3 ---- 4 ---- 5
Bepalen van de familiale waarden	□ ---- □ ---- □ ---- □ ---- □
Bepalen van een familiale missie	□ ---- □ ---- □ ---- □ ---- □
Organiseren van de familie	□ ---- □ ---- □ ---- □ ---- □
Onderhouden van familiale relaties	□ ---- □ ---- □ ---- □ ---- □
Regelen van eigendomskwesties	□ ---- □ ---- □ ---- □ ---- □
Oplossen van familiale conflicten	□ ---- □ ---- □ ---- □ ---- □
Bewaken relatie familie - familiebedrijf	□ ---- □ ---- □ ---- □ ---- □
Opleiding/training voor familieleden organiseren	□ ---- □ ---- □ ---- □ ---- □
Organiseren sociale activiteiten voor familie	□ ---- □ ---- □ ---- □ ---- □
Opstellen van een familiaal charter	□ ---- □ ---- □ ---- □ ---- □

7.9 Heeft de familie een familiaal charter opgesteld?
- □ ja
- □ neen → ga naar vragenreeks 8

7.10 Wat wordt er in het familiaal charter geregeld?
- □ Waarden van familie en familiebedrijf
- □ Doelstellingen van de familie wat het familiebedrijf betreft
- □ Eigendom van het familiebedrijf
- □ Carrières in het familiebedrijf
- □ Vergoedingen (zowel familieleden als niet familieleden)
- □ Governance van het familiebedrijf en van de familie
- □ De leiding van het familiebedrijf
- □ De rol van niet-familieleden in het familiebedrijf
- □ Communicatie
- □ Familiale harmonie en conflict
- □ Andere elementen : ....

7.11 Met welke meerderheid kan het charter gewijzigd worden? ....% van de aandelen.

8. <u>Communicatie tussen familie, management en raad van bestuur</u>

8.1 Op welke wijze verloopt de communicatie tussen de **familie** en het **management** van de onderneming?
- □ Informeel
- □ Formeel: enkel schriftelijk
- □ Formeel: gezamenlijke vergaderingen
- □ Waarnemers familie in het management
- □ Speciale overlegcomités

8.2 Hoe frequent vindt er communicatie plaats tussen de **familie** en het **management**?

□ Jaarlijks □ Maandelijks
□ Halfjaarlijks □ Wekelijks
□ Trimestrieel □ Dagelijks

8.3 Wie communiceert? Zijn hierbij eventuele tussenpersonen betrokken?

……………………………………………………………………………

8.4 Welke zijn de belangrijkste topics die besproken worden bij overleg tussen de familie en het management?

………………………………………………………………………………………
………………………………………………………………………………………

8.5 Op welke wijze verloopt de communicatie tussen de **Raad van Bestuur** en de **familie**?

□ Informeel □ Waarnemers familie in de Raad van Bestuur
□ Formeel: enkel schriftelijk □ Speciale overlegcomités
□ Formeel: gezamenlijke vergaderingen

8.6 Hoe frequent vindt er communicatie plaats tussen de **Raad van Bestuur** en de **familie**?

□ Jaarlijks □ Maandelijks
□ Halfjaarlijks □ Wekelijks
□ Trimestrieel

8.7 Wie communiceert? Zijn hierbij eventuele tussenpersonen betrokken?

……………………………………………………………………………

8.8 Welke zijn de belangrijkste topics die besproken worden bij overleg tussen de familie en de Raad van Bestuur?

………………………………………………………………………………………
………………………………………………………………………………………

9. Opvolgingsproblematiek.

9.1 Is uw onderneming reeds bezig met de planning van de opvolging in het bedrijf?

□ ja
□ nee ⟶ ga naar vragenreeks 10

9.2 Hoe zal de opvolging verlopen?

□ Nog niet beslist.
□ Familiale opvolging (eigen kinderen).
□ Verkoop van het bedrijf aan een ander familielid.
□ Verkoop van het bedrijf aan derden.
□ Verkoop van het bedrijf aan het management (management buy–out).
□ Behoud familiale controle doch met een professioneel manager aan het hoofd.
□ Behoud familiale controle doch met een interim manager aan het hoofd.
□ Beursintroductie

9.3 In welk jaar zal vermoedelijk de opvolging plaatsgrijpen? …………………

10. De bedrijfsomgeving

Duidt op de volgende vijfpuntenschaal aan in welke mate U akkoord bent met volgende uitspraken:
(1)Totaal niet akkoord – (5) Volledig akkoord

	1 ------ 2 ----- 3 ---- 4 ----- 5
10.1. Binnen mijn industrietak:	
a. Moet mijn bedrijf *zelden* de marketingactiviteiten aanpassen om bij te blijven met de markt en de concurrenten.	□-------□------□------□------□
b. Is de snelheid waarmee producten verouderen *zeer laag* (bv. basismetalen).	□-------□------□------□------□
c. Zijn acties van concurrenten *zeer goed voorspelbaar*.	□-------□------□------□------□
d. Zijn de vraag naar het product en de consumentenvoorkeuren *zeer goed voorspelbaar*. (bv. bij melkproducten)	□-------□------□------□------□
e. Is de productie- en dienstentechnologie *goed ontwikkeld* en wijzigt deze zeer weinig. (bv. voor staalproducten)	□-------□------□------□------□
10.2. Hoe zou U uw bedrijfsomgeving omschrijven?	
a. Zeer veilig, *weinig dreiging* voor mijn bedrijf om te kunnen overleven.	□-------□------□------□------□
b. *Gunstig* investeringsklimaat en veel markt-opportuniteiten.	□-------□------□------□------□
c. Omgeving is *controleerbaar* en manipuleerbaar in de richting van een eigen voordeel, net zoals een dominant bedrijf dit kan in een industrietak met weinig competitie.	□-------□------□------□------□
d. Een omgeving met *weinig eisen* wat betreft technologische complexiteit.	□-------□------□------□------□
10.3. Hoeveel onderzoek- en ontwikkelingsactiviteiten (R&D) worden er ondernomen in uw voornaamste industrietak?	
Bijna geen onderzoek- en ontwikkelingsactiviteiten in mijn industrietak. (bv. bakker)	□-------□------□------□------□
10.4. Binnen mijn industrie ….	
a. Mijn onderneming kan succesvol zijn door de verkoop en dienstverlening te focussen op de regio waar ze gevestigd is.	□-------□------□------□------□
b. Onze onderneming kan succesvol zijn door enkel actief te zijn in België.	□-------□------□------□------□
10.5 Andere kenmerken van de belangrijkste industrietak waarin de onderneming actief is:	
a. De gemiddelde winstgevendheid binnen de industrie is *zeer laag*.	□-------□------□------□------□

	1 ------ 2 ----- 3 ---- 4 ----- 5
b.De verwachte lange-termijn winstgevendheid (vijf jaar of meer) in de industrie is *erg laag*.	□-------□------□------□------□
c.De marktgroei in onze industrie was gedurende de laatste drie jaar *erg laag*.	□-------□------□------□------□
d.De verwachte lange-termijn marktgroei (vijf jaar of meer) in de industrie is *erg laag*.	□-------□------□------□------□
e. In onze industrietak is de competitie tussen de collega´s-concurrenten *minimaal*.	□-------□------□------□------□

11. De ondernemingsstrategie

11.1 Duidt op de volgende vijfpuntenschaal aan in welke mate U akkoord bent met volgende uitspraken:
(1)Totaal niet akkoord – (5) Volledig akkoord

	1 ----- 2 ----- 3 ----- 4 ----- 5
a) Het is meestal uw bedrijf dat nieuwe acties initieert, de concurrenten hebben eerder een volgstrategie; zij reageren op uw acties.	□-------□------□------□------□
b) Ten opzichte van uw concurrenten, is uw bedrijf vaak het eerste om nieuwe producten of diensten, administratieve technieken of operationele technologieën te introduceren.	□-------□------□------□------□
c) Meestal hebben de topmanagers van uw bedrijf de neiging om concurrenten voor te zijn wat betreft de ontwikkeling van nieuwe ideeën of producten.	□-------□------□------□------□
d) De topmanagers van dit bedrijf leggen veel nadruk op R&D, technologisch leiderschap en innovatie.	□-------□------□------□------□
e) Uw bedrijf heeft de laatste vijf jaar veel nieuwe producten of diensten op de markt gebracht.	□-------□------□------□------□
f) De wijzigingen aangebracht aan de producten of diensten waren steeds vrij drastisch.	□-------□------□------□------□
g) Uw bedrijf en het management neigen naar hoge risico projecten, met de kans op hoge opbrengsten:	□-------□------□------□------□
h) Gezien de aard van de bedrijfsomgeving zijn krachtige, wijd reikende aanpakken nodig om de bedrijfsdoelen te bereiken.	□-------□------□------□------□
i) Wanneer mijn bedrijf geconfronteerd wordt met een onzekere situatie, tracht mijn bedrijf een stevige positie in te nemen om de kans te vergroten dat nieuwe opportuniteiten kunnen worden uitgebuit.	□-------□------□------□------□
j) Mijn bedrijf heeft een typische 'versla de concurrent' mentaliteit.	□-------□------□------□------□
k) Mijn bedrijf is erg agressief in de concurrentiële omgeving.	□-------□------□------□------□

11.2 Duidt op de volgende vijfpuntenschaal aan hoe belangrijk volgende objectieven zijn voor uw onderneming:
(1) Totaal onbelangrijk– (5) Zeer belangrijk

	1 ----- 2 ----- 3 ----- 4 ----- 5
Groei van de onderneming	□------□------□------□------□
Onafhankelijkheid in eigendom	□------□------□------□------□
Innovatief zijn	□------□------□------□------□
Produceren tegen de laagste kostprijs	□------□------□------□------□
Detecteren van nieuwe markten	□------□------□------□------□
Continuïteit in het familiaal karakter	□------□------□------□------□
Tewerkstelling creëren/behouden voor de familie	□------□------□------□------□
Onafhankelijkheid in management	□------□------□------□------□
Verbeteren van de productkwaliteit	□------□------□------□------□
Creëren van aandeelhouderswaarde	□------□------□------□------□
Hoge winstgevendheid	□------□------□------□------□
Een uniek(e) product/dienst op de markt brengen	□------□------□------□------□

12. Aandeelhoudersstructuur.

12.1 Hoeveel percent van de aandelen is in handen van (bij benadering):

Niet-familiale managers	..................%
Familiale managers	..................%
Familieleden (niet behorende tot het management)	..................%
Investeringsmaatschappijen	..................%
Werknemers	..................%
Andere:........................	..................%

12.2 Is er één persoon die meer dan 50% van de aandelen bezit?
□ ja □ nee

12.3 Bestaan er aandeelhoudersovereenkomsten? □ ja □ nee
Indien ja, wat wordt er geregeld?
□ Voorkooprecht (de aandelen worden eerst aan de bestaande aandeelhouders aangeboden, voor ze aan derden kunnen overgedragen worden)
□ Goedkeuringsrecht (aandelen kunnen slechts overgedragen worden mits de toestemming van een bepaald orgaan)
□ Andere zaken: ………………………………………………………………………..

HARTELIJK DANK VOOR UW MEDEWERKING!!
U mag de vragenlijst steeds anoniem doorsturen. Indien u uw adresgegevens invult sturen we u de resultaten van de studie op.

Naam onderneming:	
Adres:	*Straat:*
	Gemeente:
Naam respondent:	
Functie:	

7.2. Questionnaire 2012-2013

Enquête 'Overdracht en bestuur van familiebedrijven'

Naam onderneming:... Ondernemingsnummer:...
Functie respondent: ☐ CEO ☐ Gedelegeerd bestuurder ☐ Andere: ....
Email:..

1. Welke criteria zijn van toepassing op de onderneming? Kruis aan (meerdere antwoorden mogelijk):
NB: Een familie wordt in dit onderzoek beschouwd als een groep mensen die door bloedverwantschap of het huwelijk met elkaar verbonden zijn

☐ meer dan 50% van de eigendom is in handen van één familie
☐ één familie heeft beslissende invloed op de bedrijfsstrategie of op de opvolgingsbeslissingen
☐ een meerderheid of ten minste twee leden van het management zijn afkomstig uit de familie
☐ het bedrijf wordt als een familiebedrijf beschouwd
☐ het bedrijf is geen familiebedrijf
☐ het bedrijf was vroeger een familiebedrijf maar nu niet meer

2. Kenmerken van de Onderneming
2.1 Vennootschapsvorm: ☐ BVBA ☐ NV ☐ Andere: ....
2.2 Jaar van oprichting.............................. 2.3 Hoeveel werknemers werken voltijds op het bedrijf? ....
2.4 In welke sector is de onderneming actief?
☐ Ambacht/Industrie ☐ Handel ☐Horeca ☐ Bouw ☐ Diensten ☐Andere:..................
2.5 Hoeveel procent van de aandelen van uw bedrijf is (bij benadering) in handen van:
a) de bedrijfsleider: ....%
b) familiale managers (exclusief bedrijfsleider): ....%
c) niet-familiale managers (exclusief bedrijfsleider): ....%
d) familieleden die niet tot het management behoren: ....%
e) externe investeerders: ....%
f) andere, namelijk: ....%
2.6 Welke generatie heeft momenteel de eigendom in handen? (meerdere antwoorden mogelijk)
☐ 1ste generatie ☐ 2e generatie ☐3e generatie ☐ 4e generatie ☐ 5e of meer generatie
2.7 Welke generatie heeft momenteel het management in handen? (meerdere antwoorden mogelijk)
☐ 1ste generatie ☐ 2e generatie ☐3e generatie ☐ 4e generatie ☐ 5e of meer generatie

3. Gelieve onderstaande tabel in te vullen door een cijfer van 1 tot 7 te omcirkelen. (Indien u getal 1 omcirkelt dan sluit uw onderneming aan bij de linkse stelling, omcirkelt u getal 7 dan sluit uw onderneming aan bij de rechtse stelling)
In het algemeen heeft mijn bedrijf de intentie om:

Een sterke nadruk te leggen op de marketing van de huidige producten of diensten	1	2	3	4	5	6	7	Een sterke nadruk te leggen op onderzoek en ontwikkeling, technologisch leiderschap en innovatie
Geen nieuwe producten of diensten te introduceren	1	2	3	4	5	6	7	Veel nieuwe producten te introduceren
Enkel kleine aanpassingen aan te brengen aan bestaande producten of diensten	1	2	3	4	5	6	7	Radicale veranderingen aan te brengen aan haar producten of diensten
Te reageren op acties van de concurrenten	1	2	3	4	5	6	7	Zelf acties te initiëren waarop concurrenten zullen reageren
Zelden eerst te zijn met de introductie van nieuwe producten/diensten, operationele technologieën of administratieve technieken	1	2	3	4	5	6	7	Wel eerst te zijn met de introductie van nieuwe producten/diensten, operationele technologieën of administratieve technieken
Een concurrentiestrijd te vermijden en dus eerder zal kiezen voor een "leven en laten leven" houding	1	2	3	4	5	6	7	Een competitieve houding te aannemen waarbij het verslaan van de concurrent centraal staat
De voorkeur te geven aan weinig risicovolle projecten (met normale en zekere opbrengst)	1	2	3	4	5	6	7	De voorkeur te geven aan sterk risicovolle projecten (met kansen op een hoge opbrengst)
Voorzichtig en geleidelijk de omgeving te verkennen	1	2	3	4	5	6	7	Krachtige en verreikende acties te ondernemen om zo de bedrijfsdoelstellingen te bereiken
Een voorzichtige, afwachtende houding aan te nemen om kostelijke fouten te vermijden	1	2	3	4	5	6	7	Een krachtige, ambitieuze houding aan te nemen om de mogelijkheid tot het exploiteren van opportuniteiten te maximaliseren

3.1 Is deze intentie de afgelopen jaren soms veranderd? ☐ Ja ☐ Neen

Indien ja, waarom? ………

4. In welke mate bent u het eens met volgende stellingen? (1 betekent dat u het totaal oneens bent met de stelling; 7 betekent dat u het er volledig mee eens bent)

	Totaal oneens						Volledig eens
Familieleden hebben altijd werkervaring elders voordat zij in het bedrijf komen	1	2	3	4	5	6	7
Als familieleden in het bedrijf willen werken, moeten ze voldoen aan een minimum opleidingsniveau	1	2	3	4	5	6	7
Bij het delegeren van verantwoordelijkheden of het aanduiden van een nieuwe manager is het lid zijn van de familie een belangrijk voordeel	1	2	3	4	5	6	7
Familieleden worden enkel aangesteld als hun vaardigheden passen bij een bepaalde vacature	1	2	3	4	5	6	7
Familieleden hebben recht op een andere beloning dan niet-familieleden	1	2	3	4	5	6	7
Het verschaffen van werk aan familieleden is één van de hoofddoelstellingen van de onderneming	1	2	3	4	5	6	7
Familiale zaken en bedrijfszaken worden volledig gescheiden gehouden	1	2	3	4	5	6	7
Schoonfamilie mag in het bedrijf werken	1	2	3	4	5	6	7
Schoonfamilie kan (mede)eigenaar in het familiebedrijf worden	1	2	3	4	5	6	7
Families met een bedrijf hebben een betere band met elkaar dan families zonder een bedrijf	1	2	3	4	5	6	7
Voor ons bedrijf is onafhankelijkheid in eigendom een belangrijk objectief	1	2	3	4	5	6	7
Voor ons bedrijf is de continuïteit van het familiaal karakter een belangrijk objectief	1	2	3	4	5	6	7
Voor ons bedrijf is tewerkstelling creëren/behouden voor de familie een belangrijk objectief	1	2	3	4	5	6	7
Voor ons bedrijf is onafhankelijkheid in management een belangrijk objectief	1	2	3	4	5	6	7

5. Omcirkel wat het beste de situatie van de onderneming over de afgelopen 3 jaar omschrijft. (1 betekent dat u het totaal oneens bent met de stelling ; 7 betekent dat u het er volledig mee eens bent.)
Gedurende de voorbije 3 jaar heeft ons bedrijf:

	Totaal oneens						Volledig eens
Vele nieuwe producten of diensten op de markt gebracht.	1	2	3	4	5	6	7
Drastische wijzigingen aangebracht in de mix van producten of diensten die ze aanbiedt	1	2	3	4	5	6	7
De nadruk gelegd op het sterk innoveren van de producten of diensten die ze aanbiedt	1	2	3	4	5	6	7
Zich eerder gericht op hoge risico projecten (met kansen op hoge returns)	1	2	3	4	5	6	7
De nadruk gelegd op krachtige, verreikende acties om zijn producten en zichzelf te positioneren	1	2	3	4	5	6	7
Zich sterk geëngageerd in O&O, technologisch leiderschap en innovatie	1	2	3	4	5	6	7
Strategieën gevolgd die het bedrijf toelaten om opportuniteiten die zich voordoen in de buitenwereld te exploiteren.	1	2	3	4	5	6	7

6. Gelieve voor de 4 onderstaande prestatiemaatstaven aan te duiden of het resultaat van de onderneming van de afgelopen 3 jaar slechter of beter was dan dat van de concurrenten. (Duidt u 1 aan dan presteert de onderneming veel slechter dan die van de concurrenten, als u 7 aanduidt dan presteert de onderneming veel beter dan de concurrenten)

	Veel slechter						Veel beter
Return on assets	1	2	3	4	5	6	7
Groei van de ondernemingswaarde	1	2	3	4	5	6	7
Omzettoename	1	2	3	4	5	6	7
Winstmarge	1	2	3	4	5	6	7
Marktaandeel	1	2	3	4	5	6	7
Doorlooptijd	1	2	3	4	5	6	7
Uitbetalen van dividenden	1	2	3	4	5	6	7
Klantentevredenheid	1	2	3	4	5	6	7

7. Gelieve onderstaande tabel in te vullen door een cijfer van 1 tot 7 te omcirkelen. (Indien u getal 1 omcirkelt dan sluit uw onderneming aan bij de linkse stelling, omcirkelt u getal 7 dan sluit uw onderneming aan bij de rechtse stelling)

De onderneming reageert meestal op actie geïnitieerd door de concurrenten	1	2	3	4	5	6	7	De onderneming onderneemt meestal zelf actie waarop de concurrenten reageren
De onderneming is meestal niet de eerste om nieuwe producten/diensten, operationele technologieën of administratieve technieken,... in te voeren	1	2	3	4	5	6	7	De onderneming is vaak de eerste om nieuwe producten/diensten, operationele technologieën of administratieve technieken,... in te voeren
De onderneming is eerder geneigd om de markleider te volgen bij het introduceren van nieuwe producten of ideeën	1	2	3	4	5	6	7	De onderneming heeft een sterke drang om de concurrenten voor te zijn bij het introduceren van nieuwe ideeën of producten
De onderneming onderneemt niets extra om marktaandeel van zijn concurrenten over te nemen	1	2	3	4	5	6	7	De onderneming is strijdlustig en competitief ingesteld om marktaandeel van zijn concurrenten te kunnen overnemen
De onderneming probeert een concurrentiestrijd te vermijden en prefereert een "leven en laten leven" houding	1	2	3	4	5	6	7	De onderneming heeft een competitieve "versla de concurrent" houding
De onderneming legt sterk de nadruk op de huidige producten	1	2	3	4	5	6	7	De onderneming legt sterk de nadruk op onderzoek en ontwikkeling, technologisch leiderschap en innovatie
De laatste 5 jaar heeft de onderneming weinig nieuwe producten/diensten op de markt gebracht	1	2	3	4	5	6	7	De laatste 5 jaar heeft de onderneming veel nieuwe producten/diensten op de markt gebracht
De onderneming maakt enkel kleine aanpassingen aan huidige producten/diensten	1	2	3	4	5	6	7	De onderneming maakt drastische veranderingen aan zijn producten/diensten
De onderneming geeft de voorkeur aan projecten met een laag risico(met een normale en zekere opbrengst)	1	2	3	4	5	6	7	De onderneming geeft de voorkeur aan projecten met een hoog risico(met kans op een hoge opbrengst)
De bedrijfscontext is zodanig dat het beter is om voorzichtig en gradueel te werk te gaan om de bedrijfsdoelstellingen te bereiken	1	2	3	4	5	6	7	De bedrijfscontext is zodanig dat krachtige, verreikende acties nodig zijn om de bedrijfsdoelstellingen te bereiken
De onderneming is eerder voorzichtig en wacht liever af om zo kostelijke fouten te vermijden	1	2	3	4	5	6	7	De onderneming zal strijdlustig en ambitieus te werk gaan om opportuniteiten proberen te benutten
De onderneming vereist dat individuen en/of teams steunen op het management om hun werk bij te sturen	1	2	3	4	5	6	7	De onderneming ondersteunt de inspanningen van individuen en/of teams die autonoom werken
De beste resultaten worden behaald als de bedrijfsleider en het management de belangrijkste drijfkracht zijn achter het nastreven van opportuniteiten	1	2	3	4	5	6	7	De topmanagers van de onderneming geloven dat de beste resultaten behaald worden wanneer individuen en/of teams voor zichzelf kunnen beslissen welke opportuniteiten ze na streven
Individuen en/of teams, die opportuniteiten wensen na te streven, moeten eerst toestemming vragen aan hun oversten vooraleer ze hierover een beslissing nemen	1	2	3	4	5	6	7	In de onderneming nemen individuen en/of teams, die opportuniteiten wensen na te streven, zelfstandig beslissingen zonder de hulp van hun oversten
In de onderneming spelen de bedrijfsleider en het management een belangrijke rol in het identificeren en selecteren van na te streven opportuniteiten	1	2	3	4	5	6	7	Het initiatief en de input van de werknemer spelen een belangrijke rol in het identificeren en selecteren van na te streven opportuniteiten

8. In welke mate bent u het eens met volgende stellingen? (1 betekent dat u het totaal oneens bent met de stelling; 7 betekent dat u het er volledig mee eens bent)

	Totaal oneens						Volledig eens
Onze belangrijkste strategische en operationele beslissingen worden op basis van consensus genomen	1	2	3	4	5	6	7
Onze belangrijkste strategische en operationele beslissingen worden genomen door de individuele verantwoordelijken binnen het betreffende domein	1	2	3	4	5	6	7
In onze bedrijfsfilosofie staat het betrekken van alle managementniveaus bij belangrijke strategische en operationele beslissingen centraal	1	2	3	4	5	6	7
"Consensus zoeken" is een algemene en vaak gebruikte besluitvormingsstijl in onze onderneming	1	2	3	4	5	6	7
Alle informatie wordt op grote schaal verspreid onder de medewerkers en ook de beslissingsmacht wordt verdeeld om beslissingen te kunnen nemen in mijn afdeling	1	2	3	4	5	6	7

9. In welke mate worden volgende elementen gebruikt om de prestaties van uw onderneming te evalueren en managen? Omcirkel wat het beste de situatie van de onderneming over de afgelopen 3 jaar omschrijft. (Duidt u 1 aan dan heeft de onderneming dit mechanisme de afgelopen 3 jaar niet gebruikt. Als u 7 aanduidt dan heeft de onderneming dit mechanisme de afgelopen 3 jaar zeer vaak gebruikt.)

	Niet gebruikt						Zeer vaak gebruikt
Cashflow	1	2	3	4	5	6	7
Return on investment	1	2	3	4	5	6	7
Andere objectieve criteria zoals bv. Return on assets	1	2	3	4	5	6	7
Formele prestatie-evaluaties	1	2	3	4	5	6	7
Formele face-to-face meetings waarin managers de prestaties bediscussiëren	1	2	3	4	5	6	7
Informele face-to-face meetings waarin managers evalueren of de bedrijfsdoelstellingen bereikt zijn	1	2	3	4	5	6	7
Bedrijfsprestaties evalueren a.d.h.v. subjectieve criteria zoals bv. klantentevredenheid	1	2	3	4	5	6	7
Marktaandeel	1	2	3	4	5	6	7
Doorlooptijd	1	2	3	4	5	6	7
Uitbetalen van dividenden	1	2	3	4	5	6	7
Klantentevredenheid	1	2	3	4	5	6	7

10. Financiering

10.1 Heeft uw onderneming het afgelopen jaar een bankkrediet aangevraagd? ☐ Ja ☐ Neen

10.2 Werd het voorbije jaar een bankkrediet geweigerd? ☐ Ja ☐ Neen

Indien ja, werd dit later door een andere bank toegekend? ☐ Ja ☐ Neen

10.3 De onderneming heeft het voorbije jaar geen bankkrediet aangevraagd om zich verder te kunnen ontwikkelen uit vrees dat het krediet toch niet toegekend zou worden. ☐ Ja ☐ Neen

Indien ja, waarom vrees je dit? ....

11. Governance

11.1Heeft de onderneming een Raad van Bestuur? ☐ Ja ☐ Neen (**indien neen**, ga naar vraag 11.8)

11.2 Hoeveel leden telt de Raad van Bestuur?..........

11.3 Indeling Raad van Bestuur <u>volgens relatie met de onderneming:</u>

	Man	Vrouw
• Hoeveel leden zijn **"interne bestuurders"** (=managers van de onderneming zonder familieband)?		
• Hoeveel leden zijn **"familiale tewerkgestelde bestuurders"** (= familieleden van de bedrijfsleider tewerkgesteld binnen de onderneming)?		
• Hoeveel leden zijn **"familiale niet-tewerkgestelde bestuurders"** (= familieleden van de bedrijfsleider niet tewerkgesteld binnen de onderneming)?		
• Hoeveel leden zijn **externe bestuurders met een aandeel in het kapitaal?**		
• Hoeveel leden zijn **externe bestuurders zonder aandeel in het kapitaal?**		

11.4 Is de bedrijfsleider tevens voorzitter van de Raad van Bestuur? ☐ Ja ☐ Neen

11.5 Is de voorzitter van de Raad van Bestuur een familielid? ☐ Ja ☐ Neen

11.6 Geef aan in welke mate de Raad van Bestuur volgende taken uitvoert: (1 betekent in minimale mate; 7 betekent in zeer grote mate)

	In minimale mate						In zeer grote mate
Het bieden van hulp en advies aan de bedrijfsleider bij de formulering van de bedrijfsstrategie	1	2	3	4	5	6	7
Dienen als klankbord voor de bedrijfsleider bij strategische zaken	1	2	3	4	5	6	7
Adviseren en bemiddelen bij discussies omtrent strategische topics	1	2	3	4	5	6	7
De mening van de bedrijfsleider -omtrent strategische zaken- uitdagen	1	2	3	4	5	6	7
De prestaties van de bedrijfsleider formeel evalueren	1	2	3	4	5	6	7
De bedrijfsleider kritische vragen stellen omtrent strategische beslissingen	1	2	3	4	5	6	7
Netwerken en onderhouden van relaties	1	2	3	4	5	6	7
Zorgen voor toegang tot extra middelen	1	2	3	4	5	6	7
Regelen opvolgingsproblematiek	1	2	3	4	5	6	7
Lonen/compensaties van het management bepalen	1	2	3	4	5	6	7

11.7Hoeveel keer per jaar komt de Raad van Bestuur samen?
☐ Niet ☐ Jaarlijks ☐ halfjaarlijks ☐ trimestrieel ☐ maandelijks
11.8 Heeft de onderneming een Raad van Advies? ☐ Ja ☐ Neen
Zoja, zetelen hier externen in? ☐ Ja ☐ Neen
11.9Heeft de familie een **familieforum** (ook genoemd "familieraad" of "familiale vergadering") ingesteld?
☐ Ja ☐ Neen ☐ In oprichting
11.10 Bezit uw onderneming een familiaal charter? ☐ Ja ☐ Neen ☐ In oprichting

12. Denk aan het huis of de thuis die u bezit of samen bezit met iemand, en al de ervaringen en gevoelens geassocieerd met het statement: 'DIT IS MIJN (ONS) HUIS!'. De volgende vragen hebben betrekking op het 'gevoel van eigenaarschap' dat u voelt voor de onderneming waar u voor werkt. Geef aan in welke mate u persoonlijk akkoord gaat of niet akkoord gaat met onderstaande uitspraken. (1 betekent dat u het totaal oneens bent met de stelling ; 7 betekent dat u het er volledig mee eens bent.)

	Totaal oneens						Volledig eens
Dit is MIJN organisatie	1	2	3	4	5	6	7
Ik heb het gevoel dat deze organisatie ONS bedrijf is	1	2	3	4	5	6	7
Ik voel een zeer grote mate van persoonlijk eigenaarschap voor deze organisatie	1	2	3	4	5	6	7
Ik heb het gevoel dat dit MIJN bedrijf is	1	2	3	4	5	6	7
Dit is ONS bedrijf	1	2	3	4	5	6	7
De meeste mensen die voor deze organisatie werken voelen zich alsof ze eigenaar zijn van het bedrijf	1	2	3	4	5	6	7
Het is moeilijk om me deze organisatie voor te stellen als zijnde van MIJ	1	2	3	4	5	6	7
Ik gedraag me alsof dit ONS bedrijf is	1	2	3	4	5	6	7
Ik gedraag me alsof dit MIJN bedrijf is	1	2	3	4	5	6	7

13. De bedrijfsleider(s)/zaakvoerder(s) van de onderneming
13.1 Hoeveel leden telt het team van leidinggevenden (= topmanagementteam)?: ....
13.2 Hoeveel leden uit het team van leidinggevenden komen uit de familie?: ....
13.3 Gelieve onderstaande gegevens in te vullen voor de (eerste) bedrijfsleider:
•Leeftijd:............................. •Geslacht: Man/Vrouw •Is hij/zij (aangetrouwde) familie?: ☐Ja ☐Neen
•De bedrijfsleider is: ☐ van de eerste generatie ☐ een familiaal opvolger ☐ geen familielid
•Hoogst voltooide opleiding: ☐Lager onderwijs ☐Middelbaar onderwijs ☐Hogeschool of Universiteit
•Aantal jaren actief in deze functie:................ •Heeft hij/zij elders werkervaring opgedaan?: ☐Ja ☐Neen
•Aantal kinderen: .... •Leeftijd kind 1: .... Leeftijd kind 2: .... Leeftijd kind 3: ....

13.4 Gelieve onderstaande gegevens in te vullen indien er een tweede bedrijfsleider is: (indien neen, ga naar vraag 14)
•Leeftijd:............................. •Geslacht: Man/Vrouw •Is hij/zij (aangetrouwde) familie?: ☐Ja ☐Neen
• De bedrijfsleider is: ☐ van de eerste generatie ☐ een familiaal opvolger ☐ geen familielid
•Hoogst voltooide opleiding: ☐Lager onderwijs ☐Middelbaar onderwijs ☐Hogeschool of Universiteit
•Aantal jaren actief in deze functie:................ •Heeft hij/zij elders werkervaring opgedaan?: ☐Ja ☐Neen
•Aantal kinderen: .... •Leeftijd kind 1: .... Leeftijd kind 2: .... Leeftijd kind 3: ....

14. De opvolgingssituatie

14.1 Is men binnen de onderneming reeds bezig met de overdracht? ☐ Ja ☐Neen (**indien neen**, ga naar vraag 14.9)

14.2Wat zal er overgedragen worden? ☐ Management ☐ Eigendom ☐ Management en eigendom

14.3 Aan wie zal de onderneming overgedragen worden?

☐ Aan (één van) de kinderen ☐ Aan overige familieleden
☐ Aan een externe koper ☐ Aan huidige werknemers of managers
☐ Geen overname maar een liquidatie van het bedrijf ☐ Er is nog geen duidelijkheid hieromtrent

14.3.1 Indien mogelijk, leg kort uit waarom deze keuze is gemaakt:

....

14.4 Binnen welke termijn verwacht(en) de bedrijfsleider(s) dat hij(zij) zal(zullen) terugtreden uit het bedrijf?

☐ 0-2 jaar ☐ 3-5 jaar ☐ 6-10 jaar ☐ meer dan 10 jaar ☐onbekend

14.5 Is er reeds een opvolger bekend? ☐ Ja ☐Neen

14.6 Gelieve volgende gegevens omtrent de opvolger(s) in te vullen. (Indien **geen opvolger bekend**, ga naar vraag 14.8)

	Opvolger 1	**Opvolger 2**	**Opvolger 3**
Leeftijd	...... jaar	...... jaar	...... jaar
Geslacht	☐M ☐V	☐M ☐V	☐M ☐V
Hoogst voltooide opleiding	☐ Lager onderwijs ☐ Middelbaar onderwijs ☐ Hogeschool/universiteit ☐ Welk diploma:	☐ Lager onderwijs ☐ Middelbaar onderwijs ☐ Hogeschool/universiteit ☐ Welk diploma:	☐ Lager onderwijs ☐ Middelbaar onderwijs ☐ Hogeschool/universiteit ☐ Welk diploma: ....
Heeft de opvolger na zijn studies eerst nog elders werkervaring opgedaan en indien ja, hoeveel jaar?	☐ Ja ☐ Neen Indien ja: ...... jaar	☐ Ja ☐ Neen Indien ja: ...... jaar	☐ Ja ☐ Neen Indien ja: ...... jaar
Aantal jaren dat de opvolger actief is binnen de onderneming	...... jaar	...... jaar	...... jaar
Huidige rol in de leiding van het bedrijf?			
Reeds aandeelhouder van het bedrijf?	☐Ja ☐Neen	☐Ja ☐Neen	☐Ja ☐Neen
Is deze opvolger familie van de huidige bedrijfsleider(s)?	☐Ja ☐Neen	☐Ja ☐Neen	☐Ja ☐Neen

14.7 Zijn er met de opvolger(s) concrete afspraken gemaakt over wanneer de bedrijfsleiding of/en eigendom worden overgedragen? ☐ Ja ☐ Neen ☐ Weet niet

14.8 Kunt u beknopt toelichten welke de voornaamste moeilijkheden zijn die er ondervonden worden bij het opvolgingsproces?..

14.9 Geef aan in welke mate u het eens bent met volgende stellingen? (1 betekent dat u het totaal oneens bent met de stelling; 7 betekent dat u het er volledig mee eens bent)

	Totaal oneens						Volledig eens
Opvolgers moeten gekozen worden uit de familie	1	2	3	4	5	6	7
Enkel familieleden die werkzaam zijn in het familiebedrijf kunnen aandelen verwerven	1	2	3	4	5	6	7
Bij het plannen van de overdracht zijn goede familieverhoudingen de belangrijkste overweging	1	2	3	4	5	6	7
De overdrager heeft serieus overwogen om het bedrijf te verkopen aan niet-familieleden	1	2	3	4	5	6	7
De overdrager vindt/vond het moeilijk om uit meer kandidaten (kinderen) te moeten kiezen voor de overdracht.	1	2	3	4	5	6	7

Van harte Bedankt! Gelieve het enquêteformulier uiterlijk op .... 2012 terug te sturen naar:
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Prinsstraat 13, 2000 Antwerpen
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