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Orientations stratégiques complémentaires et microentreprises familiales dans une économie émergente

Complementary Strategic Orientations and Family Owned Micro-enterprises in an Emerging Economy

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DEDICATION

I dedicate this thesis to my late father Nyima Dhondup, whose compassion nature always encourage me to keep patience and to move forward as well as lending a helping hand when needed. I also would like to dedicate this work to my elder brother Lobsang Tashi, with kind and generous heart, your hard work and a continuous support helped the family and me during our academic careers.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Entrepreneurial orientation (EO) and market orientation (MO) have received significant research attention in recent decades, and, it is argued, can boost firm success in challenging environments. However, despite increasing research efforts, there are still some major gaps in understanding the impact of both strategic orientations on family business performance. Whether an alignment of both EO and MO produces superior firm performance is unclear and not

family businesses in an underdeveloped market. This suggests that entrepreneurial activities are essential to sense and seize strategic opportunities and create new markets in order to maintain competitiveness. Nevertheless, EO also presents significant risks and uncertainties, especially in the context of developing economies where business-supporting infrastructures are poor and unpredictable government behavior can stymie any operation. However, the high uncertainties and risks of EO can be countered by strong market-oriented activities, which are strongly embedded in the certainties of current market operations and are more of an adaptive activity. Similarly, the strong focus of market-oriented activities on current market certainties and adaptiveness may give rise to greater structural inertia and a tendency for firms to de-emphasize greater innovativeness. As a result, the high certainties and adaptiveness of MO are required to complement the high uncertainties and risks of EO in less developed economies. The result also indicates that family social capital outside the boundaries of the firm further increases the performance benefits of aligning greater levels of both orientations. The recommendation is that entrepreneurial and market-oriented activities are reinforced by building strong business network ties with other business organizations. In contrast, a negative family involvement minimizes the impact of complementary strategic orientations on firm performance. High levels of a combination of EO and MO are therefore shown to be associated with high levels of profitability only when family involvement levels are low.

The finding of the first paper indicated that, contrary to conventional wisdom, family involvement harms the positive synergic effects of strategic orientations (EO-MO) on the firm's profitability. This result sets the foundation for the second paper, wherein the author attempted to understand when and under what conditions do entrepreneurial and market-oriented behaviors benefit or hurt small family-owned businesses in which a significant family influence exists. In order to do so, an integrated family business orientations model was introduced by relying on familiness theory. This theoretical paper emphasizes the positive and negative effects of family involvement in shaping a firm's capabilities, specifically its EO and MO activities. It is argued that family involvement may enhance or inhibit a firm's positive strategic orientation. Accordingly, the study contends that interplay between family and a firm's entrepreneurial behaviors increases financial gain. By contrast, family influence may dampen the positive influence on performance of market-driven activities. Thus, the indication is that family involvement can add specific foundations to entrepreneurial orientation capabilities, thus promoting the capacity of family firms to sense, seize strategic opportunities, and reconfigure assets in order to maintain competitiveness, leading to superior performance as expected. In contrast, we theorized that constrictive influence of family has devastating effects on the market orientation of the firm and its relationship to performance. It can be assumed that, when the firm's core value is market-oriented and the perception of family members of the firm strategic posture is different, a strategic conflict may occur. Especially so for a new generation that is less oriented to customer and market knowledge and will as a result go beyond market information to try something new. Such strategic conflicts lead to disagreement, resulting in family members working toward a competitive rather than a cooperative goal. Family involvement can therefore negatively affect the capacity of a firm to be market-oriented and respond to competition. As a result, the impact of conflicts on strategy implementation and firm performance may be negative.

The third study displayed a mediation model and showed that family risk-taking benefits greatly from family involvement, having a substantial performance impact in a developing economy setting. It shows that family member involvement is positively associated with entrepreneurial risk taking behavior. This suggests that a stewardship feeling unites families with a sense of commitment and an emotional thread that promote entrepreneurial spirit, ensuring the long term success of family firms. Furthermore, such integration improves the understanding of family members of the competitive challenges and opportunities facing the firm. This study shows that risk-taking behavior benefits family firm in generating superior performance. Applying stewardship theory, we show that the joint effects of family and risk-taking increases the firm's profitability, thereby supporting the idea that entrepreneurship benefits the firm's profitability when there is present a higher level of family members' involvement in management activities.

Keywords: Entrepreneurial orientation, entrepreneurial risk-taking, market orientation, business network ties, social network ties, family involvement, family business, familiness, social capital, stewardship theory

RÉSUMÉ

L'orientation entrepreneuriale (EO) et l'orientation de marché (MO) sont des stratégies qui ont beaucoup attiré l'attention des chercheurs au cours des dernières décennies car elles sont susceptibles de remporter des succès dans des environnements difficiles. Cependant, malgré l'augmentation des efforts de la recherche, il y a encore des lacunes majeures dans la compréhension de l'impact de ces deux orientations stratégiques sur le rendement des entreprises familiales. La question est de savoir si un alignement des deux stratégies (EO et MO) génère une performance supérieure. Or, la réponse est ambiguë et peu étudiée. En outre, il s'agit également d'un domaine émergent dans le contexte des affaires familiales. Il n'est pas encore clairement démontré si leur efficacité est conditionnée par le capital social de l'entreprise et le niveau de participation familiale dans le contexte de l'entreprise familiale. En particulier, il manque une compréhension globale de l'influence de ces facteurs sur la performance des micro-entreprises familiales dans les pays en développement. Par conséquent, cette thèse s'efforce de vérifier si les micro-entreprises familiales accroissent leur performance en combinant l'orientation entrepreneuriale, l'orientation de marché, les relations d'affaires et la participation de la famille, dans une économie en développement. Cette recherche aide à combler cette lacune en s'appuyant sur une méthode

quantitative qui comprend trois phases distinctes. Un échantillon de 287 familles de commerçants de laine tibétains en Inde, a été utilisé pour tester les hypothèses sur les relations découlant de ces combinaisons stratégiques.

Dans la première étude, nous soutenons et démontrons que l'influence complémentaire de l'entrepreneuriat et de l’orientation de marché génère une performance supérieure pour les micro-entreprises familiales dans les économies en développement. Cela suggère que les activités entrepreneuriales sont essentielles pour comprendre et saisir les opportunités stratégiques et la création de nouveaux marchés afin de maintenir la compétitivité. Néanmoins, l'EO est également étroitement liée aux risques et aux incertitudes, notamment dans le contexte des économies en développement où les infrastructures d'appui aux entreprises sont médiocres et les comportements gouvernementaux imprévisibles, faisant peser un risque sur toute activité. Toutefois, ces incertitudes et ces risques élevés peuvent être contrecarrés par des activités guidées par le marché. En retour, la forte focalisation de ces activités sur les certitudes que signale le marché et les adaptations qui en découlent, peut engendrer une plus grande inertie structurelle et une tendance pour les entreprises à sous-estimer le besoin de plus innovation. Par conséquent, les fortes certitudes et les adaptations de MO sont nécessaires pour compléter les incertitudes et les risques élevés de EO dans les économies moins développées. Les résultats indiquent également que le capital social familial, en dehors des limites de l'entreprise, augmente encore la performance liée à l'alignement des deux orientations stratégiques (EO et MO).

Notre recommandation est que les activités entrepreneuriales axées sur le marché sont renforcées par l'établissement de liens solides entre les réseaux d'affaires et d'autres organisations commerciales. En revanche, l'implication négative de la famille révèle qu'elle minimise l'impact des orientations stratégiques complémentaires sur la performance des entreprises. Nous montrons que des niveaux élevés d'une combinaison de EO et MO sont associés à des niveaux élevés de rentabilité lorsque la participation de la famille est faible.

Contrairement à l’intuition que l’on pourrait en avoir, la conclusion du premier document indique que la participation de la famille nuit aux effets synergiques positifs des orientations stratégiques (EO-MO) sur la rentabilité de l'entreprise.

Ce résultat a établi la base de la recherche exposée dans notre deuxième article, dans lequel nous avons essayer de comprendre quand et dans quelles conditions les comportements entrepreneuriaux axés sur le marché sont bénéfiques aux ou handicappent les petites entreprises familiales lorsque l’influence de la famille est importante. Par conséquent, un modèle intégré des orientations stratégiques des affaires familiales, a été introduit en s'appuyant sur la théorie de la « familiness ». Ce document théorique met l'accent sur les côtés sombres et lumineux de la participation de la famille et sur son aptitude à façonner les capacités d'une entreprise, en particulier ses activités EO et MO. Nous soutenons que la participation de la famille peut exposer ou inhiber l'orientation stratégique positive de l'entreprise. Par conséquent, l'étude conclut que l'interaction entre les comportements entrepreneuriaux de la famille et de l'entreprise accroissent les gains financiers, en revanche, l'influence de la famille peut atténuer les effets positifs d'une stratégie d'orientatin de marché (MO) sur le rendement. Ainsi, l'enseignement que l'on peut en tirer est que la famille permet de bâtir des fondations spécifiques à des capacités d'orientation entrepreneuriale, ce qui favorise l'aptitude des entreprises familiales à comprendre et saisir les opportunités stratégiques et ainsi de reconfigurer les actifs afin de maintenir leur compétitivité et par conséquent, une performance supérieure peut en être attendue. En revanche, l'étude a permis de supposer que l'influence réductrice de la famille peut avoir des effets dévastateurs sur la stratégie orientée marché et ses effets sur la performance. On peut supposer que lorsque la valeur de base de l'entreprise est fondée sur le marché et que les membres de la famille perçoivent une posture stratégique différente, un conflit stratégique peut se produire. En particulier, la nouvelle génération peut penser que la connaissance du client et du marché dépasse la seule information donnée par le marché et peut être tentée d'essayer quelque chose de nouveau. Ces conflits stratégiques peuvent conduire à un désaccord car les uns estiment qu'ils travaillent à un objectif compétitif plutôt qu'à un but coopératif. Par conséquent, la participation de la famille peut nuire à la capacité d'une entreprise à orienter son activité vers le marché et répondre à la compétitivité. En somme, l'impact des conflits sur la mise en œuvre de la stratégie et sur la performance des entreprises, peut être négatif.

La troisième étude présente un modèle de médiation et montre que la prise de risques par la famille peut avoir un impact substantiel sur la performance dans les économies en développement. Nos résultats montrent que la participation des membres de la famille est positivement associée à un comportement de risque entrepreneurial. Cela suggère qu'un lien d'intendance unit les familles et se traduit par un engagement élevé et un fil émotionnel qui favorisent l'esprit d'entreprise pour assurer le succès à long terme des entreprises familiales. De plus, une telle intégration améliore la compréhension, par les membres de la famille, des défis et des opportunités concurrentiels auxquels l'entreprise est confrontée. Cette étude met en évidence que la prise de risque de l'entreprise familiale peut générer des performances supérieures. En appliquant la théorie de l'intendance, nous montrons que les effets conjugués de la famille et de la prise de risque augmentent la rentabilité de l'entreprise, soutenant ainsi l'idée que l'entrepreneuriat favorise la rentabilité de l'entreprise lorsqu'il y a un niveau plus élevé de participation des membres de la famille dans les activités de gestion.

Mots-clés: orientation entrepreneuriale, prise de risque entrepreneurial, orientation de marché, relations de réseau d'affaires, relations de réseau social, implication familiale, entreprise familiale, familiness, capital social, théorie de l'intendance

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CHAPTER 1: INTRODUCTION

1.1 Background

Emerging economies are fragile in nature, and rapid changes jeopardize all types of businesses, including family businesses (Astrachan, 2010). Institutional infrastructures are weak and more turbulent than in developed ones (Hoskisson et al., 2000), undergoing unprecedented transitions in their social, legal, and economic institutions (Zhou et al., 2006). As a result, moving from centrally-planned command economies to market economies (Buck et al., 1998) is perceived as a meaningful path towards economic expansion and reduction in poverty (Boso et al., 2013; Ravallion, 2007). On the other hand, the implementation of such government policies has favored economic liberalization (Wright et al.,2005), opened emerging economies to giant foreign investors able to take full advantage of opportunities for economic development through trade practices hurting local economies, while resisting pressures from the environment and promoting unbalanced growth (Hoskisson., et al 2000). Such ambiguous threats from their environment constantly affect the activities taken by firms regardless of their organization; this is, in particular, true of family-owned micro-enterprises. Thus, developing and encouraging the right strategies provides new opportunities, and it is important to ensure that the adaptations of the firms are appropriate. It has been documented that, particularly in emerging economies, entrepreneurship and market orientation are the two influential factors, which generate sustainable opportunities for the entrepreneurial firms operating in such a challenging environment (Boso et al., 2013; Atuahene-Gima and Ko, 2001).

Various authors (Boso et al., 2013; Lee et al., 2001; Webb et al., 2011) identify EO and MO as representing competencies that strengthen the performance of small businesses and add value to the services to their customers. However, Boso et al. (2013) argue that it is still unclear whether both orientations are suitable for all types of businesses. There is currently a debate over the effective influence of institutional bases and over whether the efficiency of both orientations is contingent on social and business network ties (p.709). It has been suggested (Boso et al., 2013; Bhuian, 1998; Hooley et al., 2000; Lui et al., 2003) that the competitive advantages or disadvantages of investing in EO-MO in low-income countries (LIC) are unknown. Boso et al. (2013) further state that configuration and integration of this conceptual model may well be relevant to micro-enterprises and suggest that it should be tested further. Besides, several authors (Bhuian, 1998; Gruber-Muecke and Hofer, 2015; Hooley et al., 2000; Lui et al., 2003) point out to the need for replication studies of these strategic orientations since, assuming these constructs to be reliable and valid, they should also be applicable in different environments and economies.

In the case of family businesses, Welsh et al. (2012) argue that EO has not been investigated in family-owned micro-businesses in emerging economies. Similarly, we argue that none of the studies in the family business literature so far has assessed the impact of MO on family-owned micro-businesses in emerging economies. To our knowledge, there exists no study at this point in time of the performance of micro-enterprises taking into account family involvement and

MO: as a result, the question of the influence of these strategic orientations on the performance of family firms is still an open one. It also seems that the family business literature particularly lacks a quantitative study of the effect of MO on the performance of family firms (Frank et al., 2012; Subramanian and Gopalakrishna, 2009; Tokarczyk et al., 2007). The present contribution may be considered as an answer to the call for more research on entrepreneurship and MO activities in family businesses made by Zachary et al. (2011). They have in particular stressed that not just one orientation, but both orientations (EO-MO) may influence the outcome of family firms, and should be relevant in order to understand and predict the financial performance of firms, especially in the context of family businesses. This points to a need for further study to "compare and contrast both orientations in a family-business context to determine if a corresponding relationship exists and what performance benefits exist therein since both have positive performance implications for businesses" (p. 246). Comprehensive understanding of this notion (i.e. EO-MO) is missing in the family business literature (Zachary et al., 2011). An analysis of the performance of family businesses considered from a holistic perspective should lead to a better understanding of both approaches. To address this gap in our understanding of family firms, the present study relied on Boso's conceptual model, enabling to measure both strategic orientations in a single model, highlighting the synergic impacts of EO-MO on family businesses performance in the setting of emerging economies. In addition, it enables to test the contingent effects of strategic orientations and performance relationships on the social capital of family firms, assuming that firms gain from the combined effects of higher levels of EO-MO when micro-entrepreneurs cultivates higher levels of networks ties. Previous studies have suggested that managerial network ties are essential for acquiring the resources required for business activities in underdeveloped markets (Acquaah, 2007; 2012; Boso et al., 2013; Carney, 2007; Peng and Luo, 2000; Li and Zhang, 2007; Li et al., 2008). This appears equally relevant to family businesses in developing countries (Acquaah, 2012) because of the desire to develop the business through engaging in social relationships, resulting in the creation of social capital with a wide variety of external entities susceptible to provide businesses with critical resources and capabilities. (p.104). As a result, cultivating and using social capital creates economic benefits for a family micro-business in emerging markets (Carney, 2007). More research is still needed regarding the interactive effects of business strategy and social networking on the performance of family businesses and to gain insight into their interplay in family business research (Acquaah, 2012).

Family involvement is important to family business (Welsh et al., 2012), but their implication for the implementation of business strategic postures and the achievement of superior performance is unknown. The role of family in business activities may either positive or negative, among the most notable contributions to theories regarding family firms is the concept of familiness, which represents the unique bundle of resources and capabilities generated from the interaction of the family and business systems (Habbershon and Williams, 1999; Habbershon et al., 2003). Building on the concept, scholars argue that familiness creates value that may provide distinctive behaviors and may result in competitive advantage or disadvantage. Although, the exact conditions that determine when and where the familiness resource is likely to adopt either positive or negative family risk-taking behaviors in family firms (Zahra, 2005). The link between risk-taking and family firms is unclear. Family firms often criticized for being risk-averse (Gómez-Mejía *et al*., 2007 and Schulze *et al*., 2001), because risky endeavor may lead to a financial loss and jeopardize family business foundation (Naldi et al., 2007). Contrary to this notion, scholars argue that such philosophy may be too

Breton-Miller, 2006). Hence, we model family involvement relate to risk-taking to explain how and why firm recognizes and acts on risk-taking behaviors which lead to maximized firm profitability. This study challenges the conventional wisdom that family microbusinesses in developing countries lack the necessary financial and managerial resources to invest in the entrepreneurial risking taking of family firm without adversely affecting their performance.

1.2 Research Gap

This thesis contended that the competitive advantage or disadvantages of investing in EO-MO in low-income countries (LIC) especially predicting micro family owned businesses performance are unknown. Furthermore, even less is known about how family businesses use social networking relationships developed with external entities to obtain resources and capabilities to bolster their business strategy and build competitive advantage (Acquaah, 2011.p.105). Especially the role of the family in fostering family firm's strategic orientations is now well understood. Despite the importance of strategic orientations in family firms, a very little is known about their complementary competitive strategic activities in micro owned family firms in emerging market settings. Moreover, the role of the family in predicting or strengthening family firm's strategic orientations in emerging economies is scarce. In particular, the alignment of distinctive and constrictive familiness effects with firm's strategic orientations is missing. In addition, firm with single strategic orientation tends to have poor performance in the long run (Kumar et al., 2011). As a result, in a dynamic business and strong financial pressure settings application of multiple business models simultaneously to maximize firm value created is suggested (Benson-Rea et al., 2013). The multifaceted market nature pushes the firm to invest multiple strategic orientations rather relying only on market-driven activities (Laukkanen et al., 2013). Finally, risk taking in connection with family business is not clear. The importance of family in risk taking behavior not studies well.

1.3 Motivation for Research

This thesis builds on two contexts: 1) family owned woolen trading micro businesses, 2) an emerging economy setting. As Zahra (2007) highlights that understanding the context is important as the characteristics of the context may influence the extent to which a theory applies to the phenomenon being investigated. Therefore, focusing on the micro family-owned business in the context of emerging economies is motivated by two reasons: first, in an underdeveloped market setting, it is suggested that entrepreneurial and market orientation are instrumental in enhancing business success most effectively when greater levels of both orientations are leveraged (Boso et al., 2013). This is becaus*e high levels of* entrepreneurial activities are required to identify and seize new market opportunists. However, this approach inherent with significant uncertainties and risks, especially in the context of developing economies settings where business infrastructure, such as supply chain arrangements, commercial law enforcement, energy and transportation facilities, is under-developed. While stronger MO is critical for a rapid response to current market needs and preferences, it also carries the risk of structural inertia and a tendency for firms to de-emphasize greater innovativeness; something that can be important in such context. Thus, the high certainties and adaptiveness of MO are required to complement the high uncertainties and risks of EO in less developed economies.

Hence, this thesis expands the knowledge in the field of complementary strategic orientations in family business context.

1.4 Research Questions

To understand the essence of multiple strategic orientations in family-owned microenterprises this thesis address the following research questions:

i. How do multiple strategic orientations influence the performance of the micro family business in emerging market settings? (Overall thesis question)

iv. Do entrepreneurial risk-taking contribute to family-owned micro firms' performance in a developing economy setting? Do involvement of family in entrepreneurial network foster risk-taking behavior? (Study 3)

1.5 Research Methods

To address the research questions, this thesis conducted a quantitative research method for the first study, followed by a literature review content analyzed technique for the second, a method to develop a theoretical framework that helps to identify the dilemmas and trends of strategic orientations and family involvement in family business context. At the end, another quantitative study to investigate the mediation model to understand whether risk-taking mediates between family and performance relationship. Each phase of the research provided new understanding and insights into the research questions, the progression of papers portrays how micro family businesses gain advantage or disadvantage by combining multiple factors in understanding performance benefits in a developing economy setting. In sum, quantitative methods help to validate and to clarify the relationship presents in the study models.

1.6 Research scope

The following boundaries set the limitations within which this thesis is drawn:

i. The focus of the current study is on the performance of family-owned micro-enterprises in a developing economy setting, targeting on a single woolen retail industry. Therefore, the result should applied cautiously and restrictively to a wider setting.

ii. Families engaged in this business were Tibetan micro-entrepreneurs. According to CTA demographic survey, the total population of Tibetan families' engagement in woolen trading business during 2009 was 4,714, established in 95 different major cities in India (TRTA, 2011).

iii. The definition of family business relies on both an essence and component involvement approach.

Thus, the study deeply examines on Tibetan family owners to predict their sweater retailing family business performance in India.

1.7 Research Findings

This study reveals that: 1) alignment of multiple strategic orientations does enhance the performance of family owned micro enterprises in a dynamic emerging economy environment. Foremost, cultivating higher levels of business ties with external stakeholders further strengthen the combined positive effects of entrepreneurial and market orientation on firm performance. However, profitability increases when both EO and MO are high, but only when family involvement is low. Hence, the implication for family micro-business owners is that more effort should be directed towards cultivating business-related ties and minimizing family involvement, since, under the conditions of the study, entrepreneurial and market-oriented processes contribute positively to the profitability of the firm; 2) the role of family in combination with multiple strategic orientations is not well-understood, in particular, how performance effects of entrepreneurial and market orientation in relationship with family firm performance is scarce. Therefore, this thesis creates a clearer picture to understand the role of family involvement in business strategy and its subsequent impact on performance within the context of family firm; 3) contrary to the previous study, we contend that family involvement and entrepreneurial risk-taking behaviors help to increase the profitability performance of family micro enterprises in an underdeveloped market context.

CHAPTER 2: OVERVIEW OF SELECTED THEORIES

This dissertation relied on several theories; in this chapter, a few important theories are emphasized. At the end of this chapter, a progression of the theories employed in the studies is present (Table 1).

2.1 Family Business and Strategic Orientations

The definition of family business is not clear in the literature; as a result, there is no universally accepted definition of the family business of a firm. For the purpose of this thesis, we relied on Miller and Le BretonMiller (2005) stated definition of family business "family businesses are those in which there are multiple members of the same family who serve jointly as owners and managers". Additionally, we also utilized Welsh's et al., (2012) definition specifically focused on micro owned family businesses in emerging economies, they defined family business as influenced by family involvement and generates entrepreneurial resources that add value and contribute to generating returns to grow the family business. We also relied on the operational definition derived from Davis and Tagruri (1985): a family business is one in which two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights (cited in Rothstein, 1992). Additionally, family influence rather than family control has the effect of allowing for better exploitation of market opportunities and growing the family business (Sirmon et al., 2008).

The definition of strategic orientation for the purpose of this thesis, we adopted a view of Gatignon and Xurerb (1997), who defines strategic orientations as principles that direct and influence the activities of a firm and generate the behaviors intended to ensure the viability and performance of the firm. The integration of family business and strategic orientation in the context of family business is growing. Studies observed that the strategic orientation of family businesses is no different to non-family *firms (*Miller et al., 2011; *Moores and Mula, 2000), and that family firms do not follow any specific strategic orientation (Miller and Le Breton-Miller, 2005; Van Gils et al., 2004).* But we argue that in an emerging market setting entrepreneurial and market orientations *are distinct aspects of firms' strategic orientations (Hakala, 2011)* and are instrumental for family owned micro enterprises.

2.2 Entrepreneurial orientation

EO captures the distinctively entrepreneurial aspects of firms' strategies (Bhuian et al. 2005; Covin and Slevin 1989; Lumpkin and Dess 1996; Wiklund and Shepherd 2005). As such, it reflects the extent to which firmly establish the identification and exploitation of untapped opportunities (Lumpkin and Dess, 1996). Initially, Miller (1983), who proposed that the definition of EO, that describe firm's attributes and activities, an entrepreneurial firm "engages in product market innovation, undertakes somewhat risky ventures and is first to come up with proactive innovations, beating competitors to the punch" (Miller, 1983, p. 770). Later, Lumpkin and Dess's (1996) added two more dimensions i.e.

competitive aggressiveness and autonomy to conceptualize entrepreneurial orientation. Hence, this research viewed EO as a five-dimensional construct.

1) autonomy: the ability to take action on an idea free of organizational constraints; 2) innovativeness: the tendency of a firm to support new ideas and engage in a creative process; 3) proactiveness: forward-looking, anticipating future problems or demands in the market; 4) risk-taking: how far a firm is willing to go to make resource commitments and 5) competitive aggressiveness: closely related to proactiveness, but focuses on a firm's competition in the market, and the ability to respond to and outperform competitively. EO in family business context is further discussed in the section (2.1)

2.3 Market orientation

Market orientation is defined as the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it (Kohli and Jaworski, 1990. p. 6). Although MO approach has been studied extensively in a non-family business context, it is only recently that it has been and define widely in the extant literature, as a tangible resource: financial assets, physical assets (Grant, 1991); intangible resources like firm attributes, information, knowledge, organizational assets (Barney, 1991); reputational assets (Roberts and Dowling, 2002); skills and capabilities (Amit and Schoemaker, 1993; Day, 1994; Hall, 1992). RBV framework is based on two assumptions that sustain competitive advantage, first that firms within an industry may be varied with respect to the strategic resources they owned. Second, internal resources and capabilities are heterogeneously allocated across the firms (Barney, 1991). Hence, RBV model targets towards achievement and sustaining competitive advantage through firm's resource heterogeneity (Barney, 1991).

2.5 Familiness Theory

The synergistic of family and business resulting resources and capabilities that termed as familiness. This concept was initially introduced by Habbershon and Williams (1999) who define it as:

"…the unique bundle of resources a particular firm has because of the systems interaction between the family, its individual members, and the business" (1999, p.11). In line with the definition, and relying on familiness perspective, current thesis (Study 1 and 2) argues that familiness plays a significant role in foster or hinder family firm's strategic orientations and its subsequent impact on performance. Chapter 4 in section 2.1 gives details discussion on the familiness perspective.

2.6 Stewardship Theory

Stewardship is defined as “human caring, generosity, loyalty, and

Table 1 Literature Overview

Theory	Study 1	Study 2	Study 3
Resource Base Viewed	√	√	
Social Capital Theory	√	√	√
Institutional Theory	√		
Familiness Theory	√	√	
Stewardship Theory			√
Entrepreneurial Orientation	√	√	
Risk-taking			√
Market Orientation	√	√	
Intelligent Generation			√
Business Network Ties	√		
Social Network Ties	√		
Family Involvement	√	√	√

CHAPTER 3: THE SYNERGISTIC EFFECT OF ENTREPRENEURIAL AND MARKET ORIENTATION ON FAMILY BUSINESS PERFORMANCE: EVIDENCE FROM TIBETAN- OWNED MICRO FAMILY BUSINESSES IN INDIA

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les comportements gouvernementaux imprévisibles, faisant peser un risque sur toute activité. Toutefois, ces incertitudes et ces risques élevés peuvent être contrecarrés par des activités guidées par le marché. En retour, la forte focalisation de ces activités sur les certitudes que signale le marché et les adaptations qui en découlent, peut engendrer une plus grande inertie structurelle et une tendance pour les entreprises à sous-estimer le besoin de plus innovation. Par conséquent, les fortes certitudes et les adaptations de MO sont nécessaires pour compléter les incertitudes et les risques élevés de EO dans les économies moins développées. Les résultats indiquent également que le capital social familial, en dehors des limites de l'entreprise, augmente encore la performance liée à l'alignement des deux orientations stratégiques (EO et MO). Notre recommandation est que les activités entrepreneuriales axées sur le marché sont renforcées par l'établissement de liens solides entre les réseaux d'affaires et d'autres organisations commerciales. En revanche, l'implication négative de la famille révèle qu'elle minimise l'impact des orientations stratégiques complémentaires sur la performance des entreprises. Nous montrons que des niveaux élevés d'une combinaison de EO et MO sont associés à des niveaux élevés de rentabilité lorsque la participation de la famille est faible.

Contrairement à l'intuition que l'on pourrait en avoir, la conclusion de ce premier article indique que la participation de la famille nuit aux effets synergiques positifs des orientations stratégiques (EO-MO) sur la rentabilité de l'entreprise.

3.1 Introduction

How do entrepreneurial orientation (EO) and market orientation (MO) influence business operation is a significant question that attracts growing research interest? In particular, family business context, these two internal firm capabilities are current research trend. Family business scholar has garnered increasing attention and interest to understand the influence of EO (Naldi et al.

concerning the combined effects of both strategic orientations on family business creates a gap between. Hence, a comprehensive understanding of this notion (i.e.

Additionally, family influence rather than family control has the effect of allowing for better exploitation of market opportunities and growing the family business (Sirmon, Arregle, Hitt and Webb, 2008).

While reviewing a literature concerning strategic orientations and family business reveals a majority of studies on entrepreneurial, market orientation, and learning orientation etc., are mainly centered on small, medium and large enterprises family business. But none of the studies has examined the influence of multiple strategic orientations on family micro-enterprises in emerging economies. Very few studies on the subject of entrepreneurial orientation in the micro family business have been undertaken (Welsh et al., 2012). To the extent of our knowledge, not a single research that has focused micro-enterprises in relation to the family business and market orientation in emerging economies. In sum, there is a dearth of studies that reveals the importance of MO in family businesses.

In the view of this, prior emerging economies scholars documented that in order to earn higher performance outcomes, the two (EO-MO) can be viewed from a complementary perspective that leads to enhanced performance over and above the direct impact of both EO and MO on business success in under-developed market conditions (Bhuian, 1998; Boso et al., 2013; Gruber-Muecke and Hofer, 2015; Hooley et al., 2000; Lui et al., 2003). Moreover, this study challenges the conventional wisdom that microbusinesses in developing countries lack the necessary financial and managerial resources to become entrepreneurial and market driven family firm without adversely affecting their performance.

The idea of introducing combined effects of EO-MO implication on micro-enterprises to investigate their entrepreneurial activities and performance was originally inspired by Boso et al. (2013). These scholars discussed the importance of implementation of commentary strategic orientations are relevant for small scale micro-businesses and calls for further research "…..the idea of helping developing economies to grow is the need to nurture the best micro-firms; those with the greatest potential for expansion and business success. Future research, therefore, can also focus on understanding how micro-businesses can develop and leverage EO, MO and network ties from birth, and the impact that these orientations and resources may have on business development" (p.725). Particularly, in family business context, a comprehensive understanding of this borrows and integrates theories from the family business, strategic management, entrepreneurship, and marketing management to support the relationships proposed in the conceptual framework (Fig.1). To support this argument **we** address some significant questions: Why and how complementary strategic orientations matter to micro-firm/family business performance in emerging market?. Why are micro family firms different to other forms of family firms? This paper attempts to incorporate the theory of entrepreneurship into the RBV of strategic management, while critically dealing with the RBV from an entrepreneurial viewpoint and

Entrepreneurial behavior is the individual's inclination to take on pioneering, and flourish in a dynamic environment (Li et al., 2008; Lumpkin and Dess, 1996; Shane and Venkataraman, 2000; Wiklund and Shepherd, 2003). It should therefore not come as a surprise that EO has a positive impact on performance (Rauch et al., 2009).

3.2.2 Entrepreneurial Orientation Perspective in Family Business: Entrepreneurial "Or" Non-Entrepreneurial Family Firms

Family firms are not homogeneous in a nature. Hence, the level of entrepreneurial activities in family firms is apprehended somewhat contradictorily in the family business literature. One school of thought suggests that family firms as conservative, are reluctant to take risks and wary of innovation (Chirico and Nardqvist, 2010, Chrisman et al 2006; Hall et al., 2001; Naldi et al., 2007; Nordqvist and Melin, 2010). This may be because family firms are above all concerned with the production and accumulation of family revenue

Therefore, in this study we relied on EO to measure the entrepreneurial tendencies in family owned micro enterprises.

3.2.3 Entrepreneurial Orientation and Micro Enterprises in Developing Economies.

Entrepreneurship is the engine that will push the emerging economies forward as the states of the developing world quickly grow to be major economic forces. In these countries, where there is a high level of institutional effects, entrepreneurial in the micro firm's orientation reported better performance outcomes (Roxas and Chadee, 2013; Lindsay et al., 2014). Studies have demonstrated that with a strong EO, micro-enterprises can develop their competitive advantage and contribute to the local economic development as well (Roxas and Chadee, 2013). More specifically, the sense of community influences social behaviors and performance in these countries, supporting the EO of the family business and future success of the micro-enterprises (Welsh et al., 2012). Particularly, in the industry associations in such market enjoy the sense of collectivism, cooperation, and oneness among their members. Cooperative efforts in product development, sharing of technological know-how, joint marketing campaigns, and lobbying for government support to the industry may explain the positive impact of collectivism on the entrepreneurial orientation of manufacturing firms (Roxas and Chadee, 2013). As a result, studies have documented that micro firms do achieve EO-based performance gains (Roxas and Chadee, 2013; Lindsay et al., 2014; Pratono and Mahmood, 2016). Study of

Welsh et al., 2012 reported that Malaysian family owned micro-enterprises are more highly correlated with proactiveness than non-family business and showed that the growth of family-owned micro enterprises is positively related to the growth (cash flow and sales) of business compared to non-family business micro-enterprises. They also highlight that micro-businesses with access to funding can grow at a faster rate than those without financial support and finally conclude that family-owned micro-enterprises owners are more committed to growing the business. Another study conducted by Lindsay et al. (2014) in two cities in the southeastern region of the Philippines and show that EO plays a key role in the performance of micro enterprises, mediating the influence of formal and informal institutions on performance. As a critical component of the economic performance of a nation, the institutions–EO–performance nexus requires deeper understanding. The same result in another study shows that the dimensions of EO (innovativeness, risk-taking, proactiveness, and entrepreneurial managerial competence have a significant positive influence on the growth of Micro and

therefore generally assumed that MO acts as a revenue-based orientation, promoting target sales growth (Frank et al., 2012).

Although MO has been examined in small and large firms, relatively few approach to marketing, personal, face-to-face involvement between executives and clients can solidify connections, increase mutual understanding, and boost loyalty, which sustains a business in times of trouble. Close client relationships depend on a thorough knowledge of the customer and so are more apt to develop when the target market is well-defined. Thus, another way of deepening relationships is by restricting the market focus to a precisely circumscribed group of customers are better off in generating more useful market intelligence (Kohli and Jaworshki, 1993) for the firm. Thus promoting a greater customer orientation. Family language (Habbershon and Williams, 1999) and less formalized family business structures (Daily and Dollinger, 1992) are key elements in a family business that further facilitates the dissemination and responsiveness (Kohli and Jaworshki, communication and as such, to market intelligence dissemination. Second, later generations philosophy is based on a solid customer base, and by simply following known and well-established practices and by means of word of mouth they can sustain firm performance. Hence, *it is possible that market orientation becomes less integral and important in the family business culture and behaviors when succeeding generations are in control of the firm. On the contrary, first-generation family firms strive to develop a strong position and customer base in their industry, which makes it likely that from the beginning a high level of market orientation is present in the firm to achieve this* (Beck et al. (2011.p. 265). Zachary et al. (2011) showed that MO has a positive effects on family enterprises but they are less market-oriented than non-family businesses.

3.2.5 Market Orientation and Family-Owned Microenterprises in Emerging Economies

MO constructs are relevant to family business context (Beck et al., 2011;

(2005) argue that because of the nature of micro firms, a more customer-oriented approach might be required of them for a better performance. Specifically, Wickham (2001) voiced that micro-firm competitive advantage is often built on localized and tacit knowledge that can respond quickly to market signals (cited in Kelliher and Reinl, 2009). Their target towards the specific niche markets that attract a significant mass of customers necessary for success (Hamil and Gergory (1997). Besides, these organizations inherent with unique advantage of flexible specialization and the owner/manager's direct contact with customers, suppliers and employees present a distinct advantage in the informal strategic planning process (Kelliher and Reinl, 2009), this flexibility forming a vital competitive strength (Healthfield, 1997). Given that, we argue that family owned micro-enterprises develop an in-depth understanding of both the manifest and latent

3.3.1 Coupling EO and MO in a Family Business Context

From the above discussion, it results that both EO and MO have a significant influence on the operation of family firms and are critical to the creation of wealth for family firms. However, the joint effects of both orientations in family firms have yet to be studied. We attempt here to characterize the synergic effects of EO-MO on the performance of family-owned micro-enterprises in a developing economy setting. The idea of coupling entrepreneurial orientation and market orientation in pursuit of superior business performance, particularly in factors explaining the superior outcome of a firm. Furthermore, superior value–creation strategies are contingent to balancing multiple capabilities, a concept which is relevant to that of organizational complementarity (Ennen and Richter, 2010) and shows that the capability of firms to uniquely assemble and coordinate multiple elements enriches the total value of the organizational system. These elements are entered in the establishment of complementary relationships of a heterogeneous nature (Ennen and Richter, 2010). Alignment among these critical capabilities now leads to improved firm performance (Boso et al., 2013). Dynamic capability and ambidexterity facilitate the recognition and grasping by organizations of fresh opportunities and the mitigation of the effects of path dependence (O'Reilly and Tushman, 2008, p.4). This argument, supplementing the view of Boso et al. (2013) on the interaction effects of both orientations, should offer an explanation of superior firm performance for family-owned micro-enterprises in developing economy settings.

We suggest and document that combined entrepreneurial and market orientation behaviors represent the most appropriate approach for family firms. EO actions alone yield superior performance benefits, but this choice remains a risky orientation due to the high degrees of uncertainties and risk adverse to family businesses, the main concerns of which are to preserve the family wealth and the prospects of future generations (Beck et al., 2011; Lumpkin et al., 2010; Sharma et al., 1997). Nevertheless, high risks and uncertainties can be regulated by higher levels of market-oriented activities, resulting in behaviors leading to the firm’s responsiveness to market intelligence (Kohli and Jaworski, 1990) and to a better understanding of product market needs, expectations, and satisfaction both in the present and in the future (Tokarczy et al., 2007). Such concepts are strongly embedded in current market actions and updates, explaining why MO consists more in an adaptive approach (Boso et al., 2013; Matsuno et al., 2002). On the other hand, extreme focus on present market certainties and adaptiveness may jeopardize the structural inertia and lead to placing less importance in innovativeness (Boso et al., 2013). Morgan et al. (2014) show that an interplay of EO and MO has a negative effect on new product development. High certainties and an adaptiveness to market orientation are therefore both vital to balance the high uncertainties and risks of EO. This is especially true for firms operating in emerging economy settings where business-supporting infrastructures are poor and government behaviors unpredictable, impairing proper operation (Khanna and Rivkin, 2001). It results that higher entrepreneurial and higher market-oriented behaviors yield superior performance benefits for family firms operating in underdeveloped market conditions. On this basis, we can state that:

Hypothesis 1: Combined EO and MO has a positive impact on the financial performance of family owned micro businesses in a developing economy.

3.3.2 EO, MO, business network ties (BNT) and Performance Configuration

The literature has emphasized the effectiveness of firm’s business network ties for facilitating the performance benefits of strategic orientations in underdeveloped markets (Chung, 2012; Boso et al., 2013; Luo et al., 2008; Yiu et al., 2007). Business ties is a "formal or informal business transaction nexuses formed between suppliers and buyers" (Yiu et al., 2007). In other words, business ties represent a firm's informal, interpersonal social connectedness in the marketplace, such as connections with a supply chain or partners, competitors, and other market collaborators (Sheng et al., 2011; Dong et al., 2013). Such type of social capital may be especially valuable for a family firm's in an emerging markets because "business networking relationships fill the "institutional voids" – i.e. the absence of market-supporting institutions, specialized intermediaries, contract-enforcing mechanisms, and efficient transportation and communication networks (Khanna and Palepu, 1997), by garnering the resources and capabilities that serve to facilitate business activities" (Acquaah, 2011.p.2).

Hence, the attributes of business network are embedded within the family unit and in ties the family firms with external stakeholders. This is because they involve dual types of social capital: family and business (Arregle et al., 2007), that help to create a unique type of social capital in family firms. As a result, family heads are fully devoted towards creating strong interactions with their family firms to strengthen entrepreneurship and to create family wealth. As an example, a firm's relationship with its suppliers affects its access to valuable external resources (e.g., raw materials, capital). For instance, in the context of the present study, Lau (2012) shows that the business ties of Tibetan family owners benefit from a greater volume of trade with the Indian woolen manufactures in India with limited funds. As a result, a firm's social capital contributes to its legitimacy with the firm's constituencies, an attribute of particular importance for smaller and entrepreneurial firms (Lounsbury and Glynn, 2001, cited in Sirmon and Hitt, 2003 p. 349). Because, such type of social capital stressing relationships between individuals or between organizations (often individual-based relationships) and enhancing inter-unit and inter-firm resource exchange, the creation of intellectual capital, inter-firm learning, supplier interactions, product innovation, and entrepreneurship (Adler and Kwon, 2002).

Small firms rarely have all the resources to compete effectively in the market; developing such connections with external constituents helps them gain access to necessary resources as well as new learning capabilities (Sirmon and Hitt, 2003), and have a positive impact on the performance of family firms (Sharma, 2008). Sirmon and Hitt (2003) argue, however, that to be effective in the transfer of knowledge or to integrate complementary resources requires careful and effective management of the collaboration and relationships in the alliance. Such capabilities may not naturally be a characteristic of family firms, but this limitation may be overcome with higher social capital in family firms (Sirmon and Hitt, 2003).

The universal goal of firms is to capitalize their economic returns, explaining why it is in their interest to collaborate in order to coordinate exchanges that promote trust, commitment and mutual relations among them (Ghosh and John 1999; Lusch and Brown 1996; Morgan and Hunt, 1994; Sheng et al., 2011). As a result, network ties limit opportunistic behaviors (Ganesan, 1994), reduce risks and transactional costs (Ganesan, 1994; Noordewier et al. 1990) and provide economies of scale and scope (Yiu et al, 2005; Wu, 2011) in the network, inspiring long-term cooperation (Ganesan, 1994; Liu and Wang 2000).

Managerial ties are especially critical for small enterprises in a developing economy setting (Peng and Luo, 2000), due to the fact that environmental turbulence in such markets places constraints on strategic directions. As a result, firms adopt such ties in order to overcome the uncertainty and distrust that plague economic transactions (Park and Luo, 2001) connecting firm to banks, suppliers and consumers (Liao and Welsch, 2003; Peng and Luo, 2000). More precisely, the inclusive ties of firms with suppliers may benefit from innovative products by offering a large pool of knowledge, more problem-solving options and more possibilities by aligning different elements (Wu, 2011). Besides, strengthening the local business networks of firms by business related ties providing local market knowledge results in the recognition of entrepreneurial opportunities

(Luo, 2003). Shi and Dana (2013) argue that socialization is crucial to the formation of the value system and behavioral orientation of firms.

In the Tibetan context, business ties prove efficient mainly for financing the business: for instance, it enables family owners to obtain a 90% credit on the goods they buy from suppliers. Another advantage for owners is the opportunity to return without penalty the goods they have not been able to sell. Sellers also obtain significant contributions from suppliers for renewing their shop installations and covering the consequences of risks such as fire, theft, floods, natural disasters… Besides, maintaining good relationships with competitors may result in new connections to potential providers and customers. Boso et al. (2013) show how higher levels of business ties increase the impact of synergy strategic orientations on the performance of firms in developing economies such as Ghana.

Based on these observations, we have assumed that the business relationships family firms establish outside the boundary of the firm provide valuable external resources resulting in a reduction in the transaction costs permit to quickly adapt to market changes, primarily because they provide important knowledge of changing market trends. Accordingly, the interplay between EO and MO is more strongly positively correlated with the performance of family-owned micro-enterprises when family owners cultivate stronger levels of business ties. Accordingly, the second hypothesis we consider is:

Hypothesis 2: The combined positive effects of EO and MO on business performance are strengthened when a family owners cultivate stronger business network ties.

3.3.3 EO, MO, social network ties (SNT) and Performance Linkage

We argue that the SNTs which family businesses cultivate outside the perimeter of the firm may help provide them with the necessary resources and capabilities allowing them to execute their strategic orientations in the context of underdeveloped market conditions. In particular, community leaders are very influential in garnering resources and providing family businesses in emerging economies with access to valuable information and knowledge (Acquaah, 2011; Boso et al., 2013). As an illustration, the Ghanaian social system is highly collectivistic and embedded in cultures and traditions that thrive on communal bonds, interpersonal relationships, and strong allegiance to community and family leadership (Acquaah, 2011, p.11). This context facilitates information about business opportunities and establishes links to sources of financial resources and markets for the products, ultimately strengthening the effects of family firm strategy on performance (Acquaah, 2007; 2011). The Tibetan social system is also embedded in a strong collective culture, and the leaders of the community of Tibetans in exile play a critical to function in the lives and activities of Tibetan individuals and organizations in India. They are the keys and the guardians of societal norms, shared understandings, and expectations, defining what are socially acceptable practices and behaviors in the community's business environment (Acquaah, 2011). They facilitate the access of family businesses to resources and too valuable information and knowledge, organize seminars and workshops to strengthen their entrepreneurial activities. In the sweater business, in particular, they play a vital role in strengthening long-term buyers-suppliers relationships (Department of information and international relations, 2015). Suppliers' trust is cultivated through community leaders and, as a result, family owners enjoy uninterrupted supplies of products. Similarly, risk-taking and innovativeness behaviors are encouraged while buyers-suppliers relationship is maintained. Most importantly, entrepreneurial behaviors flourish if such intangible resources are based on trust. More specifically, building trust in business relationship results in a decrease of the transaction costs in an exchange relationship, reduces the risk of opportunistic behavior, increases long-term orientations, the willingness to engage in future business opportunity and collaboration. In building social ties with government agencies, a firm may enjoy "preferential access to controlled information, fewer bureaucratic delays in responding to customer needs and protection from external threats to a firm's credibility in the marketplace" (Luo et al., 2008, p.206). Such links provide "earlier warnings and advance notice of impending government regulations, monetary and non-monetary incentive initiatives, and opportunities that may arise from changes in government policy" (Boso et al., 2013, p.713) that helps family business owners decide whether or not to invest in risky projects and help protect family wealth.

We, therefore, assume that the social network ties of family firms help them gaining institutional favor and support from local government agencies, community leaders, and peers. This provides family owners with a critical source of resources, information, learning, and knowledge that is leveraged to help minimize threats, exploit opportunities and support the successful execution of their business strategies i.e. EO and MO (Acquaah, 2007, 2011; Gomez-Mejia et al., 2001). We now can state that:

joint effects of EO-MO are more strongly associated positively with the performance with higher levels of family involvement.

Family members in a business enjoy major benefits for the family as a whole and work collectively to tackle the challenges and opportunities faced in a competitive marketplace. As such, families explore various alternative approaches, assess the inherent risks and strive for the best strategy to increase performance (Zahra, 2005).

Various studies have shown the extent of which families influence activities of firms, and provide numerous essential resources to support entrepreneurs' activities and improve business performance (Johannisson and Monsted, 1997; Larson and Starr, 1993). Indeed, the familiness theory embedded within the so-enhancing business growth (Gomez-Mejia et al., 2001). The advice provided by family members is another essential element of the entrepreneurial process that firms must take into account (Arregle et al., 2013; Greve and Salaff, 2003; Naldi et al., 2007). Willingness to help is established primarily because of strong trust, deep integration and mutuality, and the family's strong identification with the entrepreneur (Ensley and Pearson, 2005; Gomez-Mejia et al., 2001). Family resource network ties help support entrepreneurial opportunities and develop business enterprises, reflecting positively on the performance.

Several researchers have suggested that family influence has a positive impact on entrepreneurial behaviors (Kellermanns et al., 2008; Salvato, 2004; Zahra, 2005). The empirical study of Kellermanns et al (2008) shows that generational involvement has a significant positive impact on the entrepreneurial behavior of family firms and further generates growth and success. This is attributed to the fact that younger generations pursue superior firm performance by putting greater effort on business growth, thus ensuring the firm's survival (Kellermanns et al., 2008). Another reason could be that the involvement of multiple generations helps promote new visions and experiences and supply fresh knowledge to the actions of the firm, thus nurturing innovation. Furthermore, such an innovation-oriented principle ultimately brings success and increases family wealth (Zahra, 2005).

On the other hand, several studies point out to the fact that the unique resources and characteristics of family firms characterize them as market-driven organizations (Beck et al., 2011; Tokarczyk et al., 2007; Zachary et al. 2011). More specifically, Beck et al (2011) show that later-generation family businesses are capable of reinventing themselves and of moving beyond their original legacy. It is likely that these businesses devote less effort in gathering information about current customers and their expressed needs, but try instead to find new and pertinent information that could improve the higher market-oriented behavior of the firm In addition, a unique family language facilitates communication, accelerating effective dissemination and exchange of information (Habbershon and Williams, 1999). The informal culture atmosphere present in the family (Daily and Dollinger, 1992) further enables dissemination of and response to market knowledge more efficiently (Kohli and Jaworski, 1990). Moreover, high behavioral integration and mutuality in family controlled firms (Ensley and Pearson, 2005) explain that a high behavioral integration is expected to result from the family's strong identity, promoting cooperation, and from group norms that increase the level of comfort and encourage the sharing information (Ensley and Pearson, 2005). Such information and knowledge are acquired, shared and developed within the various generations: the influence of family members is, therefore, hard to imitate and also difficult to develop in a different context (Cabrera-Suarez et al., 200; Chirico, 2008).

Family involvement in entrepreneurial and market driven activities primarily results from the strong ties developed, which facilitate family's insights and experience about markets and competition and create unique capabilities that can lead to superior performance (Naldi et al., 2011). Moreover, Beck et al., (2011) argue that the pursuit of later generations for new customer segments promotes a strong external orientation behavior and encourages undertaking market studies to help identify new customer groups that can be served.

Strong ties result in access to high-quality resources – especially information - often not commercially available, and which are very well adapted to the specific needs of the entrepreneur and its business.

Family involvement, therefore, provides reliable advice, increases entrepreneurially oriented activities in opening up new visions and experiences and supplies fresh knowledge into business, resulting in innovativeness (Arregle et al., 2013; Zahra, 2005). Likewise, it improves the understanding by family members of the dynamic environment and opportunities facing the firm. This also enables the family to explore various alternatives, to assess the risks associated with these options, and to decide how to best execute the chosen strategy. It instils confidence during uncertain stages involving risk-taking and making decisions permitting to seize new market opportunities. The family language substantially facilitates market-oriented activities. Moreover, the involvement of multiple generations results in an increased effort to identify new customer groups, thereby improving market-oriented activities (Beck et al (2011). Tangible resources generated from strong ties of kinship help entrepreneurs in family firms

Hypothesis 4: The combined positive effect of EO-MO upon the firm performance is higher when there is a higher level of family influence in business activities.

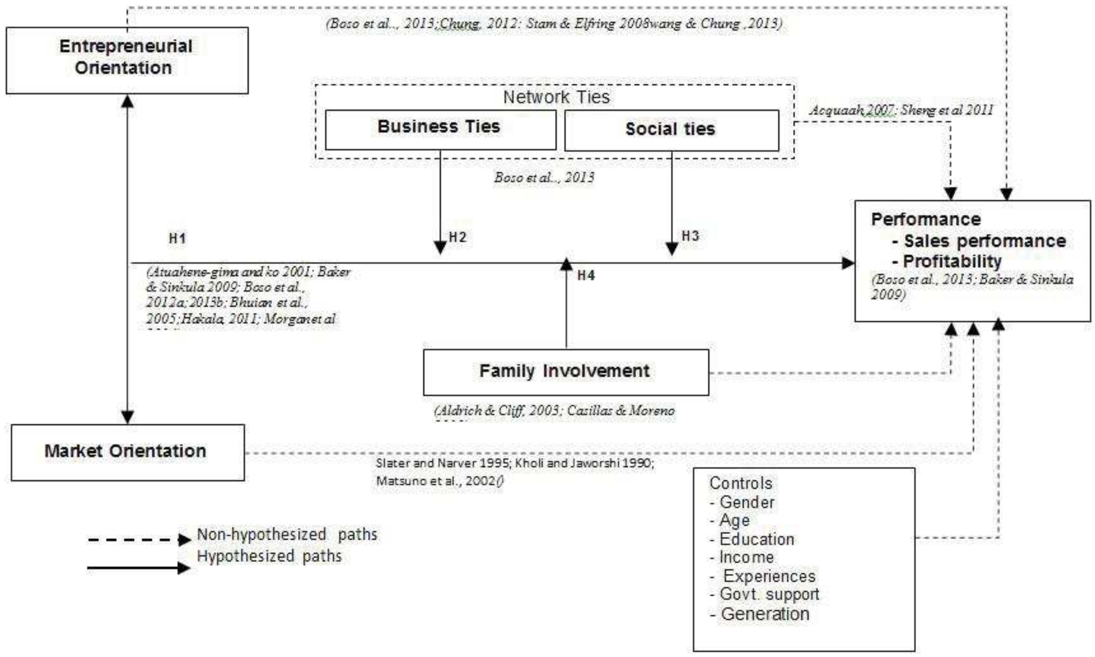


Figure 1 Conceptual Framework

3.4 Methodology

3.4.1 Research Context

first author in conducting field experiments also pleaded in favor of quantitative, confirmative methods.

3.4.3 Sample and Data Collection

Total respondent encountered	450
Refused to participate	50
Objected to participate	40
Survey participated	**360**
Questionnaires finished	287
Questionnaires incomplete/unengaged responses	73
Total questionnaires retained	**287**
Response rate	**79.72%**

3.4.4 Measurements

3.5.2 Measurement Model Analysis

Measurement model analysis started with EFA (Exploratory Factor Analysis) followed by CFA (Confirmatory Factor Analysis) which is the most logical approach at the initial stage of scale items development (Gaskin, 2013; Worthington and Whittaker 2006). It is utilize to explore the underlying factor structure to data without presuming a structure to start (Suhr and Colorado, 2006). EFA enables to recover the correct factor model satisfactorily most of the time by using principal-axis and maximum-likelihood factor analysis (Gerbing and Hamilton, 1996). Hence, this technique helps to reduce a large number of related variables to a more manageable number, prior to using them into multivariate analysis of variance. The 61 items were subjected to EFA using SPSS version 23, maximum likelihood estimation procedure was performed to select items that loaded on a factor so that preliminary scales could be provided for further validation. As a result, 6 items were removed from the item bank due to cross loadings. The final EFA model produced a 13 factor components by retaining 55 items that explained 54.34% of the variance, with all extracted factors Eigenvalues exceeding 1. There were no cross loading among the factors in the rotated pattern matrix which suggest no issue of discriminant validity (See APPENDIX A).

3.5.3 Reliability test

Table 3 display the Cronbach's alpha for the factors in the model, all of which were above 0.73 except responsiveness (.54), responsive factor is an

Table 3 Reliability Statistics

#	Factor	Cronbach's Alpha	Number of Items
1	Performance	0.87	4
2	Risk taking	0.76	3
3	Proactiveness	0.84	4
4	Innovativeness	0.88	5
5	Autonomy	0.85	4
6	Competitive aggressiveness	0.77	3
7	Intelligence generation	0.75	3
8	Intelligence dissemination	0.73	3
9	Responsiveness	0.54	3
10	Business network ties	0.85	4
11	Social network ties	0.82	2
12	Family involvement	0.80	4
13	Government support	0.88	4

important dimension of market orientation so we decided to retain the factor in the model. Obtaining identified the thirteen-factor structure of the data, we proceeded to CFA (See APPENDIX B) to test the reliability and validity of the measurement scales. Following purification, 9 indicators were removed from the CFA, the modification indices indicates an absence of correlated errors, which implies that there were no statistical biases. The model fit for the measurement model was obtained from different latent factors. The positive and significant loading confirms convergent validity of our measures. The model fit was assessed using chi-square test. All the factors loaded were positive and significant with good fit indices. CMIN/DF = 1.33 is significant ($p < .01$); CFI (comparative fit index) = .94 were satisfactory; RMSEA (root mean square error) =.034;

Table 4 Constructs, measurement items, reliability and validity tests

Items Description	Loading (t-values)
Performance (Menguc and Auh 2008): CR=.87; AVE=.66	
Evaluation of sales growth relative to target market objective.	.81 (fixed)
Evaluation of firm return on investment	.77 (13.72)
Evaluation of sales volumes relative to target market objective	.85 (15.39)
Evaluation of overall profitability	.73 (13.00)
Business network ties (Peng and Luo 2000; Li, et al 2005): CR=.86; AVE=.61	
Transporters	.88 (fixed)
Suppliers/wholesalers	.80 (15.82)
Customers/ Buyers	.75 (14.48)
Competitors	.67(12.43)
Social network ties (Shane and Cable 2002) CR=.82; AVE=.70	
I have engaged in informal social activity (e.g., dinner, movies, cultural program) with someone influential in our business.	.85(Fixed)
I have a professional relationship with someone influential in our business line.	.82 (11.24)
Risk-taking (Covin and Slevin 1989; Jambulingam et al., 2005) CR=.77; AVE=..52	
Head of our family, in general, tend to invest in high-risk projects (with chances of very high returns).	.78 (fixed)
Our business strategy is characterized by a strong tendency to take risks.	.72 (10.55)
In general, head of my family believe that, owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm's objectives.	.68 (10.00)
Autonomy (Hughes and Morgan 2007;Jambulingam et al., 2005) CR=.84; AVE=.60	
Employees are self-directed in pursuit of target market opportunities.	.85 (fixed)
Employees are permitted to act and think without interference	.81 (14.31)
Employees are given freedom and independence to decide on their own how to go about doing their work.	.74 (12.84)
My family members and employees behave autonomously in our business operations.	.60 (09.94)
Innovativeness (Boso etal., 2013;Jambulingam et al., 2005) CR=.87; AVE=.61	
My business has in the past years provided leadership in launching new products.	.88 (fixed)
Our firm is known as an innovator among businesses in our community.	.80 (16.40)
We promote new, innovative products in our shops.	.80 (16.38)
I have built a reputation for being the best in my community to producing new products.	.69 (13.31)
We constantly experiment with new products.	.72 (13.86)
Proactivness (Jambulingam et al., 2005; Hughes and Morgan 2007) CR=.84; AVE=.57	
We act opportunistically to shape the business environment in which we operate.	.78 (Fixed)
We seek to exploit anticipated changes in our target market ahead of our rivals.	.67 (11.16)
We always try to take the initiative in every situation (e.g., against competitors, in projects when working with others)	.77 (13.19)
Because market conditions are changing, we continually seek out new opportunities.	.77 (12.97)
Competitive aggressiveness CR=.79; AVE=.55	
Our actions toward competitors can be termed as aggressive.	.77 (fixed)
We directly challenges our competitors	.77 (10.14)
In dealing with competitors, we typically seeks to avoid competitive clashes, preferring a 'live-and-let live' posture.	.69 (09.83)
Intelligent generation (Jaworski and Kohli, 1993) CR=.76; AVE=.52	
I periodically review the likely effect of changes in our business environment (e.g., regulation) on customers.	.79 (Fixed)
I am fast to detect fundamental shifts in our target market environment (e.g., regulation, economy).	.73 (09.09)
I am fast to detect changes in our customers' product preferences.	.60 (08.30)
Intelligent dissemination (Jaworski and Kohli, 1993) CR=.75; AVE=.50	
Information regarding our customer satisfaction is shared among family members and employees on a regular basis.	.87 (Fixed)
My family members and my employees often discuss about market trends and developments at dining table.	.73 (09.38)
In our business unit family members and employees spend time discussing customers' future needs	.54 (07.56)
Responsiveness (Jaworski and Kohli, 1993) CR=.506; AVE=.27	
I rapidly respond to competitive actions that threaten us in our target markets.	.33 (Fixed)
When we find out that customers are unhappy with the quality of our products, we take corrective action immediately.	.54(3.86)
Customer complaints fall on deaf ears in our business unit (reverse coded).	.63 (3.91)
Family Involvement (Shinnar et al.,2013) CR=.81; AVE=.52	
Family members help with the business without pay so that you can spend more time with family	.74 (fixed)
Household responsibilities temporarily shifted among family members so more time can be spend in the business.	.79 (11.48)
Family members get less sleep because they help business.	.74 (10.98)
Family members skip routine tasks to help business.	.60 (09.12)
Government support (Li and Autahene-Gima 2001) CR=.85; AVE=.60	
Provided important market information.	.92 (fixed)
Played a significant role in providing financial support.	.82 (17.08)
Implemented policies and programs that have been beneficial to business operation.	.77 (15.54)
Helped firms obtain licenses for and raw material, and other equipment.	.54 (09.69)
Informant Competency (Morgan et al., 2009)	
Questionnaire deals with issues I am very knowledgeable about.	-
My answers to the questions in the questionnaire are very accurate.	-
I am completely confident about my answers to the questions.	-
Questionnaire deals with issues I am very knowledgeable about.	-

3.5.4 Validity and Reliability

The positive and significant loading confirms convergent validity of our measures (See Table 4). Only responsiveness (MO dimension) loaded less than the threshold value however, we have decided to keep it and test it further into the structural equation modeling analysis. The model fit was then measured using chi- square test. All the factors loaded were positive and significant with required threshold. CMIN/DF = 1.40 is significant ($p <.01$); CFI = .92 were satisfactory; RMSEA =.037. No correlated errors were found in the modification indices which indicate no statistical biases.

3.5.5 Common Method Bias (CMB) Analysis

CMB may be a concern when self-report questionnaires are used to collect data at the same time from the same participants. In other words, the data for both the predictor and criterion variable are obtained from the same person in the same measurement context using the same item context and similar item characteristics. Hence, in line with previous research (Pdsakoff et al., 2003), we checked for CMB was a problem, a Harman's single-factor analysis was applied (Podsakoff and Organ, 1986) and factor loadings for multi-item scales within the same factor analysis were reviewed. All the indicators were loaded into a single common latent factor (CLF). Then we conducted a Chi-square difference test, significant shared variance, as a result, we retained CLF in the model (Gaskin, 2013; Podsakoff et al., 2003) and a common method bias corrected measures were created to further test the structural model. All fit heuristics fell under the required threshold ranges. Specifically, CMIN/DF=1.254; CFI=.960; were satisfactory RMSEA=.030; PCLOSE=1.000.

3.5.6 Structural Model Analysis

This study examines the performance of micro-owned family business in a developing economy setting by building on Boso's et al. (2013) conceptual model. A significant correlation (See APPENDIX D) among the constructs that enabled to test the relationships presented in the conceptual model using a SEM approach. The structural model was built using composites imputed from latent factor scores obtained from the measurement model. Prior to the structural model, we have formed a number of interaction variables by computing centered mean of observed variables and multiply them to form interaction variables as shown in Figure 1. On the first stage we tested the default model using hierarchical moderated structural equation modeling to test four nested models (models 1 to 3 as shown in Table 6). Finally, the full model was estimated in model 4 including hypothesized paths and compared to the previous models by observing variation in model fits and R^2 change.

The present study examines the Tibetan owned micro family firm performance in India. The descriptive analysis of the firms in this sample documented 46.3% were male and 53.7% were females respondents. In terms of

Table 5 Profiles of Tibetan owners

Characteristics	Measuring Groups	No. of response	Valid % of valid response
Gender	Male	133	46.3
	Female	154	53.7
Age	Less than 25 Yrs.	46	16.0
	25-30 Yrs.	89	31.0
	36-40 Yrs.	111	38.7
	40 Yrs. above	41	14.3
Income	Less than € 598	58	20.2
	€ 598- 897	30	10.5
	€ 898 – 1196	29	10.1
	More than € 1196	170	59.2
Education	No schooling	122	42.5
	Primary school	125	43.6
	Secondary (high school)	38	13.2
	Bachelor's degree	2	0.7
Years of Experiences	Less than 5 Yrs.	59	20.6
	5-10 Yrs.	104	36.2
	11-15 Yrs.	86	30.0
	16-20 Yrs.	32	11.1
	Above 20 Yrs.	6	2.1
Generation	In-laws (younger generation)	36	12.5
	Senior generation (parents)	159	55.4
	Younger generation (off spring)	76	26.5
	Other (e.g. uncles, aunts, cousins)	16	5.6
Source of Livelihood	Yes	254	88.5
	No	33	11.5
Ownership of The Land	Public	107	37.3
	Private	147	51.2
	others	33	11.5
Business Location	Yes	220	76.7
	No	67	23.3

n=287

age, the majority of the age group falls between 36- 40 years of age covering 38.7% in total. Followed by 31% of the age group was between 25-30 years old. One hundred and seventy firms rated their income per season was more than \$1349. As discussed, this study comprises the respondents with low education qualification, as a result, 125 owners have a primary school qualification (43.6%) and 122 of them with no schooling records (42.5%) were documented. 13.2 % of the respondents have joined high school and only 2 owners have the bachelor's degree. In terms of experience, 86 respondents have 5-10 years of experience in the business, followed by 86 owners rated to have 11-15 years of experience. This sample documented that 55.4% of the senior generation (parents) represent the current business owner. A fair portion of 76 respondents were the younger generations (offspring) those who managed and control the business. This business is one of the preferred businesses executed by the Tibetan in India thus rated 88.5 % is one of the main business as well the unique source of livelihood for them. Their shops are installed mainly on private landowners (51. 2%), whereas 37.3% of families established their business on public ownership land. The majority (76.7%) of them confirmed that their business location is in the main business centre. Table 5 presents descriptive statistics on the respondents' profiles.

Table 6 Findings on Hypotheses Testing

Variables	Standardized estimates								Findings
	Model 1		Model 2		Model 3		Model 4		
Control paths	Sales	Profitability	Sales	Profitability	Sales	Profitability	Sales	Profitability	
Gender	-1.18	0.186	-1.23	0.234	-1.469^{c}	-0.250	-1.749^{a}	-0.120	
Age	-2.42^{a}	0.80^{c}	-0.74	-0.83	-1.011	-0.68	-0.565	-0.434	
Education	-2.15^{a}	-1.48	-2.68^{a}	-1.31	-2.597^{a}	-1.229	-2.611^{a}	-1.314	
Income	1.90^{b}	-1.34	1.15	0.58	1.248	0.441	1.44^{a}	0.359^{c}	
Experience	2.63^{a}	1.05^{b}	1.72^{c}	1.71^{c}	1.704^{c}	1.622c	1.609^{c}	1.531	
Government support	0.96^{c}	1.972	-2.22^{a}	0.31	-2.222^{a}	0.279	-2.28	0.187	
Generation	1.95^{b}	0.46	0.64	0.56	0.451	0.567	0.207	0.443	
Sales performance		18.07^{a}		14.39^{a}		14.694^{a}		14.743^{a}	
Main effect paths									
H:1 Family involvement (FINVOL)			-1.327	-.0269	-1.239	-0.128	-1.089	0.468^{c}	
H2: Entrepreneurial orientation (EO)			1.096	1.156	0.997	1.684^{c}	1.009	1.447^{c}	
H4: Market orientation (MO)			-0.494	1.916^{b}	-0.257	1.77^{c}	-0.882	1.149	
Business network ties (BNTs)			9.065^{a}	1.616^{c}	8.854^{a}	1.417	8.699^{a}	1.086	
Social network ties (SNTs)			-2.108^{b}	-0.781	-1.847^{c}	-0.711	-2.023^{b}	-0.689^{b}	
Two-way interaction paths									
BNTs * STNs					-0.824	0.454	-0.694	0.744	
EO * BNTs					-0.419	-1.147	-0.513	-1.241	
EO * SNTs					2.019^{b}	-0.991	2.326^{a}	-0.798	
MO * SNTs					0.813	1.126	-0.76	2.557^{a}	
MO * BNTs					-1.281	1.337	1.359	0.859	
H3: EO * FINVOL					-0.442	1.882^{c}	-0.656	1.974^{b}	
H5: MO * FINVOL					0.332^{c}	-1.361	-0.092^{c}	-2.388^{a}	
Three-way interaction paths									
EO * MO							-2.118^{a}	0.446	S
EO * MO * BNTs							0.473	2.244^{a}	S
EO * MO * SNTs							0.347	0.695	NS
EO * MO * FINVOL							-0.777	-2.17^{b}	NS
Goodness of fit indicators:									
R2	8%	57%	36%	59%	38%	61%	39%	62%	
CMIN/DF		1.12		1.80		2.07		2.4	
CFI		1.00		.99		.99		.99	
RMSEA		.19		.05		.06		.07	

^{a}p< .01, ^{b}p< .05, ^{c}p< .10; S = Supported, NS = Not Supported

and MO, business ties and social network ties (Boso et al., 2013) as well as family involvement on the outcome of the firm (profitability and sales performance).

Three key findings have resulted from our work. First, we have confirmed the existing evidence that greater levels of both orientations are essential in assuring business success in emerging economies (Atuahene-Gima and Ko, 2001; Boso et al., 2013). Particularly for family-owned micro-enterprises, we have shown that new and innovative initiatives result in higher levels of entrepreneurial activities. This orientation is to be encouraged, in spite of the risks especially incurred in emerging economies, where business support systems, market infrastructures, commercial law enforcement, energy and transportation facilities, are under-developed (Acquaah, 2011; Boso et al., 2013). If higher market orientation is deemed essential in fulfilling the current market demands, it is also inherent with structural inertia, causing firms to focus less on innovation and as a result endangering their development. It follows that strong MO based on certainties and an adaptiveness approach is required to compensate for the highly risky approaches of EO in developing economies (Boso et al., 2013). The implication is that family firm are rewarded when employing both orientations simultaneously, especially in a low-income country setting. Hence, provided a quantitative evidence and improving our understanding that higher EO and MO are complementary to each other and together increase the performance of family businesses. In spite of the importance of market-oriented behaviors in the strategic orientations of family firms, little known about how family MO affects external knowledge: from the perspective of absorptive capacity, greater BNTs enable firms to build their knowledge of the market not only from their own intelligence gathering and efforts at identifying opportunity but also from that of partner firms. Our empirical results are therefore consistent with the previously largely untested argument that, over and above, the external family social capital of a firm allows family owners to cultivate business ties that are important in strengthening the strategic orientation and explains its performance in a dynamic environment. The findings of or study also complement those of Sirmon and Hitt (2003), who have suggested that such connections between family firms enhance inter-unit and inter-firm resource exchanges, the creation of intellectual capital, inter-firm learning, supplier interactions, product innovation, and entrepreneurship. It also allows communicating more easily the value and relevance of the goods and services offered by the firm to potential customers.

Hypothesis 3 is not supported, which means that social network ties, unlike business ties, appear to have no influence on the performance of the firm when interacting with EO*MO in spite of a positive but not significant direction (Table 6). Such social ties as identified with public local agencies which offer resources to the Tibetan community by providing locations in which to set their businesses, delivering licenses, and bringing amenities (electricity, public transportation). They are also assisted by private initiatives such as provided by religious leaders and local maharajas, who may offer use of land free of charge. It should be stressed that these social ties are supported by market association leaders. In fact, each specific market, such as the sweater market, is organized in a market association led by a committee in charge of the relationships with local government agencies. In fact, the questionnaire could have been answered more accurately by association leaders rather than by family-business owners, which would have avoided the potential biases arising from a lack of knowledge and misinterpretation by responders of the role of the association. Further research on the influence of social connections on strategic orientations would be called for. Moreover, the fact that SNTs consist of two items only (Table 6) raises doubt upon the reliability of the measurement of social network ties. These items were kept in the final default model but were loaded with a very high negative coefficient, significant at .05, when considering their direct effect on performance. This might explain why social connections involving government officials and political leaders appear to be detrimental to the performance of Tibetan family firms in India.

Another important contribution of this study may be considered as an answer to the call when and where the familiness resource is likely to adopt either a ways. Relating to the concept of "ossification of knowledge" inspired by Berman's et al. (2002): when high levels of shared experience between family members in a group lead to ossification of knowledge and decline in performance result (Tokarczy et al., 2007.p. 30). As such, exists a dark side of high degrees of familiness hurting family business performance. In this context, we expect that high degrees of family involvement result in a negative familiness, weakening positive strategic behaviors and further diminishing the performance. Besides, Shi and Dana's (2013) argue, based on family socialization practices, that second-generation owners-managers typically over-socialize in family orientation and under-socialize in market orientation, pushing as a result family businesses towards family-oriented businesses. Although they might be actively engaged in market socialization, what eventually pushes businesses towards a family orientation is the markedly dominant influence of owners-managers in practice of family socialization. Founders and subsequent generations in families collaborate extensively. Founders are keen to facilitate and provide strategic resources and training, even after a business succession. A strong family socialization eventually contributes to the family orientation of the business already noted, exerting, in turn, an influence on the entrepreneurial process leading to continuous innovations. The empirical evidence provided supports this perspective and the notion that Tibetan family businesses can be considered as family-oriented businesses.

Table 6 shows the positive influence of an interaction of entrepreneurial orientation and family involvement (EO*FINVOL) on performance, while that of market orientation and family involvement (MO*FINVOL) is negative. This result also confirms the remark that family members are focused inwards (EO) and exhibit a lesser amount of socialization for market and customers (MO). A probable explanation is offered by Zahra (2005), who shows that risk-taking, an element of EO, is good for the performance of family firms since family members bring fresh visions and experiences and therefore new knowledge into the business, thereby promoting innovation (Zahra et al., 2004). In the study context, we show that familiness resource is likely to adopt a positive family involvement in combination with entreprenurship and a negative family effects alinging with market orietion and the combined stretegic orientaton in an emering market setting.

3.7 Conclusions, Limitations and Suggestions for Future Research

We have presented an attempt at understanding how the combined effects of strategic orientations may improve the performance of Tibetan-owned family businesses in India, taking into account the latest research on the impact of EO-MO interplay on the performance. The effect of multiple strategic orientations has not been extensively studied in the family business literature. Empirical findings suggest that higher levels of both orientations yield higher performance outcomes for family-owned micro-enterprises in less developed economies, suggesting a potentially useful strategy. In particular, social capital together with business entities is shown to play a vital part in assessing the complex relationship between EO and MO and its outcome on the business. The synergy impact improves customer value and offers fresh potential market opportunities. The study could be expanded to other economic sectors the Tibetan community is engaged in, particularly agriculture and tourism.

The business being family-led, we introduce a family involvement variable and consider a fourth hypothesis, namely, that "the reciprocal benefits of entrepreneurial and market orientations are more positively associated with the outcome of the firm when the family influence in business activities is higher". Aldrich and Cliff (2003) show that family represents an essential component for explaining the performance of entrepreneurial firms. Probably due to the specific context of this study, this hypothesis was not relevant, indicating that Tibetan family members are reluctant to implement the two orientations simultaneously. In order to further assess the role of the family in fostering strategic orientation activities, further research is needed in order to determine the conditions under which entrepreneurial and market-oriented activities benefit or hurt family-owned microbusinesses in developing as well as developed economies. In addition to family involvement, the religious character of the Tibetan culture would deserve further examination. This point has not been explicitly been taken into account, Several limitations should be pointed out at this point to adequately assess the scope and results of the study. Self-assessment and perceived measures of performance were used, suggesting that respondents might have over- or under-stated their performance. Such a concern is normal practice in field surveys (Lyon et al., 2000) and we have to accept that results may be inherently biased and reflect wishful rather than factual opinions. There might also be biases in the respondents' answers due to the low level of education of most of them (86 % had no or only primary schooling), and to the language gap since they spoke Tibetan only. Another key concern deals with data collected regarding social network ties. These questions would have been better answered by association leaders instead of family-business owners, which would have made up for lack of knowledge and misinterpretation of the role of association leaders. Besides, modelling SNTs with two items only could affect the reliability of the social network ties measurement.

The implication for family micro-business owners is that more effort should be directed towards cultivating business-related ties and minimizing family involvement, since, under the conditions of the study, entrepreneurial and market-oriented processes contribute positively to the profitability of the firm. At the same time, micro owners should understand that the family effects paradoxes are inevitable and cannot be resolved, the best one can do is manage them (Handy, 1994). Therefore, the family resources must be integrated and deployed effectively to achieve competitive advantage (Hitt et al., 2001). Lastly, we recommend that the Central Tibetan Administration (Government) should foster an education and workshop programs in support of micro-entrepreneurs, in order for them to understand how to cultivate higher levels of EO-MO and build stronger network ties outside their organizations.

CHAPTER 4: WHEN DO ENTREPRENEURIAL AND MARKET-ORIENTATED BEHAVIORS BENEFITS OR HURT SMALL FAMILY OWNED BUSINESS? THE ROLE OF FAMILINESS

Chemi Tsering

Abstract: *The role of the family in shaping family firm's strategic orientations is not well understood. Drawing on familiness theory and insights from the family business literature, an integrated family business orientation model was developed, to understand when and under what condition do entrepreneurial and market-oriented behaviors benefit or hurt small family-owned businesses when there is a significant family influence. Accordingly, we discuss, a family positive combination with firm's entrepreneurial behaviors could increase financial gain. In contrast, family influence may dampen the positive market-driven activities on performance. Based on proposed links between the constructs a future empirical inquiry is suggested that could lead to a greater understanding of family business orientation.*

Keywords: *Family involvement, entrepreneurial orientation, market orientation, familiness*

Résumé :

Dans ce deuxième article, nous avons essayer de comprendre quand et dans quelles conditions les comportements entrepreneuriaux axés sur le marché sont bénéfiques aux ou handicappent les petites entreprises familiales lorsque l'influence de la famille est importante. Par conséquent, un modèle intégré des orientations stratégiques des affaires familiales, a été introduit en s'appuyant sur la théorie de la « familiness ». Ce document théorique met l'accent sur les côtés sombres et lumineux de la participation de la famille et sur son aptitude à façonner les capacités d'une entreprise, en particulier ses activités EO et MO. Nous soutenons que la participation de la famille peut exposer ou inhiber l'orientation stratégique positive de l'entreprise. Par conséquent, l'étude conclut que l'interaction entre les comportements entrepreneuriaux de la famille et de l'entreprise accroissent les gains financiers, en revanche, l'influence de la famille peut atténuer les effets positifs d'une stratégie d'orientatin de marché (MO) sur le rendement. Ainsi, l'enseignement que l'on peut en tirer est que la famille permet de bâtir des fondations spécifiques à des capacités d'orientation entrepreneuriale, ce qui favorise l'aptitude des entreprises familiales à comprendre et saisir les opportunités stratégiques et ainsi de reconfigurer les actifs afin de maintenir leur compétitivité et par conséquent, une performance

supérieure peut en être attendue. En revanche, l'étude a permis de supposer que l'influence réductrice de la famille peut avoir des effets dévastateurs sur la stratégie orientée marché et ses effets sur la performance. On peut supposer que lorsque la valeur de base de l'entreprise est fondée sur le marché et que les membres de la famille perçoivent une posture stratégique différente, un conflit stratégique peut se produire. En particulier, la nouvelle génération peut penser que la connaissance du client et du marché dépasse la seule information donnée par le marché et peut être tentée d'essayer quelque chose de nouveau. Ces conflits stratégiques peuvent conduire à un désaccord car les uns estiment qu'ils travaillent à un objectif compétitif plutôt qu'à un but coopératif. Par conséquent, la participation de la famille peut nuire à la capacité d'une entreprise à orienter son activité vers le marché et répondre à la compétitivité. En somme, l'impact des conflits sur la mise en œuvre de la stratégie et sur la performance des entreprises, peut être négatif.

4.1 Introduction

Family as a bundle of unique resources described as 'familiness' (Habbershon and Williams, 1999; Huybrechts et al., 2011), makes family business dynamic. Hence, family involvement is manifest in the creation and of family firms, that may constrain and facilitate firm strategic posture

To answer this research question this study relied on entrepreneurial orientation, market orientation and family involvement literature to develop an integrated family business orientations model that is embedded within the specific features of family nature of a firm i.e. familiness (Habbershon fundamental limit on an organisation's plans, regardless of those resources obtainable on the open market (O'Regan and Ghobadian, 2004; Chandler and Hanks, 1994).

"The resource-based view is of particular relevance in the micro-firm context, as it contends that long-term firm survival is contingent on a business' unique offerings, and the development of this uniqueness over time through nurturing the firm's core competencies. The crux of the resource-based view is that companies have a mixed bag of resources, so those that are valuable should be embedded in a set of functional policies and activities to maximise a business's potential success" (Kelliher and Reinl, 2009 p. 525)

The concept of familiness is embedded in the resource-based view (Weismeier-Sammer et al., 2013), the RBV remains one of the most influential theoretical framework of management study (Kellermanns et al., 2016:), and widely accepted within family business research (Habbershon and Williams.1999; Mamikutty, 2000; Tokarczyk et al., 2007; Zahra et al., 2004). Within the RBV theory, Habbershon and Williams (1999) first introduced familiness, it refers to "…a unique bundle of resources a particular firm has because of the systems interaction between the family, its individual members, and the business" (1999, p.11).

It motivates unique strategic behaviours (Arregle et al., 2007; Carney, 2005; Habbershon andWilliams, 1999; Sirmon and Hitt, 2003), and its effects are primarily seen in strategic decisions that focus on managing resources to create optimal, long-term value (Sirmon and Hitt, 2003). *This unique resource bundle influences firm's capabilities, leading to a competitive advantage, and gain superior performance (Habbershon and Williams, 1999).* This view was also echoed by Chrisman et al. (2003 p. 468) who explains it as ''resources and

2008; Tokarczyk et al. 2007; Zellweger et al. 2008). One basic assumption portrays in literature is that familiness is a possible source of sustainable competitive advantages for family firms.

The input from family systems and family social resources to family firm strategic postures may not always be positive. Familiness can be detrimental, unlike positive familiness (f+); it can be negative (f-) thereby inhibiting superior

As a result, both of these notions of the family influence on the firm have been found in subsequent research. While there is some evidence within the family business literature indicating that effects of ‘familiness’ have a positive influence on firm performance (Tokarczyk et al., 2007; Zellweger et al., 2008)), whereas Dyer, 1986; Leenders and Stewart, 2003; and Leenders and Waarts (2003) have found negative ones. Besides, reporting the positive influence of advantage lies in synergistic configuration of resources and capabilities, they must be leveraged through a competitive strategy designed (Sirmon and Hitt 2003). As such, the strategy is based on the firm's resources. However, the strategies used on the resources is determined by the aspirations and values of the

The synergistic effects of the family and the business create the essence of the family firm (Chirico and Salvato, 2008).These resources produce tangible and intangible hybrid resources that help the firm gain a competitive advantage

Zahra et al. (2008) suggest that the unique culture of commitment in the family business is conducive to strategic flexibility that helps the family business generate new opportunities and respond to competitive threats in a dynamic business environment.

The above discussion implies that family relationships have a direct impact on the family firm's activities (Cliff and Aldrich, 2003). For example, Sharma et al. (2009) argue that "what is good for the family is good for the business." This hypothesis, however, has never been empirically tested.

comes to securing employees, many entrepreneurs rely on family members, whether paid or unpaid (Aldrich and Cliff 2003.p.577), Because small businesses are often unable to attract or afford skilled labor from the general labor market, family members are critical human resources for the firm's survival (Chrisman et al., 2003; Sirmon and Hitt, 2003). At the same time, however, one of the striking attributes of family members as employees is that they are highly committed and so possess a deep firm-specific knowledge from their early engagement in the business, which helps these family firms gain a competitive advantage (Sirmon and Hitt, 2003). Similarly, Bertrand and Schoar (2006) assert that *"families might serve as a capital pooling device in countries where capital markets are very illiquid and where it is difficult to raise large amounts of money to start a company. In such environments, family firms can be advantageous if they promote cooperation and cohesion and ensure that assets are not easily broken apart. Finally, the easier cooperation that may naturally exist between family members might also economize on a set of costs associated with the operation of the organization. For example, there might be less need for spending resources on monitoring managers that are family members or on coordinating the different activities they perform"(p.77).*

Based on the unique family and business relationship and positive influences of family members on the family owned business outcomes as discussed above, the current study formulates the following proposition.

4.3.2 Combined effect of EO and family involvement on profitability

Entrepreneurial orientation is now a major concern of family firms (Craig and Lindsay, 2002; Naldi et al., 2007; Zahra, 2005), primarily because firm wishes to flourish in a competitive rapidly changing, and highly uncertain market environment (Naldi et al., 2007). Once known for their adversity to risk, conservative and traditional firms (Casillas and Moreno, 2010), focused on current study argues that family involvement strengthens the positive impact of EO on firm profitability. The family is a valuable asset that both facilitates and impedes entrepreneurial activities (Aldrich and Cliff, 2003; Barney et al. 2003). More precisely, the concept of 'family embeddedness perspective' stresses that family and business are inextricably intertwined (Aldrich and Cliff, 2003), producing synergistic effects that heighten entrepreneurship and new market *and at the same time may stimulate a more entrepreneurial response to such changes than their elders.* Zahra (2005) studied the conditions under which family firms encouraged entrepreneurial activity and found that the higher the number of generations from the same owner family that are active in the company, the higher the focus on innovation. Similarly, Casillas and Moreno (2010) found that family involvement increases the intensity of the influence of innovation on the growth of the firm. However, they also found that family influences negatively affected the relationship between risk-taking and growth, which implies that "family firms tends to search for their growth through moderate risk decisions" (Casillas and Moreno, 2010, p. 284). Nordqvist et al. (2008), in their in-depth qualitative study of two family firms, found that, across generations, characteristics that support a sustained EO could emerge alongside a family orientation. Based on the above, the present study proposes the following hypotheses:

Proposition 1: Family involvement directly relates to *firm profitability.*

Proposition 2: Family firm's e*ntrepreneurial orientation has direct positive impact on firm profitability.*

Proposition 3: *Family involvement moderates the relationship between EO and business profitability, meaning that the firm has entrepreneurially orientated behavior will have a greater influence on the firm's profitability when there is a higher degree of family involvement.*

4.3.3 Combined effect of MO and family involvement on profitability

Market orientation (MO) is the extent to which firms focuses on the continuous creation of superior value for their customers relative to their competitors (Narver and Slater, 1990, 1998). By implementing a market orientation, a firm may enjoy a superior performance by having loyal customers.

MO has been studied widely in various non-family business context; however few studies that show interest in explaining family and market

family firms do get a benefit from developing a market-orientation culture. An empirical study by Beck et al. (2011) found that MO has a significant positive effect on a family firm's innovation but that younger generations show a lower level of market-oriented behavior. By contrast, Uhlaner (2006) suggests that when the younger generation takes over family firms, they treat their customer like one of the family by providing superior services. Integrating family values in marketing strategy further increases sales growth of the family firm (Uhlaner,

oriented firms concentrate moderate levels of MO practices and focused heavenly on entrepreneurial spirit. Tsering and Guerrero (2015), echo the same result and contend that family capital that gives rise to entrepreneurial risk-taking activities, as family members are focused inwards (EO) and exhibit a lesser amount of socialization for market and customers (MO). Therefore, families may perceive market orientation may hurt firm performance when firms have an *involvement in market-oriented activities will be associated with highest levels of business performance.*

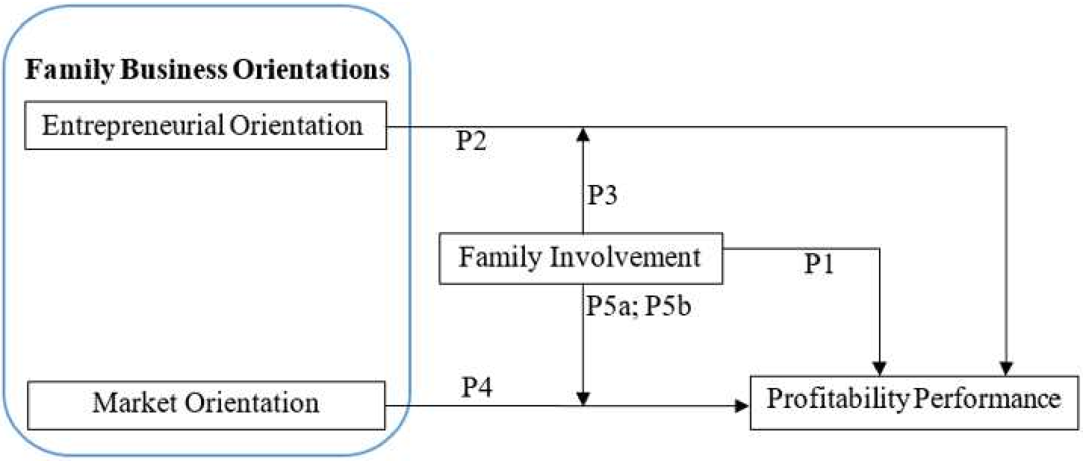


Figure 2 Integrated Family Business Orientation Model

4.4 Discussions and Research Prospect

Does family involvement in the firm foster, hinder, or have no effect at all

(Tokarczy et al., 2007). Hence, the proposed conceptual framework argues that not all family efforts contribute well for family firm's strategic posture. Although, the family may hurt the positive family firm's market-driven activities and may diminish their performance level. This is important because minimizing the family involvement of interests in firms' activities under such conditions the effect of market-oriented processes on firm profitability is maximized (Tsering and Guerrero, 2015). In other words, a negative performance may return when there is a very high degree of familiness.

By relying on familiness theory, this paper developed a first integrated model that captured distinctive and constrictive familiness influences on the relationship between entrepreneurial orientation, market orientation, and performance of family firms. The basic assumption is that EO (Zellweger et al., 2011; Zahra, 2005) and MO (Tokarczy et al. (2007) are internal family firms strategic orientations that, it is argued can enrich the success of the family firm in challenging environment. Study argued that families are highly committed and so possess a deep firm-specific knowledge from their early engagement in the business that helps the firm to gain competitive advantage (Sirmon and Hitt, 2003) and an increase in performance. Nevertheless, in conjunction with entrepreneurial and market orientation, author argued that family influence may produce positive and negative familiness effects. Mainly, this study theorized that family constrictive influence has devastating effects on firm's market orientation and performance relationship. It can be assumed that when the firm's core value is grounded on market-oriented behaviors and the family members' perception of firm strategic posture is different, a conflict may occur. Specially, a new generation is less oriented to customer and market knowledge as a result going beyond the market information and trying something new. Such strategic conflicts lead to disagreement and feel that they are working toward a competitive rather than a cooperative goal. Hence, family involvement can negatively affect the capacity of a firm to be market-oriented and respond to competitive challenges (Cabrera-Sua´rez et al., 2011). In sum, the impact of conflicts on strategy implementation and firm performance may be negative.

Therefore, it is reasonable to expect that under such conditions minimizing the family involvement of interests in firms' activities, the effect of market-oriented processes on firm profitability be maximized (Tsering and Guerrero, 2015). In contrast, family adds specific foundations to entrepreneurial orientation capabilities, thus promoting the capacity of family firms to sense, seize strategic opportunities, and reconfigure assets in order to maintain competitiveness. Hence, expected superior performance.

This study fills that gap concerning the family effects on firm strategic postures, particularly the negative aspect of family involvement. Future research should, therefore, test this model. It is obvious that any empirical research will need to capture the family effects on these two strategic orientations and to see what performance benefits exist therein if it determines the consistency to study propositions.

Entrepreneurial orientation is formative construct: the components are unique constructs so future study should interest to investigate the influence of component elements (namely innovativeness, risk, autonomy, competitive aggressiveness, and proactiveness) in combination with family involvement

CHAPTER 5: THE CRITICAL PATH TO FAMILY FIRM SUCCESS THROUGH ENTREPRENEURIAL RISK-TAKING: A FAMILY INFLUENCE PERSPECTIVE

Chemi Tsering

Abstract: *The influence of risk taking on family firms has been the subject of controversy. Building on stewardship theory, the present study addresses how family and risk-taking affect performance. Primary data were gathered from Tibetan family-owned micro-enterprises operating in India. Results indicate that dynamic family resources do encourage risk-taking behaviors and further increase family wealth. Family involvement in firm activities is shown to have a positive influence. Under study conditions, the impact of entrepreneurially oriented processes on performance is maximized.*

Keywords: *family influence, risk-taking, profitability performance, family businesses, micro-enterprises.*

Résumé :

La troisième étude présente un modèle de médiation et montre que la prise de risques par la famille peut avoir un impact substantiel sur la performance dans les économies en développement. Nos résultats montrent que la participation des membres de la famille est positivement associée à un comportement de risque entrepreneurial. Cela suggère qu'un lien d'intendance unit les familles et se traduit par un engagement élevé et un fil émotionnel qui favorisent l'esprit d'entreprise pour assurer le succès à long terme des entreprises familiales. De plus, une telle intégration améliore la compréhension, par les membres de la famille, des défis et des opportunités concurrentiels auxquels l'entreprise est confrontée. Cette étude met en évidence que la prise de risque de l'entreprise familiale peut générer des performances supérieures. En appliquant la théorie de l'intendance, nous montrons que les effets conjugués de la famille et de la prise de risque augmentent la rentabilité de l'entreprise, soutenant ainsi l'idée que l'entrepreneuriat favorise la rentabilité de l'entreprise lorsqu'il y a un niveau plus élevé de participation des membres de la famille dans les activités de gestion.

5.1 Introduction

Knowledge about risk-taking in family firms is unclear. Family firms that are not exactly known for taking risks often termed being risk-averse (Gómez-Mejía et al., 2001 and Schulze et al., 2001), seem concerned that risky behavior may lead to financial loss and jeopardize the family firm foundation (Naldi et al., 2007). Contrary to this notion, scholars argue that such a perspective is perhaps too shortsighted since risk aversion signals missing growth opportunities and hampering innovation (Hiebl, 2012). As a result, entrepreneurial risk-taking is necessary to remain competitive, (Memili et al.,2010), not doing possibly resulting in the prospect of the firm waning in the longer-term (Naldi et al., 2007; Rauch et al., 2004; Ward, 1997; Wang and Poutziouris, 2010). Family firms entrepreneurial activities are not well defined, and it is not well known whether entrepreneurial risk-taking is essentially useful to their performance (Memili et al., 2010). In particular, the consequence of family variables (Astrachan et al., 2003), and the exact linkage between family involvement and risk-taking are poorly understood (Zahra, 2005). Moreover, the conceptual argument regarding the dimensions of entrepreneurial orientation offers an important area for research, suggesting that entrepreneurial orientation should be viewed as a separate construct, instead of as one unified dimension (Lumpkin and Dess, 1996; Lyon et al., 2000). There is lack of agreement among scholars on the extent to which family businesses are entrepreneurial and ambiguity as to whether risk-taking is an influential element of entrepreneurship in family businesses (Naldi et al., 2007). It seems therefore useful to explore the dimensionality of the entrepreneurial orientation construct among family firms. Recognizing these research gaps, the present study raises some important research questions: Does entrepreneurial risk-taking contribute to family firm performance? Does family involvement in the entrepreneurial network foster risk-taking behavior? In sum, does risk-taking behavior mediate between family involvement and performance relationship? Addressing these research questions, current study contends that family acts as a dynamic resource that fosters risk-taking behavior and helps increase family wealth. Risk taking is a crucial attribute linked with family and family firms (Hiebl, 2012). Since the founders are often good at recognizing and exploiting market opportunities and organizing/reconfiguring the resources available to achieve competitive advantage, such family firms can sustain their entrepreneurial capacity through nurturing generations and incessantly engage in the risk-taking behavior (Aldrich and Cliff, 2003; Zahra et al., 2004). Consequently, risk-taking plays an essential role in establishing new businesses, renovating operations, and building organizational competencies that increase the firm's responsiveness to the market (Zahra, 2005). This study offers two contributions to the family business literature. First, we show that family influence on entrepreneurial behavior (risk-taking) is crucial to achieving firm success (Astrachan, 2003; Kellermanns et al., 2008; Uhlaner et al., 2012), extending the current knowledge that family dynamic exerts an enduring influence on the entrepreneurial behavior of family firms. Second, our study also documents the significance of risk-taking on family firm performance, suggesting that risk-taking is a constructive approach. Risky choices inherent with a wide range of possible outcomes help firms to remain competitive (Uhlaner et al., 2012). Taking risks is necessary to pursue opportunities for development in family firms, although this scenario needs to be better understood (Uhlaner et al., 2012).

The study begins with the description of a stewardship theory in a relationship with family firms risk taking posture. The limited research so far on how family and risk-taking may contribute to superior performance in family firms is reviewed. A visual demonstration of the hypothesized relationships is presented. In the concluding remarks, suggestions for future research are made.

5.2 Theory

5.2.1 Stewardship theory, entrepreneurship and family business

Research on family businesses often builds on mainstream theories reinforcing the unique aspects of family firms. Agency theory, RBV-familiness, social capital theory and stewardship theory are among some of the prevailing theoretical foundations that connect entrepreneurship practices in family firms. The current study relies on stewardship theory to identify the collective forces of family and entrepreneurial risk-taking activities within family businesses, representing an attempt to bridge the gap between stewardship theory and the field of entrepreneurship (Zahra, 2005) in the context of micro family enterprises operating in an underdeveloped market setting.

Stewardship is defined as "human caring, generosity, loyalty, and responsible devotion, usually to a social group or institution" (Donaldson, 1990; Le Breton-Miller et al., 2011. p. 705). Stewardship theory directly contrasts with agency theory (Davis et al, 1997). Although agency theory implies that rational economic self-interest is pursued by organizational members, the values of stewardship theory are based on a broader interpretation of human behavior, namely that individuals are not only motivated by self-interest, but also by service to others, altruism, and generosity (Davis et al., 1997). As a result, agency problems were not expected in family firms (Chrisman et al., 2004), particularly when the family business is very small. Hence, stewards maximize their own utility by acting in the best interest of their organization to attain the objectives fixed, such as sales growth and profitability (Davis et al., 1997). Scholars suggest that, within the stewardship approach, collective socio-economic welfare is more important than the social and economic well-being of individuals (Miller and Le Breton-Miller, 2006; Morris and Craig, 2010). These are the conditions that are especially embedded within family firms, where leaders are either family members or linked emotionally to the family (Miller and Le Breton-Miller, 2006), and are eager to build a robust enterprise that creates value and provides benefits for other parties (Chirico and Bau, 2014). Leaders often commit themselves deeply to the mission of the business, value its employees and stakeholders, and feel motivated to accomplish their best to the family owning the business and the organizational collective (Miller and Le Breton-Miller, 2005; Miller and Le Breton-Miller, 2006). This attitude, in turn, produces long-term contributions that fetch distinctive capabilities and gain superior financial returns (Miller and Le Breton-Miller, 2006, p.74). Individuals are driven not by self-interest but rather through actions motivated by concern for others. The family potentially provides the impetus for such actions and it is through involvement in the family business that individual actions are able to be expressed. Further, while there exist social interests in relation to the function of families, this function is buttressed. This is the reason why family business scholars often integrate stewardship theory when trying to understand entrepreneurial behaviors in a family business context (Morris and Craig, 2010). "Similarly, family business research assumes steward behavior is inherent in family members, but it has also been demonstrated among nonfamily" (Madison et al., 2015, p.80). It is suggested that not all family businesses are consistent with a stewardship mindset (Eddleston et al., 2012). When the stewardship culture is established in the family firms, it results in a competitive advantage, because of collective attitudes, psychological commitments and trustworthy behaviors among members of the organization, promoting entrepreneurial activities to ensure the firm's longtime success (Eddleston, et al., 2012). Hence, family firms are able to create an entrepreneurial venture setting by cultivating such culture in the organization (Rogoff and Heck, 2003; Zahra, 2005). In line with this thought, Kellermanns et al., 2008 suggest that, if reciprocal altruism and stewardship behavior are present in family firms (Davis et al., 1997; Eddleston and Kellermanns, 2007), a positive impact on entrepreneurial behavior, growth, and success of the family firm can be expected (p. 9). Based on the above arguments, it can be suggested that the stewards are intrinsically motivated by higher level needs to act for the collective good of their firms (Miller and Le Breton-Miller, 2006). Such an attitude, in turn, can engender far-sighted contributions that feed distinctive capabilities (entrepreneurial orientation) and produce superior financial returns. Based on these assumptions, current study argues that an atmosphere of stewardship within the family business inspires owner-managers and family members to engage in risk-taking activities and increases performance. Most importantly, a stewardship attitude in families is a key asset that encourages entrepreneurial activities in the firms and helps increase family wealth.

5.3 Hypotheses

5.3.1 Family involvement and risk-taking

Family involvement refers to the level to which the family members that control the firm are involved in the strategic and operational management of the firm (Chua et al., 1999; Zahra 2005). On the other hand, family involvement is portrayed as a resource (tangible and/or intangible) representing a competitive advantage because it is "unique, inseparable, synergistic and hard to duplicate" (Nordqvist, 2005, p. 287). From the stewardship perspective, family-owned firms possess unique qualities that foster organizational members' collectivistic attitude, psychological commitment, trustworthy behaviors and devotion to the organization (Chrisman et al., 2007; Miller et al., 2008). As a result, family members have an emotional attachment and a high commitment to the organization and are therefore more inclined to adopt a stewardship attitude that encourages entrepreneurial activities to ensure the firm's long-term success (Eddleston et al., 2012 cited in Bauweraerts and Colot 2016), particularly, risk-taking behavior, where owner-managers obtain help from family members in the business.

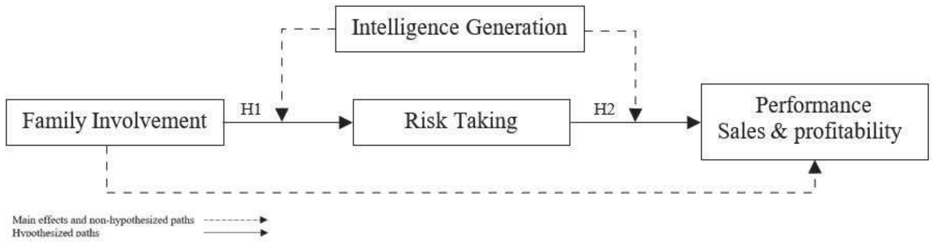


Figure 3 Conceptual model

This integration improves family members' understanding of the competitive challenges and opportunities facing the company. This also enables the family to explore various alternatives, discuss the risks associated with these options, and decide how to best execute the chosen strategy (Zahra, 2005. p.29) and protect the family venture from aggressive industry rivals. Success via risk-taking will result in more capital and benefit to the family; this induces the family to commit itself to venturing (Wang and Poutziouris, 2010). Thus, a family-involved approach to strategic decision-making and operation might encourage entrepreneurship that further significantly improves the firm performance (Corbetta and Salvato, 2004).

H1: Family involvement is positively associated with risk-taking.

5.3.2 Risk-taking and performance

Risk-taking is defined as "the degree to which managers are willing to make large and risky resource commitments, i.e., those which have a reasonable chance of costly failures" (Miller and Friesen, 1978, p. 923). Notions of heavy borrowing, leveraging of assets, and heavy commitment of resources are consonant with this definition of risk-taking (Lumpkin and Dess, 2006). Such risks are often taken in the interest of obtaining high returns by seizing opportunities in the marketplace (Memili et al., 2010). Risk-taking differs from playing odds or gambling (Shapira,1995): according to organizational studies, researchers contend that firms engage in risk-taking in the hope of achieving competitive advantages against their competitors in a dynamic environment (Cronwall and Perlman, 1990). Thus, risk-taking is fundamental to an entrepreneurial function that can lead to success (Shapira, 1995). We argue that stewardship motivates family firms to engage in entrepreneurial risk-taking activities (Zahra, 2005). The collective goodwill of the family firm and the role that emerged from family stewardship may help in guiding the firm's strategy and performance (Uhlaner et al., 2012). The assumption of altruism in the stewardship framework suggests that an altruistic behavior creates a self-reinforcing system of being thoughtful and "selfless" among the family members. It gives rise to a sense of collective ownership, reduces the information asymmetries (Van den Berghe and Carchon, 2003), it generates an organizational culture that encourages risk-taking resulting in growth opportunity (Zahra, 2003). In family firms, "an altruistic atmosphere may help the firm during the venturing process […], if the firm is short of human resources in the venturing, family members who have not formally engaged in the firm may join in without claiming any financial compensation, therefore mitigating the business from the resource shortage pressure and salary payment burden. In summary, risk-taking activities undertaken in an altruistic environment will have more chances to succeed (Wang and Poutziouris, 2010, p.375). The company needs to be entrepreneurial since it is entrepreneurial activities that lead to growth, while at the same time tempering entrepreneurial activities in such a way that even though risks are being taken, they are carefully considered through the lens of stewardship (Morris et al., 2010). Hence, in the light of a stewardship attitude and the traditional positive view of risk-taking, it is expected that risk taking by family owner-managers has a positive influence on performance.

H2: The risk-taking behavior intensity of family businesses is positively associated with business performance.

5.4 Methods

5.4.1 Sample, measurement and data collection

Our data consist of a sample of 287 Tibetan family owners, involved in the sweater retailing business in India. The initial sample comprised 360 owners, and data collection took place in 2015. Data were obtained from personal interviews with the owners of the family businesses. All the measurement items (Table. 2) were borrowed from previous studies by making changes to words and sentences to enhance understanding in the current context requirement. We kept several control variables: age, gender, experience and income. Intelligence generation (market orientation) of a firm's activities provides a view of the market using existing sources of information in order to help understand what is happening in a marketplace. Intelligence generation paths were controlled as part of this study because in the belief that to manage the risk through learning the market results

GENDER	Male	133	46.3
	Female	154	53.7
Age	Less than 25 Yrs.	13	4.5
	25-30 Yrs.	32	11.1
	31-35 Yrs.	40	13.9
	36-40 Yrs.	127	44.3
	Above 40 Yrs.	75	26.1
Experiences	Less than 5 Yrs.	70	24.4
	5-10 Yrs.	51	17.8
	11-15 Yrs.	101	35.2
	16-20 Yrs.	32	11.1
	Above 20 Yrs.	33	11.5
Income	Less than 600 €	58	20.2
	600-900 €	30	10.5
	901-1200 €	29	10.1
	Above 1200 €	170	59.2

variables, either continuous or discrete, using software SPSS 24.0 and AMOS 24.0, assumed to be the best approach to analyze the relationships presented among the constructs and the confirmation of the model (Figure 3).

5.5 Analyses

5.5.1 Measurement model

The initial dataset of 287 responses was screened to ensure that the statistical assumptions could be made with confidence. Hence, missing data, outliers, normality, linearity, and multicollinearity were addressed. No outliers were found. The data were determined to be of sufficient quality to allow to proceed to the research measurement model analysis.

At first, an Exploratory Factor Analysis (EFA) was performed, followed by a Confirmatory Factor Analysis (CFA), the most logical approach at the initial stage of scale items development (Gaskin, 2013; Worthington and Whittaker 2006). EFA is the technique that identifies the underlying relationship between measured variables (Suhr and Colorado, 2006), using a Maximum Likelihood estimation procedure with a Promax rotation solution. The study examined 1) variable loadings, 2) adequate correlations, 3) reliability and validity of the model, with the following results:

5.5.2 Adequacy

The data set usability for factor analysis, requires a Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) value of .6 or above and Bartlett's Test of Sphericity value of .05 or smaller (Pallant, 2013). In our case, the KMO value was 0.785, exceeding the recommended value of .6 (Kaiser, 1974) and Bartlett's Test of Sphericity (Bartlett, 1954) value was (0.000). The communalities for each variable were sufficiently high, the lowest was 0.345 and most were above 0.530, supporting the factorability of the correlation matrix. The reproduced matrix had only 1% (or 0%) non-redundant residuals greater than 0.05, further confirming the adequacy of the variables and of the model. The four-factor model had a total variance of 55%, with all extracted factors having eigenvalues greater than 1.0. (See Table 8).

Table 8 Pattern Matrix

	Factor			
	1	**2**	**3**	**4**
PRO1	0.746			
RIO2	0.764			
SG3	0.824			
SV4	0.828			
RISK2			0.584	
RISK3			0.808	
RISK5			0.737	
RISK6			0.662	
FINOVL2		0.596		
FINOVL3		0.747		
FINOVL4		0.795		
FINOVL5		0.731		
INTG4				0.751
INTG5				0.588
INTG6				0.777
Extraction Method: Maximum Likelihood. Rotation Method: Promax with Kaiser Normalization.a. Rotation converged in 5 iterations.				

5.5.3 Reliability Test

Table 9 displays the Reliability values for all the factors in the model, all above .745.

Table 9 Cronbach's Alpha

Factor	Cronbach's α	Number of Items
Performance	0.868	4
Family Involvement	0.787	4
Risk Taking	0.803	4
Intelligent Generation	0.745	3

5.5.4 Validity

All the loading factors were above the recommended threshold of 0.5 (average was 0.729) for samples of over 287 (Bagozzi and Phillips 1982; Hair et al., 2010), confirming the validity of the convergent. The factors also validated a sufficient discriminant, as the factor correlation matrix showed no correlations above 0.365 in the absence of cross-loadings (See Table 10).

Table 10 Factor Correlation Matrix

Factor	1	2	3	4
Performance	-			
Family	0.222	-		
Risk Taking	0.220	0.365	-	
Intelligent Generation	-0.016	0.033	0.038	-

Extraction Method: Maximum Likelihood.
Rotation Method: Promax with Kaiser Normalization.

5.6.4 Confirmatory Factor Analysis (CFA)

Next, CFA was performed (See Appendix G), to examine the convergent and discriminant validity of each construct. In support of convergent validity, the factor items loadings for each construct were shown to be statistically significant ($p < .001$). Average variances extracted (AVE) for all factors were above the threshold value of .5, except in one case, namely the AVE value of risk taking

(.50). As a result, the lowest loading of risk indicator was deleted and the final AVE averaged value was .542 (See Table 11). To test the discriminant validity, the AVE from each construct's indicants was compared with the squared correlation of all pairs of constructs. All factors demonstrated adequate discriminant validity as the diagonal values were greater than the correlations. The goodness of fit for the measurement model was adequate without any modifications *($\chi 2/df$ =1.385, p=.018, CFI=.980, RMSEA=.037, PCLOSE=.903, NFI=.933*).

Table 11 Validity and Reliability of Latent Constructs

	CR	AVE	MSV	MaxR(H)	R	P	FI	IG
Risk Taking	0.799	0.500	0.138	0.805	**0.707**			
Performance	0.870	0.626	0.053	0.917	0.229	**0.791**		
Family	0.808	0.515	0.138	0.940	0.371	0.231	**0.718**	
IntGen	0.750	0.504	0.002	0.950	0.042	-0.023	0.035	**0.710**

CFA Model. A Chi-square difference test was then performed, between the unconstrained model (See APPENDIX H) and a model where all paths from the CLF are constrained to zero (See APPENDIX I), proving to be significant (p =.000). As a consequence, the measurement model revealed a significant shared variance, meaning that the measurement model was significantly affected by common method bias. To take this into account, the CLF was retained in the measurement model and a common method bias corrected measures were created to further assess the validity of the structural model. All fit heuristics fell under the required threshold ranges. Specifically, CMIN=1.170, CFI=.993 were satisfactory; RMSEA=.024; PCLOSE=.979.

5.6 Structural Model Analysis

5.6.1 Multivariate Assumptions

Preliminary assumptions testing was conducted to check for influentials and multicollinearity before moving to structural analysis, with no serious violations noted. The cook's distance using regression results revealed that independent and mediating variables presented no major issues of influential records on the dependent variable (all records were less than 1). Multicollinearity test also revealed that tolerance (to be greater than .1) and VIF values (to be less than 10) are in threshold range (see Table 12). It is therefore concluded that multicollinearity is not a major concern for this study.

Table 12 Multicollinearity test based on Tolerance and VIF values

Coefficients								
		Unstandardized Coefficients		Std. Coefficients	t	Sig.	Collinearity Statistics	
Model		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.409	0.319		7.545	0.000		
	Intgen	-0.042	0.060	-0.040	-0.708	0.480	0.991	1.009
	Risktaking	0.138	0.053	0.168	2.630	0.009	0.786	1.272
	Family	0.140	0.054	0.165	2.588	0.010	0.787	1.270
	Finvol*Intgen	0.057	0.070	0.058	0.807	0.420	0.627	1.594
	Risk*Intgen	-0.131	0.067	-0.140	-1.954	0.052	0.627	1.594

a. Dependent Variable: PERM

Following the finalization of the measurement model, the data were entered into a structural model in order to test the hypotheses. Composite latent factors scores were imputed from latent factor scores obtained from the measurement model in order to build the structural model. Table 12 presents the results. The fitted structural model (see APPENDIX J for SME model in Amos) demonstrated a good model fit. Mediation was tested following the Baron and Kenny method (1986). A series of four constrained hierarchical models were estimated in SPSS AMOS. Initially, Model 1 with only the control variables allowed to be estimated (constraint main effect, interaction effects, and hypothesized variables were set to zero). Then, a second model was built in which the control variables and the main effect variables (i.e. FINVOL, RK and INTGEN) were allowed to be non-zero. In model 3, the control, main effect and two-way interaction variables were freely estimated (whereas hypothesized variables were set at zero). Finally, a fully unconstrained model (model 4) was built, in which all variables (including hypothesized paths) were freely estimated. The three constrained models (models 1 to 3) were compared with the unconstrained model (model 4) by observing variations in model fits and R2 change.

5.7 Findings

Recall that the conceptual framework depicted in Figure 3 clearly displays the study hypotheses presented in the empirical portion of the study. Table 13 displays the results of the structural model analysis. They show that the normed chi-square ($\chi 2$) value for model 4 ($\chi 2$/df: 21.07/23=.916) is significantly smaller ($p < .05$) than that of model 1 ($\chi 2$/df: 70.72/28 =2.53), model 2 ($\chi 2$/df: 61.8/26 =2.377), and model 3 ($\chi 2$/df: 57.72/24=2.41). This indicates that model 4 provides a significant improvement in model fit relative to the restricted models. Additionally, approximate fit heuristics for model 4 (e.g. CFI = 955; RMSEA =.0.48; PCLOSE = .523; NFI =.) are better than those for the restricted models. Furthermore, model 4 yields 11% of the variance in performance, and 12% in risk-taking, values that are substantially superior relative to the R2 values for the three restricted models. Taken together, it can be concluded that model 4 provides a significant improvement over and above the constrained models; as a result, model 4 is used in evaluating the study's hypotheses. H1 was supported by the structural model, which shows that family influence has a positive significant influence on risk-taking ($\beta = .347$, $p = .001$). In H2, we argue that entrepreneurial risk-taking is positively associated with firm performance. As expected, risk-taking has a positive significant influence on the firm positive performance (β =.189, $p = .002$). The study has introduced an important dimension of market orientation (intelligence generation) as a moderator. We now turn to the question of intelligence generation helping family owners to manage the risk through learning the market environment and maintaining the high rewards potential. The result shows that interaction effects (FINVOL*INTGEN) have no significant impact on risk-taking. However, the product term of risk-taking and intelligence generation has a negative significance to performance (β = -.11, p = .044), meaning that market intelligence generation reduces the positive effects of risk-taking on performance.

Table 13 Findings on hypothesis testing.

Independent variables	**Standardized estimates**						**Findings**
	Model 1	Model 2	Model 3		Model 4		
Step 1: Control paths	Performance	Performance	Performance	Risk-taking	Performance	Risk-taking	
Age	0.1	0.09	0.1		0.1		
Gender	-0.01	0	0.01		0.01		
Experience	-0.03	-0.04	-0.05		-0.05		
Income	0.03	0.03	0.03		0.03		
Step 2: Main Effects							
Family involvement (FIVOL)		.18(.000)	0.18(.001)		0.18(.003)		
Risk-taking (RT)		0.19 (.000)	0.19 (.000)		0.19 (.002)		Supported
Intelligence generation (INTGEN)		-0.03	-0.03		-0.03		
Step 3 Two-way interaction paths							
FINVOL X INTGEN			-	-0.02 (.044)	-	-0.01	
RISK X INTEGEN			-0.11(.004)	-	-0.11(.004)	-	
Step 3: Hypothesized paths							
FIVOL					-	0.35(.000)	Supported
Model Fit:							
R2	1%	8%	10%	9%	11%	12%	
Chi-Square /DF	70.72/28 =2.53	61.8/26 =2.377	57.72/24=2.41		21.07/23=.916		
CFI	0.81	0.84	0.85		1		
RMSEA	0.07	0.069	0.07		0		
PCLOSE	0.04	0.073	0.03		0.98		
NFI	0.74	0.77	0.79		0.92		

n=287

5.8 Discussion

The role of family influence in the context of EO is not yet well understood (Cruz and Nordqvist 2010), mainly entrepreneurial risk-taking behaviors in family firms (Zahra, 2005). It has in particular been suggested to test the family factor in empirical investigations (Aldrich and Cliff, 2003; Salvato and Aldrich, 2012). In this vein, the current study, therefore, represents a contribution to our understanding of risk-taking behaviors among Tibetan family-owned micro-enterprises in India and provides empirical data demonstrating that the family factor has both a positive direct as well as indirect impact on risk-taking and performance. Our analysis supports previous arguments that family involvement plays a vital role in promoting superior performance. Entrepreneurial risk-taking also has complementary mediating effects on performance. Hence, we contended that dynamic family and family risk-taking capabilities are beneficial and crucial for firms operating in an underdeveloped market wishing to preserve their sociothe family to explore various alternatives, discuss the risks associated with these options, and decide how to best execute the chosen strategy (p.29) and protect the family firm from aggressive industry rivals (Zahra, 2005). Second, we showed that superior firm performance in the context of the family business is an outcome of entrepreneurial risk-taking, particularly as it provides empirical evidence confirming the existing knowledge (Rauch et al., 2004; Merz and Sauber 1995), and have offered further contribution by assessing the impact of risk-taking on the performance of family firms. Despite a growing interest in risk-taking in a family firm performance, investigations of the effects of risk-taking on performance are scarce. It emerges from this study that risk-taking behavior benefits family firms in generating superior performance. Applying stewardship theory, we show that the joint effects of family and risk-taking increase the firm's profitability, thereby supporting the idea that the firm's profitability flourishes when a higher level of family members' involvement in management activities is present. Thus, risk-taking behaviors on the part of Tibetan micro-entrepreneurs encourage them to focus on innovativeness that subsequently increases their wealth (Zahra, 2005). Surprisingly, it was found that intelligence generation negatively affects the relationship between risk-taking and performance. This finding may be reinforcing the idea that too much reliance on customers gathered information could lead to more imitative products rather than innovative one. It may also affect firms in leading to loss of industry leadership position by focusing too much on customers, as a result of increased risk-averse behavior resulting from consumers being unable to articulate their needs. The EO construct was initially seen as a uni-dimensional concept (Covin and Slevin 1989), where the dimensions of EO were positively correlated. This meant that if a firm scored high on one dimension (e.g. risk-taking), then it was also expected to score high on the other dimensions (e.g. proactiveness and innovativeness). This view, however, has been challenged. Lumpkin and Dess (2001) assert that the EO dimensions need not co-vary, but could exist to characterize EO as a multi-dimensional construct. Depending on certain conditions (e.g. hostile or benign environments, or type of entrepreneurial opportunity pursued), a firm could place greater emphasis on a certain EO dimension and therefore be stronger on that dimension while lower on others. This multi-dimensional concept that EO dimensions tend to vary independently rather than co-vary, seems to be promising (Kreiser et al. 2001).

5.9 Conclusion, limitations, future directions and implications

This study contends that family firms indulging in risk-taking behaviors can be characterized as entrepreneurial family firms or entrepreneurial families (Memili et al., 2010; Nordqvist and Melin, 2010; Rogoff and Heck, 2003; Zahra, 2005). A mediation model was built, showing that family risk-taking greatly benefits from family involvement, resulting in a substantial performance impact in a developing economy setting. Several conclusions of this study are, however, tempered by some limitations. Although findings of the study are generalizable to micro-owned family businesses, they may not be readily applicable to different populations. In this regard, future research would, therefore, benefit from exploring different study contexts. Self-assessment and perceived measures of performance were used, suggesting that respondents might have over- or under-stated their performance. Such a concern is normal practice in field surveys (Lyon et al., 2000) and we have to accept that results may be inherently biased and reflect wishful rather than factual opinions. The implication for family owners is that, in order to succeed, firms should understand and be able to apply risk-taking activities that would allow them to exploit new opportunities and to remain competitive over time in their target market. Furthermore, the involvement of family members may increase the positive influence of risk-taking on growth (Casillas and Moreno, 2010): under the conditions of the study, maximizing family involvement in the activities of the firm results in entrepreneurially oriented processes maximizing the firm performance. At the same time, the owner should focus on how to develop risk-taking procedures. In particular, why should the business be committed to risk-taking? Who should normally engage in the risk-taking projects? How to nurture risk-taking capability in younger generations? How to evaluate the effectiveness of risk-taking on a regular basis? What are the rewarding and sanctioning processes associated with risk-taking performance? Answering such questions may help owners or successors to sustain the business's entrepreneurial efforts.

CHAPTER 6: INTEGRATED FINDINGS AND DISCUSSION

This dissertation endeavors to understand the impact of multiple strategic orientations on the performance of the micro family business in developing economy settings. Hence, this study extended Boso's et al. (2013) research model in understanding whether Tibetan family micro-entrepreneurs gain performance benefits by developing simultaneously high levels of entrepreneurial-oriented and market-oriented activities. This model also allows us to test family firms social capital in the form of business and social networks ties whether these complementary strategic orientations on performance is rewarded by cultivating high levels of firm social capital. In addition, we raised a question how family fits together in the context of multiple strategic orientations to achieve superior performance. The initial study, therefore, yielded a rich research theme related to family business in the context of institutionally changed. We have shown micro family businesses do maximize their business performance by investing on higher levels of entrepreneurial and market orientations. Furthermore, firm socialization process with their external business entities further increase the performance benefits by combined effects of EO and MO in an emerging market setting. Contrary to conventional wisdom, the study revealed that business profitability increases when EO and MO are high but only when family involvement is low. This result yielded important insights into the role of family-based capabilities in shaping firm strategic behaviors to achieve better performance. The subsequent study, therefore, reviews and revealed the dark and bright side of the family in combination with entrepreneurial and market orientation behaviors and its consequent impact on performance. The final quantitative study contradicts previous research finding revealing the importance of family in supporting risk-taking behaviors to increase family wealth in an emerging market setting.

Figure 6 depicts the connections of the findings among all three studies. The findings of the study 1 (fourth result related to family involvement) were used in the follow-on studies, that led to study 2, exhibiting a theoretical justification when and under what condition family resources called familiness produces positive and negative influences in combination with firm strategic orientations on performance. Besides, the hidden findings in study 1 the two-way interaction effects (EO*FINVOL; MO*FINVOL) on profitability also guided to build a conceptual framework for study 2. Finally, the finding of study 1: positive interactions effects between EO*FINVOL together with the third proposition of study 2 directed study 3, which explain how jointly family and entrepreneurial risk taking enhances performance. See Figure 6, which exhibit details finding links between the studies and it also demonstrates how the research questions developed in Chapters 3 through 5 are related.

Study 1 finding suggests that the family involvement diminishes the positive combined strategic orientations effects on performance. In particular, family in combination with market orientation has a negative effect on performance. Contrary to that combined family and entrepreneurial orientation increase profitability. These results directed the second study, which uncovered an insight

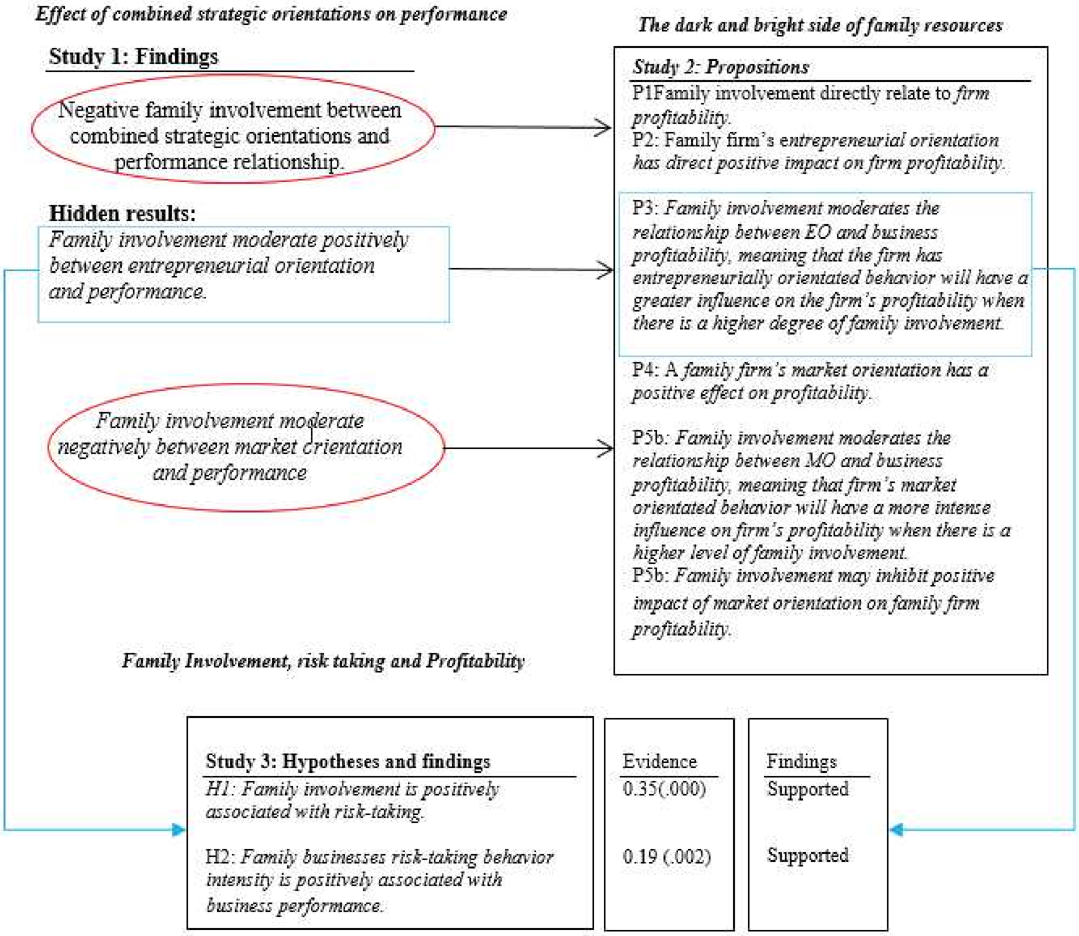


Figure 4 Thesis Flow

review on both positive and negative elements of family influence in conjunction with firm strategic orientations and its reciprocal impact on performance. Following the previous two studies results led to study 3. In additional, EO as formative variable, previous scholars argue that it should be viewed as separate constructs. Hence, the final study measured risk taking as unique construct in combination with family involvement to understand the better implication of EO elements on firm performance.

The following section starts with a review of the answers to the questions proposed in Chapter 1.Thereafter, the research framework is adjusted based on these results. With help of the adjusted framework, the primary research question is then discussed. The integrated results of three studies are discussed precisely focused on the most significant findings and should, therefore, benefits to both practitioners and scholars.

This study looked at how micro family entrepreneurs achieve a superior performance in challenging market settings. By combining, multiple factors help them to gain a competitive advantage in such environment. Hence, this section provides four significant findings that help to increase family wealth for micro owned family businesses in underdeveloped market conditions. So, therefore, examples highlighted here represent the important aspects and the linkage between the studies concerning synergistic effects of EO and MO on performance; business network ties strengthening these combined effects; family distinctive and negative influence in firm activities. Finally, risk taking is encouraged by family is beneficial to increase profit.

taking increases firm's profitability, thereby supporting the idea that entrepreneurship flourishes firm's profitability when there is a higher level of family members' involvement in management activities. Thus, Tibetan micro-entrepreneurs' risk-taking behaviors encourage them to focus on innovation that subsequently increases their wealth.

Based on the findings discussed above, the proposed research framework of this dissertation can be adjusted (Figure 5).

Finally, this thesis use the adjusted framework to answer the general research question:

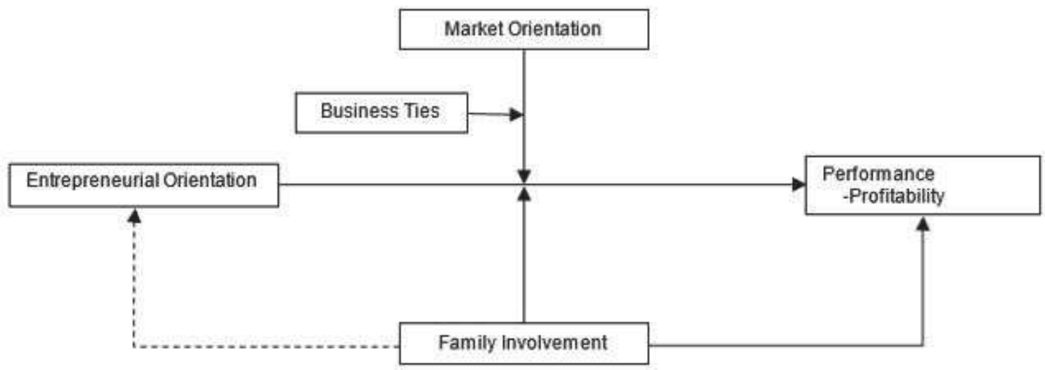


Figure 5 Adjusted Research Framework

How do multiple strategic orientations influence the performance of the micro family business in emerging market settings? When there are a higher levels family involvement and business ties influence

Integrating findings of three studies suggested that combining multiple strategic orientations helps micro firms in succeeding superior performance. Therefore, this dissertation proposed that firms should invest in greater levels of entrepreneurial and market orientations to achieve financial gain. In addition, to foster combined strategic orientations on performance, the firm philosophy should build on cultivating greater levels business network ties, under such circumstances firms can increase their profitability.

Second study exposed that family negative influences cannot be eliminated, rather it depends on how well the firm is able to manage the paradoxical nature of family resources. This suggests that firms may succeed or fail based on differences in their capabilities to manage the familiness paradox. Concerning this, this study clears that the ability to manage the paradoxical nature of familiness resources in the context of micro family businesses arises from aligning family and entrepreneurial orientations capabilities in maximizing firms' profitability. In particular, family and entrepreneurial risk taking jointly predict firm profitability. Hence, owner family members play a prominent role to serve as a strategic resource for the firm in increasing family wealth. These findings have implications for both theory and practice, which is addressed in the next chapter.

CHAPTER 7: IMPLICATIONS, CONTRIBUTIONS, LIMITATION AND FUTURE RESEARCH

7.1 Implication and contributions

The practical implications of this dissertation add more insights towards the performance benefits for microenterprises than pure theory or research advancement. This dissertation, therefore, contributes important implications for micro family business owners that firm superior performance is succeeded by combing higher levels of entrepreneurial and market driven activities in an institutional-changed environment. Entrepreneurial activities help them to exploit the new market creations by focusing on innovativeness and risk taking initiatives. However, it is inherent to a subsequent risk that may jeopardize firm success. Hence, market orientation appears into the picture as a more adaptive approach that monitors the environmental conditions and understands the trends in the market. In this regard, MO complements entrepreneurial behaviours to achieve long-term performance in a developing economy context. The research suggests that business network ties, critical to foster these combined strategic orientations to maximize profitability for family-owned microenterprises. It is, therefore, why family social capital external to business entities is crucial. Thus, family owners should be encouraged to maintain and cultivate business ties to achieve strategic benefits.

The results also indicate that family involvement fosters firm entrepreneurial activities on profitability. The implication for family owners is that to succeed firms should understand and be able to apply risk-taking activities that would allow them exploiting new opportunities and remaining competitive overtime in the target market. Furthermore, the involvement of members may increase the complementary strategic orientations on performance. As such, this study provides conceptual and empirical evidence for previously under-studied combinations, thereby aiding further theoretical development on these complementary strategic orientations in the context of family business.

answered by association leaders instead of family-business owners, which would have made up for lack of knowledge and misinterpretation of the role of association leaders. Besides, modeling SNTs with two items only could affect the reliability of the social network ties measurement. Fourth, ethnicity and immigrant literature could have extended our understanding in multiple strategic orientations in micro family businesses in emerging markets. Hence, we suggest a further research is required to see how these factors could produce a bigger picture in understanding between the two. Fifth, findings of this study are generalizable to the micro-owned family business they may not be readily applicable to different populations. Therefore, it can only be cautiously and restrictively applied to a wider setting.

7.3 Future Research

Findings of the current study are generalizable to the micro-owned family business; they may be readily applied to different populations. In this regard, future research would, therefore, benefit by exploring a broader sample of family firm types and in different geographical settings. The conceptualized relationships presented (Fig. 2.1) in study 2 is suggestive and require a significant follow-up work to establish their range, reliability, and validity.

The present study has focused on financial performance criteria. Future research could look at non-financial performance data. Not so much concerning EO and financial performance (this has been overly researched and proven positive), but more so on the financial benefits that are a direct consequence of the familiness resource dimensions found here. For example, concerning the resource networks – what financial benefits are accrued from network ties built on strong-ties (i.e. embedded within the social structure of the family) as opposed to those established on weak-ties. Similar examples could be made of the other resources. This would further substantiate the familiness model and its contribution to the transgenerational success and long-term performance advantage of family firms.

The religious character of the Tibetan culture would deserve further examination.

Therefore, understanding why and how family firms contribute to economic development and growth is therefore important in each context for informing entrepreneurship policy not only in developing countries and emerging markets but also in developed countries (Naud´e, 2010).

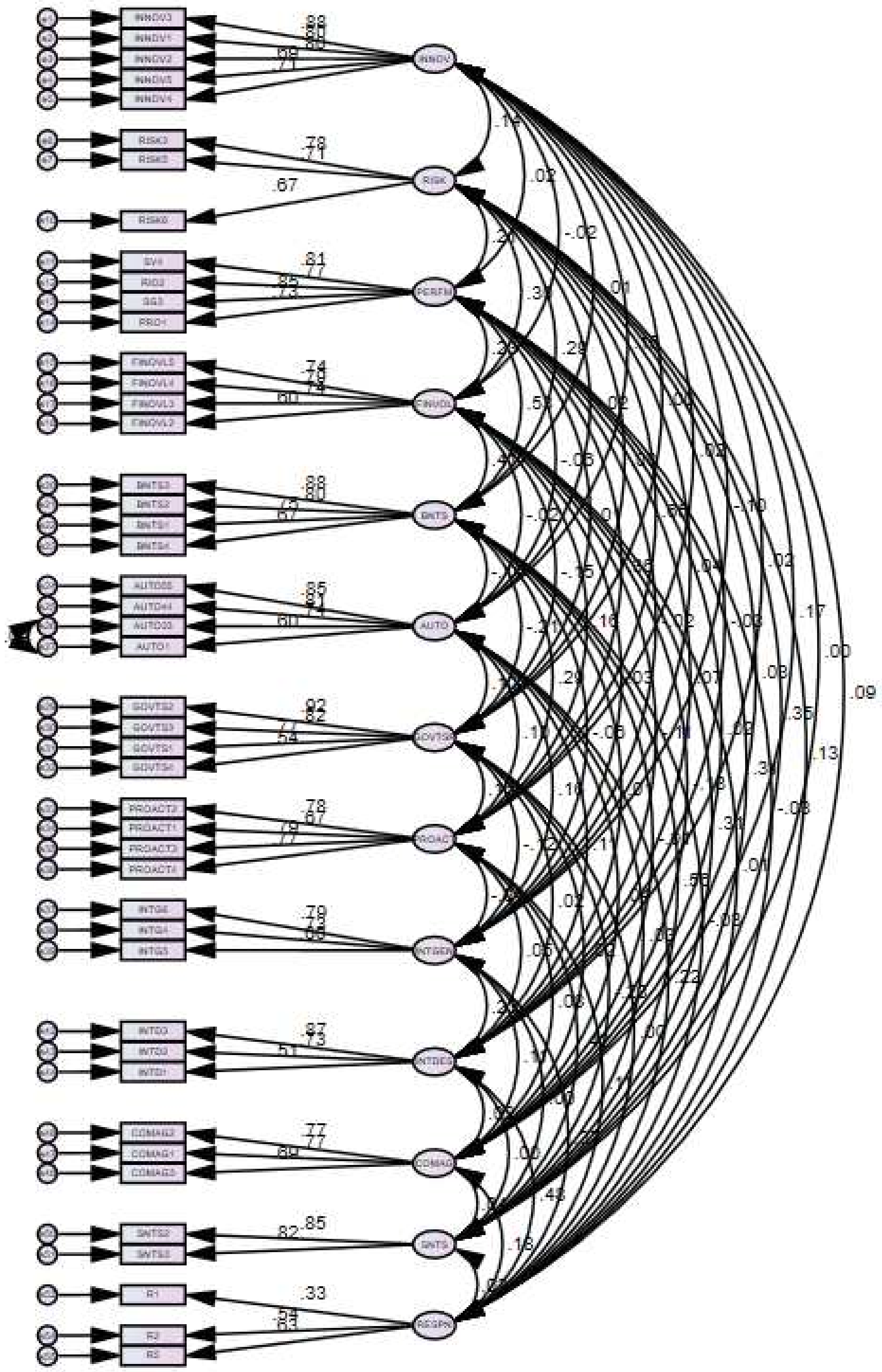
APPENDIXES

APPENDIX A: Pattern Matrix

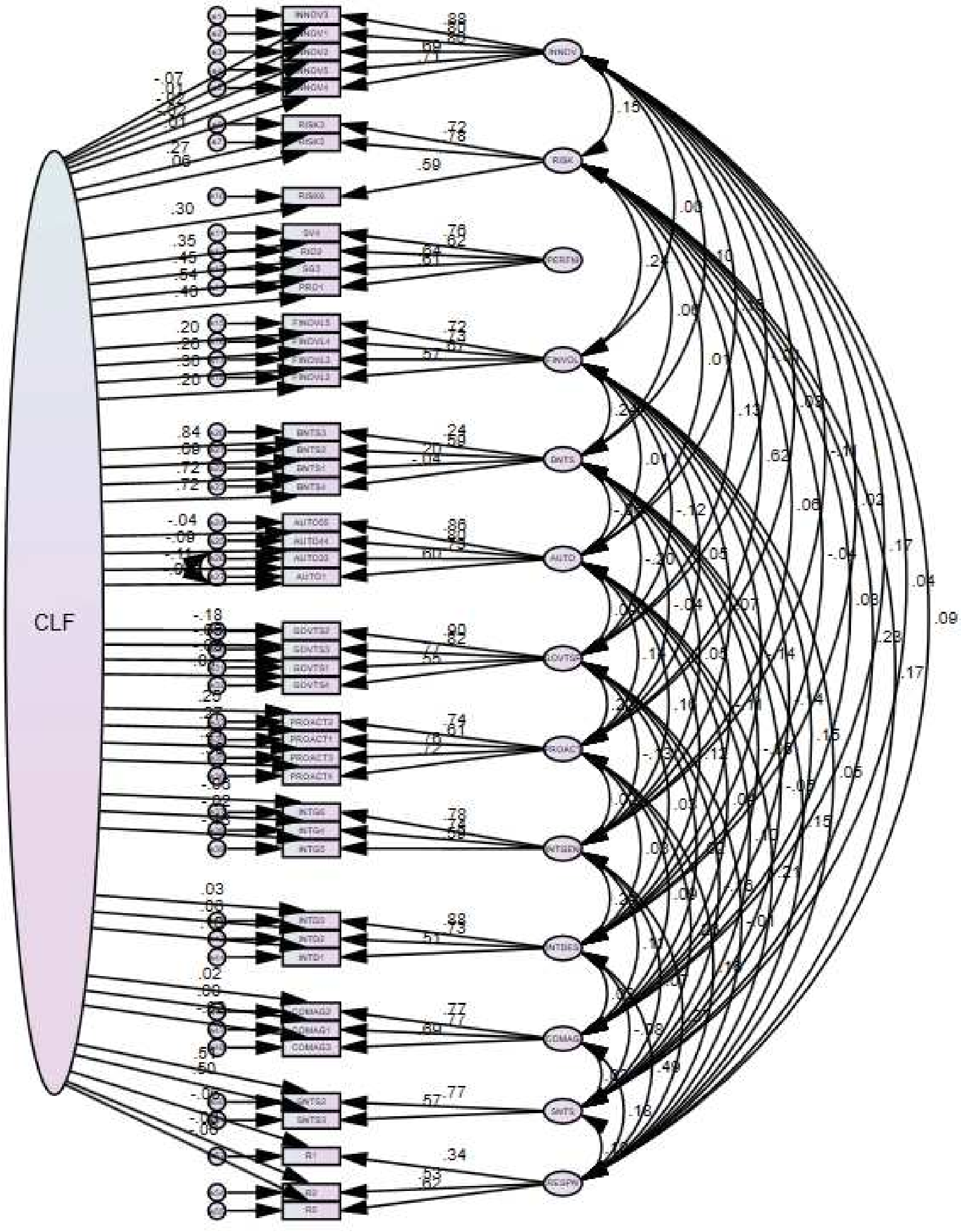
	Factor												
	1	2	3	4	5	6	7	8	9	10	11	12	13
INNOV3	.887												
INNOV1	.796												
INNOV2	.795												
INNOV5	.704												
INNOV4	.697												
RISK3		.749											
RISK5		.698											
RISK4		.615											
RISK2		.595											
RISK6		.591											
SV4			.850										
RIO2			.779										
SG3			.748										
PRO1			.722										
FINOVL5				.752									
FINOVL4				.737									
FINOVL3				.703									
FINOVL2				.608									
FINOVL1				.581									
BNTS3					.879								
BNTS2					.847								
BNTS1					.625								
BNTS4					.589								
AUTO5						.826							
AUTO4						.800							
AUTO3						.757							
AUTO1						.628							
AUTO2						.479							
GOVTS2							.885						
GOVTS3							.841						
GOVTS1							.790						
GOVTS4							.594						
PROACT2								.779					
PROACT1								.741					
PROACT3								.682					
PROACT4								.585					
INTG6									.766				
INTG4									.749				
INTG5									.608				
INTG3									.556				
INTG2									.325				
INTD3										.835			
INTD2										.778			
INTD1										.541			
INTD4										.367			
COMAG2											.781		
COMAG1											.781		
COMAG3											.667		
COMAG4											.306		
SNTS2												1.021	
SNTS3												.613	
RESPON1													.518
RESPON2													.469
RESPON3													.388
RESPON4													.383

a. Rotation converged in 7 iterations.

APPENDIX B: CFA



APPENDIX C: CFA_CLF



APPENDIX D: Factor Correlation Matrix

Table 3 Descriptive statistics and inter-construct correlations

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	Risk-taking																						
2	Autonomy	-.02																					
3	Innovativeness	.16**	.17**																				
4	Proactiveness	.74**	.11	.02																			
5	Competitive aggressiveness	.04	.05	.20**	.10																		
6	Entrepreneurial orientation	.61**	.48**	.61**	.63**	.51**																	
7	Intelligent generation	.04	.19**	-.12*	-.01	.13*	.07																
8	Intelligent dissemination	-.02	.13*	.02	.07	.03	.09	.28**															
9	Responsiveness	.16**	.28**	.12*	.13*	.21**	.38**	.49**	.61**														
10	Market orientation	.04	.23**	-.03	.06	.12*	.15*	.77**	.82**	.78**													
11	Business network ties	.43**	-.11	-.01	.48**	-.03	.23**	-.08	-.02	.00	-.05												
12	Social network ties	.44**	.03	.00	.53**	.04	.33**	.00	-.02	.05	-.00	.62**											
13	Family Involvement	.36**	-.02	-.02	.21**	-.16**	.10	.04	-.13*	.02	-.05	.45**	.37**										
14	Government support	-.01	.13*	.00	-.03	.05	.05	-.21**	.08	-.11	-.08	.14*	-.22**	-.23**									
15	Profitability	.22**	-.02	.03	.33**	.04	.19**	.01	.13*	.01	.08	.49**	.26**	.20**	.05								
16	Sales	.20**	-.08	.02	.37**	.01	.17**	-.04	.03	-.07	-.02	.56**	.30**	.24**	.03	.75**							
17	Age	-.18**	.10	.03	-.11	.04	-.02	-.11	-.24**	-.18**	-.22**	-.20**	-.17**	-.14*	.08	-.18**	-.16**						
18	Education	.13*	.03	.00	.05	-.08	.04	.02	-.08	.04	-.03	.12*	.16**	.09	-.18**	-.03	-.05	.07					
19	Income	.16**	-.03	.09	.17**	.07	.15*	.06	-.01	.05	.04	.13*	.14*	.09	-.08	.15*	.15*	-.16**	.06				
20	Generation	.08	-.09	.02	.13*	.11	.08	-.05	-.17**	-.10	-.14*	.12	.11	.01	-.07	.11	.129*	-.04	-.14*	.11			
21	Experience	.09	-.06	-.05	.04	.03	-.01	.00	-.01	-.04	-.01	.06	.02	.07	-.022	.02	.075	.05	.01	-.01	.04		
22	Gender	-.08	-.033	-.07	-.18**	-.07	-.15**	-.042	-.02	-.08	-.05	-.01	.04	.10	-.075	-.05	-.11	.06	.19**	-.01	-.15*	-.01	
Mean		4.08	3.98	4.03	3.93	3.35	3.87	4.16	4.67	2.22	2.21	4.92	4.22	4.06	1.60	3.88	3.88	2.51	1.72	3.08	2.25	2.38	
SD		1.01	1.27	1.46	1.13	1.25	3.46	0.99	1.05	0.37	1.91	1.26	1.49	1.18	0.98	2.29	2.36	0.93	0.71	1.23	0.74	1.00	

Note: N = 287, ***p < .001, **p <.01,*p <.05

APPENDIX E: Measurement Items, Reliability and Validity Tests

Performance (CR.87)

Evaluation of company return on investment

Taking chances is an element of our business strategy. Head of our family, in general, tend to invest in high-risk projects (with chances of very high returns).

Family members skip routine tasks to help business Family members help with the business without pay so that you can spend more time with family

I am fast to detect fundamental shifts in our target market environment (e.g., regulation, economy). We are slow to detect changes in our customers' product preferences.

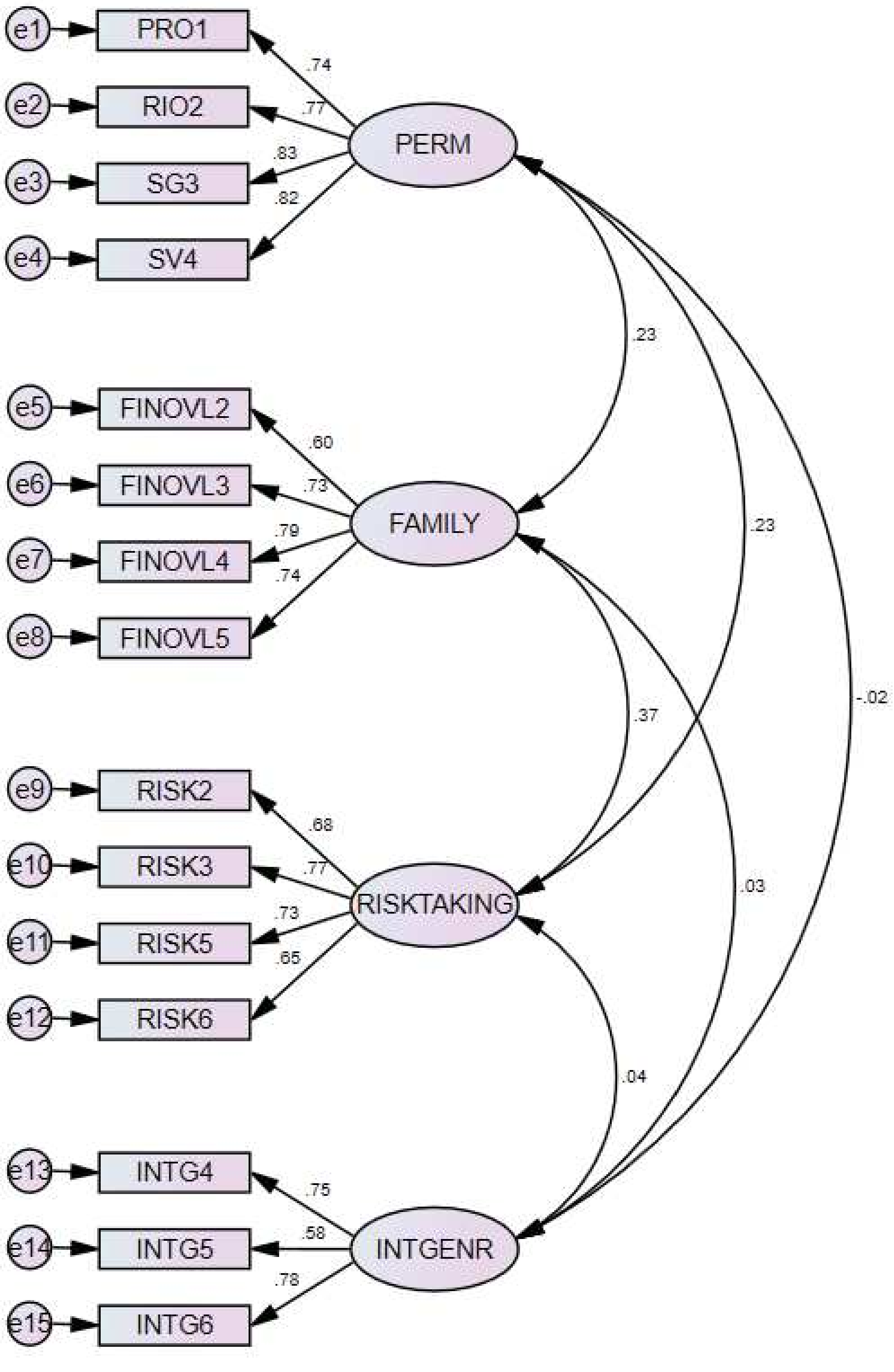
APPENDIX F: Factor Correlation Matrix

Factor Correlation Matrix

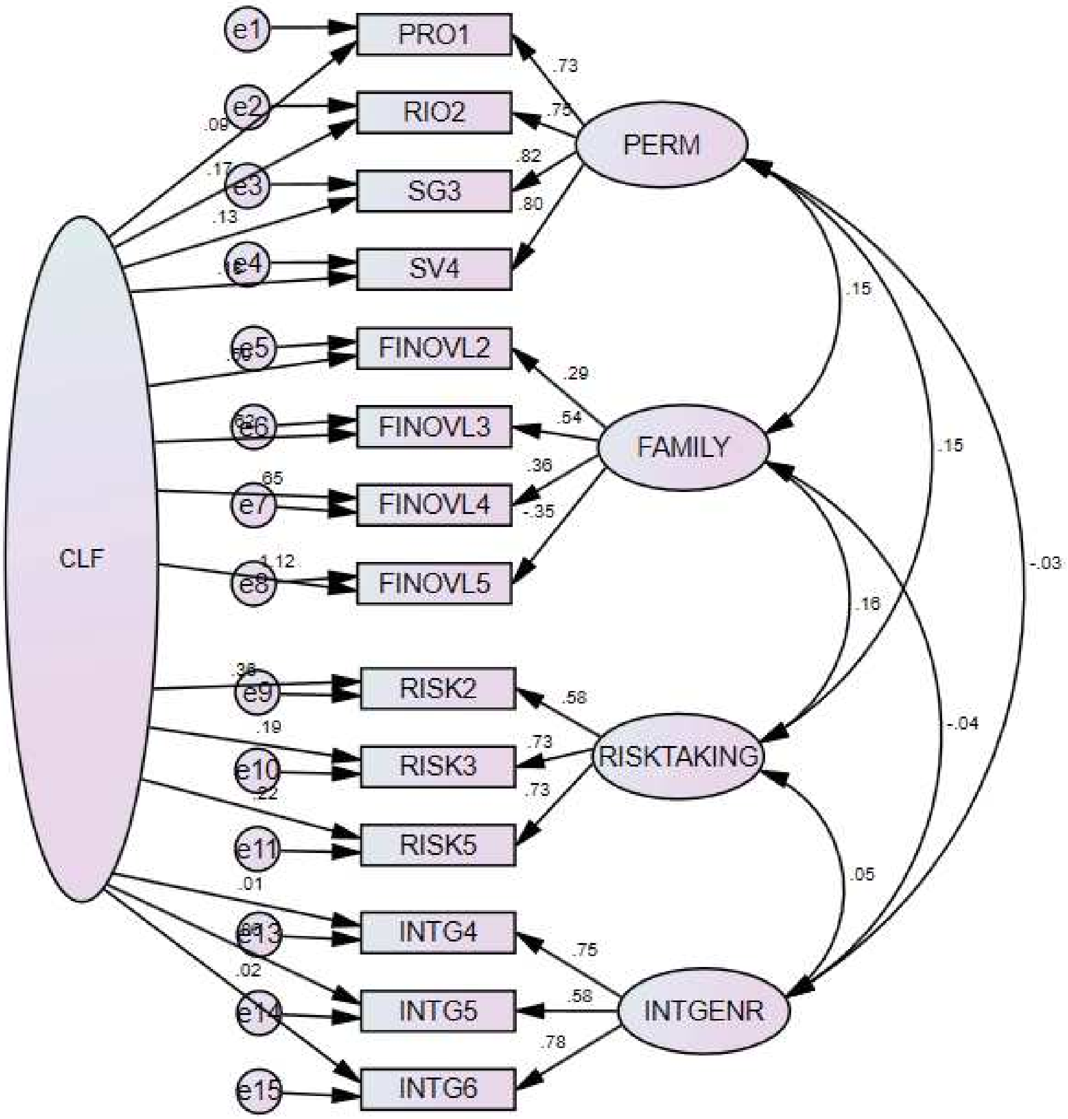
#	Variables	1	2	3	4	5	6	7	8	9	10
1	P	-									
2	FI	.245**	-								
3	R	.249**	.347**	-							
4	IG	-0.02	0.049	0.051	-						
5	FI_x_IG	-0.062	-0.027	-0.02	0.086	-					
6	R_x_IG	-.116*	-0.019	-0.057	0.001	.466**	-				
7	Gender	-0.012	-0.038	-0.008	0.071	-0.019	0.032	-			
8	Age	0.065	0.034	-0.062	-0.079	0.003	0.081	-0.016	-		
9	Experiences	0	0.033	-0.102	-0.079	0.057	-0.019	-0.022	.548**	-	
10	Income	0.011	-0.026	-0.049	-0.054	0.016	0.031	-0.096	-0.045	-0.063	-

**. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed).

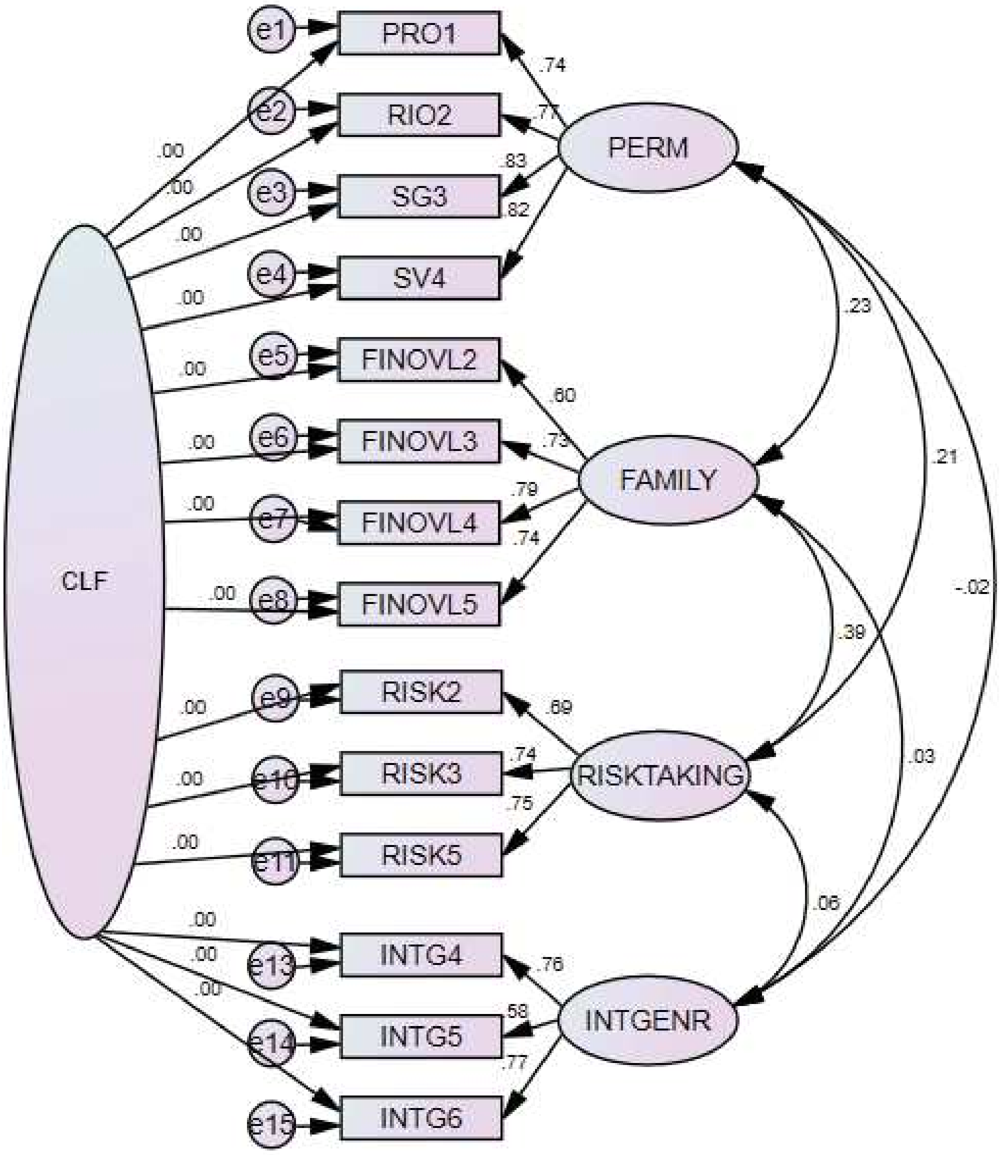
APPENDIX G: CFA



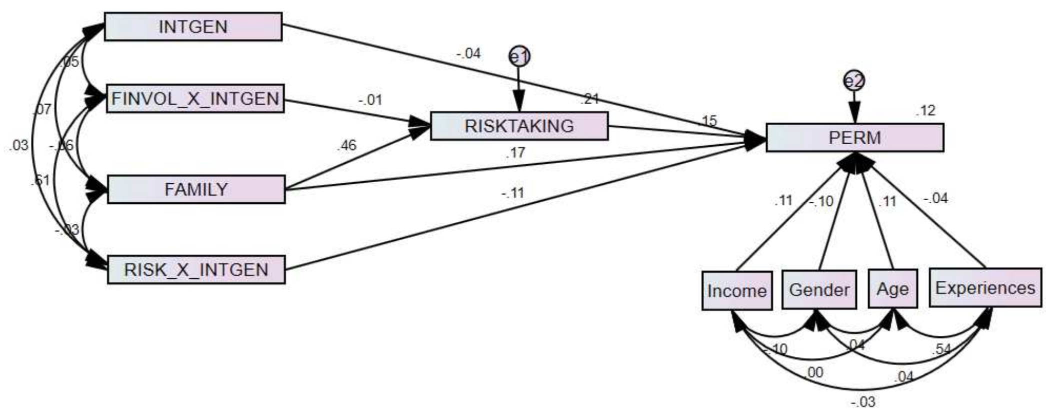
APPENDIX H: CFA _CLF_ Unconstrained Model



APPENDIX I: CFA _CLF_ Constrain Model



APPENDIX J: Model in AMOS



Date of interview..
Place of Interview..

APPENDIX K: Questionnaire

2 Worse than before	6 Better than before
3 Little worse than before	7 Much better than before
4 About the same as before	

1	Evaluation of overall profitability	1	2	3	4	5	6	7
2	Evaluation of company return on investment	1	2	3	4	5	6	7
	Rate your Sales performance over the last year on:	1	2	3	4	5	6	7
3	Evaluation of sales volumes relative to target market objective	1	2	3	4	5	6	7
4	Evaluation of sales growth relative to target market objective	1	2	3	4	5	6	7
	During the past 3 years, head of our family has heavily utilized personal ties, networks, and connections with:	1 Not at all 2 To a Very Small Extent 3 To a Small Extent 4 To a Moderate Extent				5 To a Large Extent 6 To a Very Large Extent 7 To an Extremely Large Extent		
5	Customers/ Buyers	1	2	3	4	5	6	7
6	Suppliers/wholesalers	1	2	3	4	5	6	7
7	Transporters	1	2	3	4	5	6	7
8	Competitors	1	2	3	4	5	6	7
		1=Strongly disagree 2=Disagree 3=Somewhat disagree 4=Neutral				5=Somewhat agree 6=Agree 7=Strongly agree		
9	I can obtain information about sweater business from my network of contacts faster than competitors can obtain the same information.	1	2	3	4	5	6	7
10	I have engaged in an informal social activity (e.g., dinner, movies, cultural program) with someone influential in our business.	1	2	3	4	5	6	7
11	I have a professional relationship with someone influential in our business line.	1	2	3	4	5	6	7
12	In our business unit family and employees spend time discussing customers' future needs	1	2	3	4	5	6	7
13	My family members and my employees often discuss market trends and developments at the dining table.	1	2	3	4	5	6	7
14	Information regarding our customer satisfaction is shared among family members and employees on a regular basis.	1	2	3	4	5	6	7
15	When something important happens to a major customer or market, the whole business unit knows about it in a short period.	1	2	3	4	5	6	7

16	There is minimal communication between head of the family and employees concerning market developments	1	2	3	4	5	6	7
17	My employees and my family members interact directly with our customers to find out what products or services they need in the future *	1	2	3	4	5	6	7
18	I often share our customers experience with those who can influence our end-users' purchase such as wholesalers, suppliers distributors, and manufacturers (Ludhiana Lalas). *	1	2	3	4	5	6	7
19	I generate a lot of information in order to understand the forces which influence our customers' needs and performances *	1	2	3	4	5	6	7
20	I am fast to detect fundamental shifts in our target market environment (e.g., regulation, economy).	1	2	3	4	5	6	7
21	I am fast to detect changes in our customers' product preferences.	1	2	3	4	5	6	7
22	I periodically review the likely effect of changes in our business environment (e.g., regulation) on customers.	1	2	3	4	5	6	7
23	I rapidly respond to competitive actions that threaten us in our target markets.	1	2	3	4	5	6	7
24	When I find out that customers are unhappy with the quality of our products, we take corrective action immediately. *	1	2	3	4	5	6	7
25	Customer complaints fall on deaf ears in our business unit.	1	2	3	4	5	6	7
26	I am quick to respond to significant changes in our business environment (e.g., regulation, economic)	1	2	3	4	5	6	7
27	When I find that customers would like us to modify a product or service, my family and Employees involved making concerted/strong efforts to do so.	1	2	3	4	5	6	7
		1=Not at all 2 =To a Very Small Extent 3=To a Small Extent 4=To a Moderate Extent				5 =To a Large Extent 6=To a Very Large Extent 7=To an Extremely Large Extent		
28	My family members and employees behave autonomously in our business operations.	1	2	3	4	5	6	7
29	Identifying new business opportunities is the concern of all employees and family members	1	2	3	4	5	6	7
30	Employees and family members are given freedom and independence to decide on their own how to go about doing their work.	1	2	3	4	5	6	7

31	Employees and family members are permitted to act and think without interference	1	2	3	4	5	6	7
32	Employees and family members are self-directed in pursuit of target market opportunities. *	1	2	3	4	5	6	7
33	I take above average risks in our business *	1	2	3	4	5	6	7
34	Taking chances is an element of our business strategy. *	1	2	3	4	5	6	7
35	Head of our family, in general, tend to invest in high-risk projects (with chances of very high returns). *	1	2	3	4	5	6	7
36	I show a great deal of tolerance for high-risk projects. *	1	2	3	4	5	6	7
37	Our business strategy is characterized by a strong tendency to take risks.	1	2	3	4	5	6	7
38	In general, head of my family believes that owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm's objectives.	1	2	3	4	5	6	7
39	I am known as an innovator among sweater businesses in our area.	1	2	3	4	5	6	7
40	I promote new, innovative products in our shops (last 5 years)	1	2	3	4	5	6	7
41	My business has in the past years provided leadership in launching new products. *	1	2	3	4	5	6	7
42	My business constantly experiment with new products (last 5 years)	1	2	3	4	5	6	7
43	I have built a reputation for being the best in my community to producing new products.	1	2	3	4	5	6	7
44	I directly challenge our competitors	1	2	3	4	5	6	7
45	My actions toward competitors can be termed as aggressive.	1	2	3	4	5	6	7
46	I seize initiatives whenever possible in our target markets.	1	2	3	4	5	6	7
47	In dealing with competitors, we typically seek to avoid competitive clashes, preferring a 'live-and-let live' posture.	1	2	3	4	5	6	7
48	I always respond to actions of our competitors	1	2	3	4	5	6	7
49	I seek to exploit anticipated changes in our target market ahead of our rivals.	1	2	3	4	5	6	7
50	I act opportunistically to shape the business environment in which we operate.	1	2	3	4	5	6	7
51	I always try to take the initiative in every situation (e.g., against competitors, in projects when working with others)	1	2	3	4	5	6	7

52	Because market conditions are changing, I continually seek out new opportunities.	1	2	3	4	5	6	7
53	Family members help out with business without pay	**1 Never** **2 Rarely** **3 Occasionally** **4 Sometimes**				**5 Frequently** **6 Usually** **7 Every time**		
		1	2	3	4	5	6	7
54	Family members skip routine tasks to help business.	1	2	3	4	5	6	7
55	Family members get less sleep because they help business.	1	2	3	4	5	6	7
56	Household responsibilities temporarily shifted among family members so more time can be spent in the business.	1	2	3	4	5	6	7
57	Family members help with the business without pay so that you can spend more time with family	1	2	3	4	5	6	7
	In supporting our business, the CTA and its departments have…	**1=Strongly disagree** **2=Disagree** **3=Somewhat disagree** **4=Neutral**				**5=Somewhat agree** **6=Agree** **7=Strongly agree**		
58	Implemented policies and programs that have been beneficial to business operation.	1	2	3	4	5	6	7
59	Provided important market information.	1	2	3	4	5	6	7
60	Played a significant role in providing financial support.	1	2	3	4	5	6	7
61	Helped firms obtain licenses for and raw material and other equipment.	1	2	3	4	5	6	7
62	Questionnaire deals with issues I am very knowledgeable about.	1	2	3	4	5	6	7
63	My answers to the questions in the questionnaire are very accurate.	1	2	3	4	5	6	7
64	I am completely confident about my answers to the questions.	1	2	3	4	5	6	7

Thank you for your cooperation!

APPENDIX L: Data Collection Photos

REFERENCES: CHAPTER 1

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REFERENCES: CHAPTER 6

REFERENCES: CHAPTER 7