uma editorial
EUROPEAN JOURNAL OF FAMILY BUSINESS
http://www.revistas.uma.es/index.php/ejfb

Disentangling Family Firm Heterogeneity: Evidence from a Cross-Country Analysis

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Research article. Received: 2023-09-23; accepted: 2023-12-03

JEL CODE
F23, J23, L26

KEYWORDS
Family firms, Corporate governance, Typology, Family business heterogeneity, Non-economic goals, Firm performance, Family business context

Abstract The existing typologies, classifications that identify types of family firms based on specific characteristics, aim to enhance our understanding of the heterogeneity of family businesses. However, these typologies fall short in thoroughly exploring and predicting behavioural and performance consequences associated with being categorized within specific classifications. Furthermore, the majority of the existing analyses have been empirically tested in one single country. To address these two research gaps, we use a sample of 814 small- and medium-sized family firms operating in 21 countries, collected by the STEP Project Global Consortium. This sample is employed to classify family firms based on their corporate governance similarities and explore their behavioural and performance patterns. Building on the principles of the configurative approach, we find that each of the four family firm configuration—group of family firms with related corporate governance mechanisms—has a unique yet similar combination of patterns in terms of transgenerational entrepreneurship practices, non-economic goals, and firm performance. Additionally, expanding on the isomorphic effect, we find evidence indicating that certain world macroregions exhibit a greater propensity for specific corporate governance configurations compared to others.

CÓDIGO JEL
F23, J23, L26

PALABRAS CLAVE
Empresas familiares, Gobierno corporativo, Tipología, Heterogeneidad, Objetivos no económicos, Desempeño empresarial, Contexto de la empresa familiar

Dilucidando la heterogeneidad de la empresa familiar: Evidencia de un análisis multipaís

Resumen Las tipologías existentes, clasificaciones que identifican tipos de empresas familiares basadas en características específicas, buscan mejorar nuestra comprensión de la heterogeneidad de las empresas familiares. Sin embargo, estas tipologías no han logrado predecir los comportamientos y rendimientos de las empresas familiares ligadas a clasificaciones específicas. Además, la mayoría de los análisis existentes han sido probados empíricamente en un solo país. Para abordar estas dos limitaciones en la investigación existente, utilizamos una muestra de 814 pequeñas y medianas empresas familiares de 21 países, recopiladas por el consorcio de investigadores y universidades (Proyecto STEP). Esta muestra se emplea para clasificar empresas familiares según sus similitudes en gobierno corporativo y explorar sus patrones de comportamiento y rendimiento. Basándonos en los principios del enfoque configurativo, encontramos que cada una de las cuatro configuraciones de empresas familiares, grupos de empresas familiares con mecanismos de gobierno corporativo relacionados, tiene una combinación única pero similar de patrones en cuanto a prácticas de emprendimiento transgeneracional, objetivos no económicos y rendimiento empresarial. Además, corroborando el efecto isomórfico, encontramos evidencia que indica que ciertas macro regiones mundiales muestran una mayor propensión a configuraciones específicas de gobierno corporativo en comparación con otras.

https://doi.org/10.24310/ejfb.13.2.2023.17638

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1. Introduction

Corporate governance is essential for family firms because it supports the long-term health of the business (Kano & Verbeke, 2018), promotes family commitment and conflict-resolution platforms (Ciravegna et al., 2020), and embraces enduring relationships with other stakeholders (Kano et al., 2021). Furthermore, business and family governance mechanisms are essential components of family firms (Basco, 2023; Parada et al., 2020) because they capture the essence of the family and business system, facilitate particularistic behaviour (Nordqvist et al., 2014), and stimulate transgenerational entrepreneurial actions (Cruz et al., 2006). However, not all family firms have identical corporate governance structures. There is a consensus in family business research that family firms cannot be regarded as a homogeneous group (Brune et al., 2019; Hernández-Linares et al., 2017). To understand family business heterogeneity, which is the scope of the differences that exist among family firms (Daspit et al., 2021), the configurative research stream has advanced our knowledge (Neubaum et al., 2019) by proposing different types of family firm classifications (e.g., Dyer, 2006; Westhead & Howorth, 2007). For instance, recent studies have theorised (e.g., Nordqvist et al., 2014) and empirically tested (e.g., Arteaga & Escribá-Esteve, 2021) the existence of different groups of family firms. Within each group, family firms share a similar combination of family and business-oriented priorities regarding corporate governance structures, although differences exist in corporate governance between the groups.

However, the current research has two main limitations. First, existing family firm classifications are informative and descriptive, based on specific corporate governance dimensions; however, they lack explanatory power regarding how family firms behave and perform (Neubaum et al., 2019). Second, existing family firm classifications are contextless (Amato et al., 2022; Gómez-Mejía et al., 2020) and often focus on a single country (e.g., Corbetta, 1995; Rau et al., 2019), leading to a biased interpretation of family firm heterogeneity and hindering the generalisation of knowledge. To address these two research limitations, we extend the configurative research stream to family firms (Meyer et al., 1993) by theorising that family firms categorised according to their corporate governance similarities within each configuration may show comparable behavioural and performance patterns. In other words, we hypothesise that family firms with similar governance characteristics exhibit comparable transgenerational entrepreneurship practices, non-financial goals, and firm performance patterns. Moreover, by integrating configurative research with the isomorphic effect predicted by the institutional approach, which proposes that both formal and informal institutional pressures compel firms to exhibit similar organisational structures (DiMaggio & Powell, 1983), particularly at the governance level, we posit that there are common configurations of family firms within certain macroregions worldwide.

Our study found four types of taxonomies by employing multivariate analyses of the 2018 STEP Project Global Consortium sample, which encompasses 814 small- and medium-sized family firms in 21 countries. First, the group called 'basic' (primarily Latin American firms), which is characterised by firms with no formal governance mechanism, shows low firm performance. Nonetheless, family firms assess their transgenerational entrepreneurship practices positively in terms of proactiveness and pay little attention to non-economic goals. Second, the group called 'family & business' (mostly Asian and Western European firms) with the worst firm performance is characterised by family firms that combine both business and family governance mechanisms. They have a positive assessment of transgenerational entrepreneurship practices in terms of risk-taking and are highly focused on non-economic goals. Third, the family firms in the group called 'business-first' (mostly Western European firms) are characterised by having business governance structures but not family governance ones. They have a moderate assessment of transgenerational entrepreneurship practices and place the lowest importance on non-economic goals but the most positive economic performance. Finally, the family firms that have mainly developed family governance structures but not business governance ones, the 'family-first' group (primarily North American and Latin American firms), show the most negative assessment of the transgenerational entrepreneurship practices, moderate importance of non-economic goals and superior firm performance in terms of firm growth.

This study's results have theoretical and practical implications. First, following the call for more studies addressing the need to capture family business heterogeneity (Jaffe & Lane, 2004; Suess, 2014), we go beyond classification and explore groups' behavioural patterns in terms of transgenerational entrepreneurship practices, non-financial goals and firm performance. By doing so, we present a better descriptive picture of family firm heterogeneity because we open the discussion by providing evidence that the governance structure of family firms may determine their behaviour and performance. Therefore, the configurative approach applied to family business research could not only describe the characteristics that family firms share in the same group or typology but also the consequences of these characteristics in terms of behaviour and performance patterns. Additionally, this study addresses the call to explore family firm heterogeneity across contexts (Gómez-Mejía et al., 2020; Krueger et al., 2021) by empirically revealing the types of family firm configurations that prevail across different world macro-regions. This finding highlights the importance of context as a significant determinant of corporate governance configurations. Therefore, future studies should consider the diverse manifestations of context when exploring, analysing, and forecasting the behaviour and performance of family businesses. Finally, this study has practical implications for businesses and practitioners. The taxonomic model of family business governance may serve as a useful tool for better understanding the different types of governance mechanisms that family firms may use and combine. In this sense, our taxonomy guides owners, family and non-family managers, and practitioners to understand the distinctions among family business governance across countries and guides governance configurations that are more likely to contribute to transgenerational entrepreneurship practices, non-economic goals, and firm performance. This could help family firms' stakeholders put their governance structure into perspective, which may condition their behaviour and performance and reflect on where the family firm would like to go by developing their corporate governance structures.

The remainder of this paper is structured as follows. Section 2 provides a literature review and discusses the theoretical background of this research. In Section 3, we perform several multivariate analyses to test the proposed configurations and examine their characteristics. Section 4 discusses the results. Finally, Section 5 summarises the key aspects of this study, discusses its theoretical and practical implications, acknowledges its limitations, and proposes avenues for future research.

2. Literature Review

2.1. Family firm heterogeneity and corporate governance

Family firms are not homogeneous entities (Westhead & Howorth, 2007). Each family firm differs, and these differences are shaped by a variety of firm and family attributes. This diversity contributes to the heterogeneous nature of family firms as a group of firms (Dibrell & Memilli, 2019; Rienda & Andreu, 2021). Generally, family firms vary in two dimensions: family and business. The overlap between the family and business systems makes the governance of family firms different from that of non-family businesses (Aronoff & Ward, 2011). In family firms, governance aligns not only with ownership and management goals but also with the requirements and wills of the family business (Aguilera & Crespi-Cladera, 2012). Therefore, family firms integrate family and business logic by creating corporate governance for both systems (Corbetta & Salvato, 2004). While business governance, such as the board of directors, guides and focuses on a business's long-term survival, family governance, such as family meetings, councils, and constitutions, coordinates family relations with the business and the relationships between members of the family business itself (Carlock & Ward, 2001; Suess, 2014).

The consequences of different corporate governance configurations materialise in unique family business behaviour and performance. That is, different forms of corporate governance generate distinctive human, social, and organisational gestalts. In family firms, alternative forms of governance are effective in stimulating entrepreneurial actions (Cruz et al., 2006), affecting strategic decisions (Basco et al., 2021), keeping the firm's actions in line with non-financial goals (Vandemaele & Vancauteren, 2015), and impacting firm performance (Ensley & Person, 2005).

As family firms exhibit variations, existing research, by applying the logic of the configurative approach (Meyer et al., 1993), classifies them based on how they combine business and family governance structures according to their organisational priorities, family needs and complexities (Gubitta & Gianecchini, 2002). Despite the well-known classification of family firms in terms of their governance structures, no existing research has analysed behavioural and performance similarities among family firms within each taxonomic group and the differences between groups. Based on the configurative approach, we assume that family firms sharing similar governance characteristics within a group exhibit comparable behavioural and performance patterns. In the following subsections, we theorise that firms within each group may show similarities regarding transgenerational entrepreneurship practices, non-financial goals, and firm performance.

2.1.1. 'Basic' family firms (I)

'Basic' family firms have low levels of complexity in their family and business systems (Levinson, 1983). Family ownership and management are unified in this group. Their boundaries are blurred, and authority is centralised in a single or small group of family members who act on behalf of the family's interests (Davis, 1983). Interactions and discussions between family and non-family members were mostly informal. The cost of implementing governance mechanisms is higher than the cost of conflicts that governance mechanisms attempt to solve (Nordqvist et al., 2014). Basic family firms are expected to not develop governance mechanisms to coordinate family and business relationships. This group of firms is similar to Basco and Perez-Rodriguez's (2011) classification call of 'immature family business', where neither business nor family orientation dominates decision-making. The lack of business and family corporate governance mechanisms may have specific consequences for transgenerational entrepreneurship practices, non-financial goals, and firm performance. We expect that 'basic' family firms have less developed transgenerational entrepreneurship practices, particularly in terms of risk-taking posture, because their decision-making is made with the family´s wealth (Carney, 2005) and they possess a strong tendency towards careful resource conservation. However, 'basic' family firms would show, to some extent, developed transgenerational entrepreneurship practices (more aware of succession than entrepreneurial mindset) because they focus on firm survival across generations. Firms in this group show a lower commitment to non-financial goals and poor firm performance. Their conservative strategy and fewer professional dynamics give them relatively simple family ownership and management structures. Performance is more related to the need for family survival than maximising the return on family investment in the firm.

2.1.2. 'Family & business' family firms (II)

'Family & business' firms are organisations in which family members are committed to the success of the business and the family equally (Davis, 1983). Family and business systems are important depending on how extensively the family is embedded in the business in the family (Beckhard & Dyer, 1981). We expect 'family & business' firms to adopt a combination of corporate governance (e.g., board of directors) and family governance mechanisms (e.g., family meetings or family assemblies, family councils and/or family constitutions) that integrate family and business needs and consider their mutual expectations. These firms are similar to Dyer's (2006) 'Professional family firms' or Basco and Perez-Rodriguez's (2011) 'family business first'. Firms in this group would be oriented to transfer from one generation to another and maintain ownership and management control over the firm. Consequently, they comprised a group of firms with higher levels of transgenerational entrepreneurship practices. Family firms that balance their family and business orientations can survive longer (Basco et al., 2020) but are not necessarily the most profitable firms because they must care for non-financial goals (Basco, 2017).

2.1.3. 'Business-first' family firms (III)

'Business-first' firms put business complexity ahead of family issues (Siehl et al., 1987). The family serves the business (Levinson, 1983). The business complexity of 'business-first' firms leads to mature business corporate governance (i.e., the board of directors, taking care of its composition). The board of directors plays a central role in governance by assuming control, services, and network tasks to satisfy business requirements (Poza, 2004). Accordingly, it is expected that while business families emphasise financial goals to keep the business-first firm close to family interests, their transgenerational entrepreneurship will be less developed. Thus, family firms with a business-first focus are more likely to make decisions based on their business needs. Family resources do not dominate the firm, and family resources (such as social capital) are used only to maintain firm competitiveness and profitability. Firms with a business-first focus are more likely to follow decision-making practices with decision-making power usually on the board of directors.

2.1.4. 'Family-first' family firms (IV)

These are organisations with strong family values, where the business serves the family (Holland & Boulton, 1984). Family members expect to work for the firm as a birth right (Levinson, 1983). In this context, family-first firms are aware of the need to develop family governance mechanisms that ease family and business relationships. Family governance mechanisms (i.e., family meetings, family councils, and family constitutions) may fulfil control and order tasks that promote the link between the family and the business, and mitigate the ambiguity between these two overlapping systems (Nordqvist et al., 2014). These firms are similar to Basco and Perez-Rodriguez's (2011) 'Family-first' firms, where business decisions are subjugated to the family's needs. We expect that family-first firms with such an emphasis on the family will show less developed transgenerational entrepreneurship practices but a high orientation towards non-financial goals at the expense of firm performance. This is because a 'family-first' firm's strategic decision-making is determined by the priorities of the family. In these firms, non-financial goals must fulfil the family's socio-emotional needs. They show strong incentives for parsimony in using resources, as the family intends to retain control over the business.

2.2. Family firms and context

The relationship between family firms and context has been an important research stream within family business studies (Soleimanof et al., 2018). Family firms in different countries operate under distinct national cultures and formal institutional arrangements, impacting the manner in which family firms make strategic decisions (Au et al., 2018). Family firms are embedded in a wide array of political, economic, and social institutions that affect their behaviours (Campopiano & De Massis, 2015). Viewed through the contextual lens (Krueger et al., 2021), family firms are embedded in diverse contexts (such us as religion, laws, and regulations) which are unique across countries that have the potential to influence their governance arrangements (Carney et al., 2014).

Spatial distribution of economic activity can explain organisational patterns in family firms (Baù et al., 2019). Specifically, the location where family firms operate is important for their evolution, particularly in relation to the structure of corporate governance (Tylecote & Visintin, 2007). Due to their embeddedness and sensitivity to their context, family firms undergo an isomorphic[1] process. In this sense, family firms may follow a process of homogenisation (DiMaggio & Powell, 1983) through which family firms conform to certain norms and practices established and legitimated by an environment, resulting in homogeneity of corporate governance structures. Therefore, our conjecture is that configurations of family firms may be more common in some geographical regions than others.

3. Methodology

3.1. Sample

We used the 2018 STEP Project Global Consortium[2] survey data for our empirical analysis, collected from over 40 leading universities worldwide jointly investigating transgenerational entrepreneurship practices. The 2018 STEP Project Global Consortium survey focused on the ‘impact of changing demographics on succession and governance’. The family firms interviewed are those in which a single family has a controlling interest. They expect to pass control and/or ownership to the next generation. The survey respondents were family CEOs or, in cases where the CEO was not a family member, a senior family leader, such as the chairman of the board, main shareholder, chairman of the family council, or someone with a leadership position in the firm.

From an original database of 1830 family firms, we created a purposeful sample that included multigenerational family firms of varying sizes and industries meeting specific criteria that qualify them as significant. Recognising the importance and idiosyncrasies of small and medium-sized family firms (Kampouri & Hajidimitriou, 2023), we selected firms with between 20 and 500 employees, which typically develop their corporate governance identities (Arteaga & Menéndez-Requejo, 2017; Corbetta, 1995). We aim to avoid firms that are too small or large, which are examples of extreme corporate governance. While there is an absence of corporate governance and poor governance practices in extremely small firms (De Kok et al., 2006), large firms have professionalised corporate governance mechanisms by mimicking general best practices (Yildirim-Öktem, 2018).

The final sample comprised 814 small- and medium-sized family firms in 21 countries. Table 1 shows descriptive information about the generation managing the firm, firm size, and the countries in which the firm’s headquarters are located. The average firm age was 47 years, and 12 sectors of economic activity were represented. Regarding firm generation, 193 firms (23.8 per cent) were in the first generation, 486 (59.7 per cent) were in the second generation, and 134 (16.5 per cent) were in the third or later generations. Regarding firm size, 293 firms (36 per cent) had 21-50 employees, 198 firms (24.4 per cent) had 51-100 employees, 154 firms (19 per cent) had 101-200 employees, and 166 firms (20.5 per cent) had 201-500 employees.

3.2. Method

We test the governance configurations of family firms by performing a two-step clustering analysis (Chiu et al., 2001). Two-step cluster analysis uses log-likelihood distance measures and automatically determines the number of clusters based on changes in the distance measures (Chiu et al., 2001). Comparisons between clusters of baseline parameters were performed using one-way analysis of variance (ANOVA). These analyses enable us to group firms according to their business and family governance. Family firms were grouped based on whether they had implemented

1. Isomorphism is defined as ‘a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions’ (DiMaggio & Powell, 1983, p. 143).
2. The STEP Project Global Consortium (SPGC) for family enterprising is an initiative launched to explore entrepreneurship practices within family businesses. SPGC is committed to collaboratively research transgenerational entrepreneurship in order to produce highly relevant, applied research which makes a tangible difference to the business families and their stakeholders around the world.

a board of directors, family meetings or assemblies, a family council, or a family constitution. To analyse the behavioural characteristics of each governance configuration, we performed a variance analysis of transgenerational entrepreneurship patterns, non-financial goals, and firm performance. Factor analysis of the principal components was developed for data reduction to measure the variables of interest in the STEP survey. The construct validity was established through the Kaiser-Meyer-Olkin measure and Barlett's test of sphericity. Items with communalities of approximately 0.50 or above, were subjected to reliability analysis. To reinforce the internal validity of the clusters, a in steps discriminant analysis was carried out using the indicators of each dimension as independent variables.

Table 1. Distribution of sample firms by generation, size, and country

	Number of firms			
	Total	Firstgeneration	Second generation	Third and subsquent generations
	814	194	486	134
Number of employees (% firms)				
21-50	36	10.9	21.3	3.8
51-100	24.4	5.9	14.5	4.1
101-200	19	3.4	11.2	4.4
201-500	20.5	3.6	12.8	4.2
Country (% firms)				
USA	13.0	3.1	7.7	2.2
Spain	8.2	2.7	4.5	1.0
China	7.0	1.1	3.6	2.3
Mexico	6.6	1.6	4.7	0.4
Hungary	6.4	1.5	3.9	1.0
Italy	6.3	0.9	4.3	1.1
Venezuela	4.9	1.4	3.2	0.4
Brazil	4.8	1.0	3.1	0.7
India	4.3	0.9	2.7	0.7
Netherlands	4.3	1.0	2.7	0.6
Thailand	3.6	0.6	2.0	1.0
Colombia	3.4	0.7	2.3	0.4
Peru	3.4	1.1	2.0	0.4
Russia	3.4	0.5	1.1	1.8
Canada	3.2	1.2	1.8	0.1
Ecuador	3.2	0.5	1.8	0.9
Taiwan	2.9	0.9	1.8	0.2
Turkey	2.9	0.9	1.6	0.5
Chile	2.8	1.1	1.6	0.1
Germany	2.7	0.6	2.0	0.1
UAE	2.5	0.6	1.5	0.4

World's macro regions: *Asia:* China, Russian Federation*, Thailand, United Arab Emirates, Taiwan, Turkey, India - *Latin America:* Colombia, Peru, Chile, Ecuador, Brazil, Mexico, Venezuela - *North America:* United States of America, Canada - *Western Europe:* Spain, Netherland, Italy, Hungary, Germany.

*In this study Russian Federation is considered as a physical-geographical region of Central Asia (Cowan, 2007)

3.3. List of variables

3.3.1. Dependent variables for ANOVA analysis

The dimensions of transgenerational entrepreneurship patterns (risk-taking, innovativeness, proactiveness, and pre-and post-succession satisfaction), non-financial goals (family identity and family control), and firm performance (financial return and growth) were defined as the dependent variables in this study.

Transgenerational entrepreneurship refers to the family process that leads to entrepreneurial and social values across generations. In family firms, the risk-taking, innovativeness, proactiveness, and succession satisfaction dimensions have greater meaning for transgenerational value. Risk orientation, innovation, and proactiveness are exemplary dimensions of business systems, while succession satisfaction is a dimension of the family system (Zellweger et al., 2012). We proxy for transgenerational entrepreneurship through five constructs: risk-taking, innovativeness, proactiveness (Lumpkin & Dess, 2001), and pre-and post-succession process satisfaction (Ibrahim et al., 2001).

Non-financial goals capture stocks of affective endowments (Chua et al., 2018). Because family firm identity and control are considered key drivers of non-financial goals (Deephouse & Jaskiewiz, 2013; Gómez-Mejía et al., 2007), we proxy non-financial goals through the constructs developed by Berrone et al. (2010) of family identity and control.

Firm performance in family firms can vary significantly depending on how the firm is governed (Dyer, 2018). According to Wagner et al. (2015), a relationship exists between family firm governance and financial performance. Accordingly, we proxy for firm performance using self-reported financial returns and growth (Zellweger & Nason, 2008).

3.3.2. Governance variables for cluster analysis

The business and family corporate governance mechanisms used in this study are selected based on the most prescribed mechanisms in the field. We selected those considered the most important for family firm survival (Parada et al., 2020), essential for achieving long-term sustainability (Chrisman et al., 2018), and useful tools that can help ameliorate family business conflict (Botero et al., 2015).

The board of directors is a central governance mechanism in a business. It has three primary functions: the exercise of service, control, and the provision of advice for the CEO and management (Bammens et al., 2011). The board of directors is considered the first mechanism adopted by family firms in their governance structure because of the isomorphic pressure from its surrounding (Samara et al., 2019). Its composition varies based on individual organisational characteristics (e.g., family generation or company maturity stage) and country-based regulations (Brenes et al., 2008). As a result, not all family firms have a board of directors, and their boards are almost exclusively made up of family members (Brenes et al., 2011). In our study, the board of directors is recorded as one if the firm has a board of directors, and 0 otherwise.

Family meetings or assemblies are the simplest and most common forms of family corporate governance mechanisms, in which family members discuss family and/or business matters (Habbershon & Astrachan, 1997; Neubauer & Lank, 1998). The variable family meetings take the value of one if the family firm reported the existence of family meetings and zero otherwise.

A family council is a formal and regular family meeting to discuss matters concerning the family's involvement in a business that protects its long-term interests (Davis et al., 1997; Uhlaner et al., 2012). Family council takes the value of 1 if the family firm has a family council, and 0 otherwise.

The *family constitution* is a normative agreement that includes rules of interaction among family members and between the family and the business, which can facilitate a fair decision-making process (Uhlaner et al., 2012; Van der Heyden et al., 2005). The variable family constitution takes the value of 1 if the family firm reported the existence of a family constitution, and 0 otherwise.

3.3.3. Descriptive variables

Following previous research, we control for potential variables influencing family business behaviour and performance. We control for firm age, generation, firm size, family CEO, family ownership, and geographical region. First, firm age was measured as the time since the firm was established. Age influences strategic decisions, behaviour, and performance. Family firms that survive for several generations follow proven growth strategies (Gallo & Vilaseca, 1998). Therefore, this variable captures the differences in firm competitiveness (Lee, 2006).

The variable generation takes the value of one for first-generation firms (founders), two for second-generation firms, and three for third-and beyond-generation firms. In family firms, different strategies emerge as the number of generations increases (Kets de Vries, 1993). Managerial decisions evolve with the generation in charge. For example, power control is stronger in earlier generational stages than in later generational stages (Vandemaele & Vancauteren, 2015). Busi-

ness size is an important variable that influences family firms' managerial decisions (Gómez-Mejía et al., 2011). This measure contains elements of family business complexity. Therefore, the larger the firm, the more complex its managerial decisions will be (Chua et al., 2003). Firm size was measured based on the number of employees.
Family business CEOs have been considered the key decision-makers who take risks on behalf of the firm (Gómez-Mejía et al., 2019). The existence of a family or non-family CEO affects the strategic decisions and performance of family firms (Corbetta & Salvato, 2004). In this study, the CEO variable takes the value of 1 if the CEO is a member of the family, and 0 otherwise. Family ownership is considered a contextual factor that may impact family business behaviour and performance (Lumpkin & Dess, 1996). A family can influence a business based on the extent of its ownership (Cruz et al., 2006). Following the literature on family businesses, we measure family ownership as the percentage of shares in the business owned by the family. Finally, to control for geographical characteristics, we use a variable that distinguishes family firms in Asia, Latin America, North America, and Western Europe.

4. Results

4.1. Exploratory factorial analysis for dependent variables

Before testing the proposed theoretical model, an exploratory factorial analysis was carried out to construct the dimensions of transgenerational entrepreneurship, succession satisfaction, non-financial goals, and firm performance. A separate principal component analysis was used to define each factor. Items that loaded on a factor at approximately 0.50 or above were subject to a reliability analysis. All Cronbach's alpha coefficient for factors were around .8, which can be consider very good according to the generally standards. Table 2 provides information about the items associated with each area, and statistical information on the factor analysis.

Table 2. Survey items and statistical factorial analysis information

Questionnaire information	Factor analysis			
Transgenerational Entrepreneurship				
Entrepreneurial Orientation - explained variance 59.21%	Communalities	$FI_{RISK\text{-}TAKING}$	$FII_{INNOVATIVENESS}$	$FIII_{PROACTIVENESS}$
□ When confronted with decision-making situations involving uncertainty, my firm typically adopts	0.628	0.781	--	--
□ The top managers of your firms believe that owing to the nature of the environment	0.592	0.752	--	--
□ The top managers of your firm have a strong tendency for (1, low-risk projects; 5, high-risk projects)	0.601	0.759	--	--
□ Dealing with competitors, your company typically (1, seek to avoid competitive clashes; 5, adopts a very competitive, 'undo the competition posture')	0.484	0.683	--	--
□ Dealing with competitors, is your firm the first to introduce new products/services, adm techniques…	0.485	--	0.479	--
□ Effort	0.718	--	--	0.816
□ Changes in product or service lines	0.672	--	0.804	--
□ Commitment for results	0.632	--	--	0.794
□ Marketed products in the last 5 years	0.791	--	0.886	--
□ Autonomy of individuals and teams in making decisions	0.567	0.418	--	0.626
Explained variance	59.215	24.382	17.571	17.262
K.M.O	0.712			
Barlett's test	1778.654***			
Succession satisfaction - explained variance 85.62%	Communalities	$FI_{PRE\text{-}SUCCESSION}$	$FII_{POST\text{-}SUCCESSION}$	
□ The manner in which the choice of successor was communicated to family members actively involved in the business	0.890	0.849	--	
□ The manner in which the succession process was managed	0.851	0.851	--	
□ The manner in which the choice of successor was communicated to the family and the key employees of the firm	0.863	0.816	--	
□ The suitability of the chosen successor	0.784	--	0.756	

□ The process used to train successor	0.840	--	0.812
□ The process used to familiarise the successor with the business and the employees	0.909	--	0.891
Explained variance	85.628	43.650	41.977
K.M.O	0.888		
Barlett's test	4360.994***		
Non-financial goals – explained variance 71.49%	Communalities	$FI_{FAMILY\ IDENTITY}$	$FII_{FAMILY\ CONTROL}$
□ My family business has a great deal of personal meaning for family members	0.839	0.870	--
□ Family members are proud to tell others that we are part of the family business	0.800	0.861	--
□ Family members have a strong sense of belonging to my family business	0.799	0.839	--
□ Family members feel that the family business's success is their own success	0.755	0.799	--
□ Being a member of the family business helps define who we are	0.692	0.781	--
□ Preservation of family control and independence are important goals for my family business	0.634	--	0.664
□ In my family business, family members exert control over the company's strategic decisions	0.634	--	0.636
□ The board of directors is mainly composed of family members	0.744	--	0.800
□ In my family business, nonfamily managers and directors are named by family members	0.651	--	0.763
□ In my family business, most executive positions are occupied by family members	0.763	--	0.846
Explained variance	71.49	41.99	29.50
K.M.O	0.936		
Barlett's test	6655.78***		
Firm performance – explained variance 79.26%	Communalities	$FI_{FINANCIAL\ RETURN}$	FII_{GROWTH}
□ Rate your return on equity compared to your competitors in the last three years	0.885	0.888	--
□ Rate your return on total assets compared to your competitors in the last three years	0.891	0.890	--
□ Rate your profit margin on sales compared to your competitors in the last three years	0.805	0.842	--
□ Rate your growth in sales compared to your competitors in the last three years	0.801	--	0.819
□ Rate your growth in market share compared to your competitors in the last three years	0.830	--	0.590
□ Rate your growth in number of employees share compared to your competitors in the last three years	0.542	--	0.705
Explained variance	79.265	42.633	36.632
K.M.O	0.837		
Barlett's test	3283.092***		

***$p < 0.001$

Table 3 summarises the factors that act as proxies for firms' behavioural and performance patterns, as well as their interpretation.

Table 3. Interpreting the factors

Area	Factor	Interpretation
Transgenerational entrepreneurship practices	Factor 1: Risk-taking	Attitudinal dimension that indicates the willingness to commit risky strategies or projects with uncertain returns (Pittino et al., 2017).
	Factor 2: Innovativeness	Behavioral dimension that reflects the orientation, exploration, and experimentation of creative solutions that may result in new products, services, or technologies (Madanoglu et al., 2016; Pittino et al., 2017).
	Factor 3: Proactiveness	Behavioral dimension that reflects attitudes towards the continuous pursuit of new opportunities. The company has the freedom to exercise its creativity promising ideas for entrepreneurial development (Pittino et al., 2017; Yu et al., 2019).
	Factor 4: Satisfaction Pre-succession	Reflects the satisfaction with succession before the process. It implies preparing the offspring for leadership roles before joining the family firm (Ibrahim et al., 2001; Sharma et al., 2001).
	Factor 5: Satisfaction Post-succession	Reflects the satisfaction with succession after the process. It implies integrating and assuming the leadership role in the family firm (Matthews et al., 1999; Sharma et al., 2003).
Non-financial goals	Factor 6: Family identity	Reflects that the family has an internalised set of behavioral expectations associated with a particular family role (Shepherd & Haynie, 2009).
	Factor 7: Family Control	Refers to non-pecuniary private benefits of control staying in family hands (Burkart et al., 2003)
Firm performance	Factor 8: Financial return	Encompasses those items on the questionnaire considered as possible indicators of firm performance: return on equity (ROE), return on assets (ROA), and return on sales (ROS) (STEP survey 2018).
	Factor 9: Growth	Includes the items that measure the sales, market, and employment growth over the last three years (STEP survey 2018).

4.2. Business and family corporate governance configurations

The two-step clustering analysis produced four clusters. The silhouette measure of cohesion and separation (0.6 > 0.0) suggested the validity of the distances within and between the clusters (Norusis, 2012). The results of the comparisons between the clusters indicated significant differences between the profiles of the independent variables, which aligned with the proposed typology presented in the theoretical section. Of the 814 valid cases, 203 family firms (24.9 per cent) were assigned to the first cluster 'basic', 251 family firms (30.8 per cent) to the second cluster 'family & business', 167 family firms (20.5 per cent) to the third cluster 'business-first', and 193 family firms (23.7 per cent) to the fourth cluster 'family-first' group. There were significant differences between the four clusters ($p < 0.01$). A post hoc analysis using the least squares difference (LSD) test revealed significant differences in governance mechanisms among Clusters I, II, III, and IV ($p < 0.01$). Table 4 shows the distribution of the final clusters according to their governance variables and significance levels.

Table 4. Cluster analysis based on governance mechanisms

	Cluster I 'basic'	Cluster II 'family & business'	Cluster III 'business-first'	Cluster IV 'family-first'	F[1]	Post Hoc[2]
Governance mechanisms (% firms)						
Board of directors	0	28.7	100	0	617.755***	1:2,3,4*** - 2:3,4*** - 3:4***
Family meetings	0	56.6	29.9	100	296.568***	1:2,3,4*** - 2:3,4*** - 3:4***
Family council	0	76.5	0	0	607.711***	1:2,3,4*** - 2:3,4*** - 3:4***
Family constitution	0	53.4	22.2	0	129.617***	1:2,3,4*** - 2:3,4*** - 3:4***
No. firms	203	251	167	193		

Notes: [1] *, **, *** Denotes overall comparison among clusters using the Chi-square test at the 0.1, 0.05 and 0.01 level of significance, respectively.

[2] *, **, *** Post Hoc comparisons (using LSD test) indicate which profile means differ significantly at the 0.1, 0.05 and 0.01 level of significance, respectively

Table 5 shows the average demographic characteristics of firms across clusters and the importance of the world's macro-regions (based on firm distribution) for each cluster. The clusters did not differ significantly in terms of firm size, firm age, generation, or family ownership. Only Cluster I shows differences from Clusters II, III, and IV in terms of the percentage of family firms with a family CEO, which is higher than that in the other groups ($p < 0.05$). The lack of significant differences in firm demographics is important to avoid distortion in bivariate analysis when studies explore behavioural differences among groups of firms. (e.g., Jorissen et al., 2005; Westhead & Cowling, 1998).

Table 5. Characteristics of the clusters

	Cluster I	Cluster II	Cluster III	Cluster IV		
	'basic'	'family & business'	'business-first'	'family-first'	F	Post Hoc
	n = 203	n = 251	n = 167	n = 193		
	24.9%	30.8%	20.5%	23.7%		
Age						
Mean	48.99	46.79	49.97	44.35	ns	ns
Median	40.00	42.00	40.00	37.00		
Deviation	39.469	29.659	54.575	28.900		
Generation (% firms)						
First	22.2	23.1	26.3	24.4	ns	ns
Second	59.6	59.0	61.1	59.6		
Third and subsequent	18.2	18.2	12.6	16.1		
Number of employees (% firms)					ns	ns
21-50	32.0	39.0	33.5	38.3		
51-100	24.6	25.1	30.5	18.1		
101-200	18.7	18.3	18.0	21.2		
201-500	24.6	17.5	18.0	22.3		
Family CEO (% firms)					**	1:2,3,4**
Yes	73.1	62.2	59.3	65.8		
No	26.1	37.8	40.7	34.2		
Family ownership					ns	ns
Mean	4.78	4.54	4.89	5.69		
Median	4.00	3.00	3.00	4.00		
Deviation	7.794	7.109	8.647	12.294		
Geographical region (% firms)					-	-
Asia	28.0	27.8	16.2	25.9		
Latin America	48.7	20.8	18.0	29.5		
North America	12.3	11.2	9.6	32.6		
Western Europe	10.8	37.1	56.3	11.9		

Notes: ns: not statistically significant, *, **, ***: statistically significant at the 0.1, 0.05 and 0.01 level of significance, respectively.

4.3. Characteristics of family firms' governance patterns

We performed a variance analysis to identify differences among clusters in terms of transgenerational entrepreneurship patterns (risk-taking, innovativeness, proactiveness, and pre-and post-succession satisfaction), non-financial goals (family identity and family control), and firm performance (financial return and growth). The F-test and associated statistics were significant for each dimension. We conducted an ANOVA, taking the membership of the groups (according to the classification of each case in the groups formed) as an independent variable and the dimensions of transgenerational entrepreneurship, non-financial goals, and firm performance as dependent variables. Univariate analysis indicated significant differences among the four clusters in terms of proactiveness ($p < 0.1$), post-succession satisfaction ($p < 0.1$), family control ($p < 0.01$), financial returns ($p < 0.1$), and growth ($p < 0.1$). However, there were no significant differences in risk-taking, innovativeness, pre-succession satisfaction, or family identity.

A post hoc analysis using the LSD test revealed significant differences in risk-taking between Clusters II and IV, proactiveness between Clusters I and II and between Clusters II and III, pre-succession satisfaction between Clusters II and III, and post-succession satisfaction between Clusters I and II. In terms of family control, significant differences were observed between Clusters I and II and among Clusters II, III, and IV. Regarding financial returns, differences emerge among Clusters I, II, and III and Clusters II, III, and IV, and in terms of growth between Clusters I and II and Clusters II and IV. There were no significant differences among the clusters in terms of innovativeness or family identity. These results support our initial suggestion that the different types of family firms grouped based on different corporate governance present significant differences in their behavioural and performance patterns. Table 6 presents the ANOVA results. LSD was used to determine the differences between the group means.

Table 6. Goals and transgenerational entrepreneurship patterns by type of family firms

	Cluster I 'basic'	Cluster II 'family & business'	Cluster III 'business-first'	Cluster IV 'family-first'	F[1]	Post Hoc[2]
Transgenerational Entrepreneurship						
Entrepreneurial Orientation						
Risk-taking	-0.017102	0.118690	-0.045051	-0.097388	1.928	2:4**
Innovativeness	-0.017008	0.004747	0.044730	-0.026989	0.179	
Proactiveness	0.066628	-0.111189	0.057054	0.025154	2.323*	1:2** - 2:3*
Succession satisfaction						
Pre-succession	0.011351	-0.110230	0.127995	0.020664	1.567	2:3**
Post-succession	0.091058	-0.100369	0.052392	-0.010578	2.513*	1:2**
Non-financial goals						
Family identity	-0.091502	0.023051	0.022889	0.046458	0.779	
Family control	-0.180707	0.234189	-0.051694	-0.069766	7.433***	1:2*** - 2:3,4***
Firm performance						
Financial return	-0.090839	-0.079396	0.128465	0.087644	2.396*	1:3,4** - 2:3,4*
Growth	0.0657791	-0.112007	-0.010268	0.085365	2.572*	1:2* - 2:4**
No. firms	203	251	167	193		

Notes: [1] *, **, *** Denotes overall comparison among clusters using the Chi-square test at the 0.1, 0.05 and 0.01 level of significance, respectively.

[2] *, **, *** Post Hoc comparisons (using LSD test) indicate which profile means differ significantly at the 0.1, 0.05 and 0.01 level of significance, respectively.

4.3.1. Cluster I – Weak business and family governance mechanisms: The 'basic' group

The first cluster, comprising 203 firms, mainly Latin American entities (48.7 per cent), consists of family firms with neither business nor family governance mechanisms. Firms in this cluster do not need formal governance mechanisms to address family and business goals and demands or manage the potential agency conflicts that emerge from the overlap between the family and the business. Although there is no immediate need for formalised business and/or family governance mechanisms, owner-managers may have incentives to improve open communication and feelings of loyalty among family members using informal governance mechanisms (e.g., dinner table conversations, small talk, or get-togethers). Regarding their transgenerational entrepreneurship pattern, we observe that firms in the 'basic' cluster prioritise maintaining their proactiveness and show the highest level of satisfaction in the post-succession process. 'Basic' firms assign low importance to non-financial and financial goals. Although these firms tend to grow, they show poorer financial returns.

4.3.2. Cluster II – Strong business governance and family governance mechanisms: The 'family & business' group

The second cluster comprises 251 firms, predominantly from Western European (37.1 per cent) and Asian (27.8 per cent) countries that develop business and family governance mechanisms. Approximately 28.7 per cent of the firms in this group have a board of directors, 56.6 per cent celebrate family meetings or assemblies, 76.5 per cent hold family councils, and more than half (53.4 per cent) have implemented family constitutions. These firms assign similar importance to both the business and the family's needs and demands. This requires balancing family and business systems and their friction. Family firms in the 'family & business' cluster have implemented business and family governance mechanisms. They showed high tolerance to risk but low proactive behaviour by pursuing new opportunities. 'Family & business' firms show the lowest level of satisfaction in terms of pre- and post-succession processes than firms in the rest of the groups. While non-financial goals are important for family firms in this group, specifically the intention to maintain family control, their firm performance is the lowest compared with the rest of the groups.

4.3.3. Cluster III – Strong business governance and weak family governance mechanisms: The business-first family firms

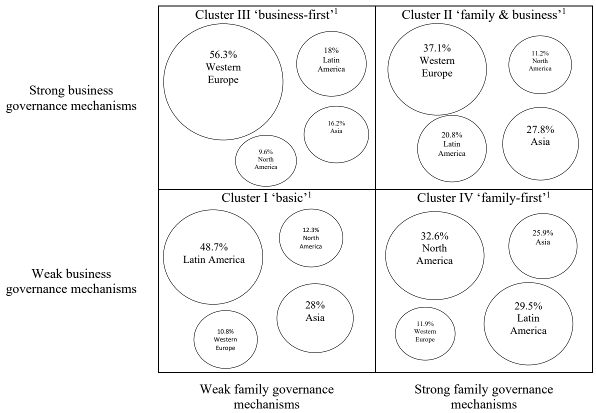
The third cluster comprises 167 firms, mainly Western European firms (56.3 per cent) that stand out for developing their business governance. All firms in this cluster have a board of directors, 29.9 per cent celebrate family meetings or assemblies, and 22.2 per cent have implemented a family constitution. Family firms in this group have a business-first orientation. However, they also have some family governance mechanisms that facilitate business–family relationships. 'Business-first' firms place moderate importance on transgenerational entrepreneurship in terms of proactiveness and show the highest level of satisfaction in the pre-succession process. 'Business-first' firms assign the lowest importance to non-financial goals. 'Business-first' firms focus on business goals and stand out for their firm performance, specifically in terms of financial performance.

4.3.4. Cluster IV – Strong family governance and weak business governance mechanisms: The family-first family firms

The fourth cluster comprises 193 companies, primarily North American (32.6 per cent) and Latin American (29.5 per cent). All family firms have family meetings or assemblies. None of them has a board of directors or the most formalised family governance mechanisms, namely family councils or family constitutions. Hence, this group fits the family orientation and exercises control through family meetings. The prevalence of family meetings in family-first firms could be positively related to the business's longevity and, to a lesser extent, firm growth. 'Family-first' firms show a higher achievement of firm growth. However, family-first firms do not place importance on transgenerational entrepreneurship and show the lowest risk-taking attitudes. Firms in this cluster assign low importance to non-financial goals but focus on firm growth.

Additionally, in a cross-country analysis, we observed that the aforementioned clusters were largely distributed by geographical area, with differences and similarities in the adoption of governance mechanisms (See Figure 1). Results show that the 'basic' group is highly represented by Latin American firms and the 'family & business' group is formed predominantly by Western European and Asian firms. While in the 'business-first' group, most firms belong to Western European countries, North American and Latin American firms dominate the 'family-first' group.

Figure 1. Governance development practices around the world



Notes: *Western Europe*: Spain, Netherland, Italy, Hungary, Germany - *North America*: United States of America, Canada - *Latin America:* Colombia, Peru, Chile, Ecuador, Brazil, Mexico, Venezuela - *Asia:* China, Russian Federation, Thailand, United Arab Emirates, Taiwan, Turkey, India.

[1](%) of firms by region in cluster I 'basic': China (28.1%), Brazil (18.2%), Colombia (13.8%), Ecuador (12.8%), Canada (12.3%), Germany (10.8%), Chile (3.9%). In cluster II 'family & business': Spain (23.9%), Russian Federation (11.2%), United States of America (11.2%) Netherlands (11.2%), Mexico (10.8%), Thailand (10.4%), Peru (10%), Turkey (0.6%), United Arab Emirates (2.4%), Taiwan (3.2%). In cluster III 'business-first': Italy (28.1%), Hungary (21%), Mexico (16.2%), India (13.2%), United States of America (9.6%), Netherlands (3.6%), Spain (3.6%), Thailand (1.8%), Turkey (1.2%), Peru (1.8%), and in cluster IV 'family-first': United States of America (32.1%), Venezuela (20.7%), Hungary (8.8%), Chile (7.8%), Taiwan (8.3%), United Arab Emirates (7.3%), India (6.7%), Turkey (3.6%), Canada (0.5%), Spain (0.5%), Brazil(1%), Italy (2.1%), Netherlands (0.5%)

5. Conclusion

Studies on family businesses have developed different typologies and taxonomies that recognise the heterogeneity of family firms (e.g., Dyer 2006; Neubaum et al., 2019; Nordqvist et al., 2014; Westhead & Howorth, 2007;). Despite the benefits of past research in unveiling types of family firms with similar characteristics, the existing family firm typologies do not explore the behavioural and performance consequences of family businesses heterogeneity (Neubaum et al., 2019), and most of the existing analyses were empirically tested in one single country (Gómez-Mejía et al., 2020).
Based on a configurative and context-sensitive approach, we theoretically propose that family firms with a similar corporate governance structure exhibit a unique combination of patterns in terms of transgenerational entrepreneurship practices, non-economic goals, and firm performance. This is attributed to the importance of corporate governance (family and business governance) in aligning ownership and management (Aguilera & Crespi-Cladera, 2012). Furthermore, drawing on the isomorphic perspective of institutional theory, we expected that certain geographical contexts are more prone to specific governance configurations than others. The multivariate analyses we conducted confirmed, in line with existing configurations (Nordqvist et al., 2014; Westhead & Howorth, 2007) four different typologies of family firms based on their governance structures, labelled as 'basic', 'family & business', 'business-first', and 'family-first' firms. Beyond the configuration itself, our analysis, in accordance with our theoretical predictions, revealed common patterns of behaviour in terms of transgenerational entrepreneurship practices, non-financial goals, and firm performance among family firms within the same group.
The core findings of the family business configurations and their behavioural and performance patterns are summarised in Figure 2. In this sense, our research extends the current classification by adding predictability (Neubaum, et al., 2019) to taxonomies and underscores that family firms sharing governance characteristics also share similar behavioural and performance patterns.

Figure 2. Behavioral and performance patterns within family business governance configurations

Strong business governance mechanisms	'Business-first' □ Highly focused on pre- and post- succession satisfaction. □ Moderate importance on non-economic goals. □ Moderate importance on firm performance.	'Family & business' □ Highly focused on risk-taking. □ High importance on non-economic goals. □ Low importance on firm performance.
Weak business governance mechanisms	'Basic' □ Highly focused on proactiveness □ Low importance on non-economic goals □ Moderate importance on firm performance	'Family-first' □ Highly focused on pre- succession satisfaction □ Moderate importance on non-economics goals □ High importance on firm performance
	Weak family governance mechanisms	Strong family governance mechanisms

Furthermore, we found the potential role of context, as highlighted by Soleimanof et al. (2018), as a critical dimension that shapes corporate governance structures and propels family family firms towards a state of homogeneity. The context is important for explaining common patterns in family firms, especially in relation to the implementation of different governace mechanisms (Baù et al., 2019; Tylecote & Visintin, 2008). While existing typologies of family firms are effective in describing different types of family firms in a country (e.g., Basco & Perez-Rodriguez, 2011; Westhead & Howorth, 2007), our classification closes the research gap of lacking cross-country analysis and goes beyond by considering different geographical contexts. Our results empirically reveal that certain family firms and their behavioural consequences prevail across contexts. This indicates the isomorphic pressures to which family firms are exposed when located in specific geographical areas. Formal and informal institutional forces shape governance structures, and consequently, their behavioural and performance patterns.
Thus, the prevalence of 'basic' family firms in Latin America is related to high proactiveness, a superior post-succession satisfaction but worse firm performance. In contrast, North American family-first firms are associated with superior firm growth and conservative strategies. 'Family & business' firms, mainly European and Asian firms, are likely to exhibit high risk-taking and family control, but show worse firm performance and post-succession satisfaction. Lastly, 'business-first' firms dominate the family firms in Western Europe. They are connected to the prioritisation

of business proactiveness, lowest family control, and highest firm performance.

5.1. Contributions

This study contributes to the family business research in two ways. First, it responds to the call for a better understanding of the heterogeneity of family firms (Chua et al., 2012). Although the literature on family business research has acknowledged that family firms are heterogeneous (Westhead & Howorth, 2007), we challenged this research line by questioning whether the classification approach *per se* only describes types of family firms with similar characteristics without considering the behavioural and performance consequences. Therefore, we extend the configurative research stream on family firms (Meyer et al., 1993) by theorising that each type of family firm, classified based on similarities in corporate governance, presents unique behavioural and performance patterns in terms of transgenerational entrepreneurship practices, non-financial goals, and firm performance. The proposed classification helps not only to understand the characteristics that are common to certain types of family firms but also to explore, analyse, and predict behavioural and performance patterns. Our study contributes to knowledge accumulation by developing a theory of family businesses, which may explain why family firms exist and how they behave. Therefore, we conclude that family firms follow common patterns of behaviour and performance based on their corporate governance structures and context constraints, shaping their governance structures.

Second, this study responds to the call to explore family firms across contexts (Gómez-Mejía et al., 2020) because family business research is contextless, as it has mainly focused on a single context (Amato et al., 2022) such as country contexts. Most family business typologies and taxonomies have been empirically tested in a single country without considering cross-cultural differences and similarities. Applying a context-sensitive approach by considering the context could constrain the phenomenon of family business. Based on the isomorphic effect predicted by the institutional approach (DiMaggio & Powell, 1983), this research extends family business research by empirically revealing that certain types of family firms prevail across different world macroregions. This finding provides evidence that the context plays an important role in family business ownership, governance, and management. Therefore, context could be one variable that explains family firm heterogeneity. Future research should explore the explanatory effect of context in its different manifestations on firm governance structure, behaviour, and performance.

5.2. Limitations

This study has some limitations. First, it focuses on the board of directors, family meetings, family councils, and family constitutions, which are the most frequently examined family business governance mechanisms (Suess, 2014). However, it might also be interesting to research other governance mechanisms such as top management teams, shareholder assemblies, family foundations, or family offices. Regarding behavioural patterns, future research may include other dimensions. They could also explore sustainability patterns in different types of family firms. Furthermore, our results suggest that the 'business-first' family firms, firms with the highest adoption of the board of directors, stand out for their firm performance and give moderate importance to transgenerational entrepreneurship and non-financial goals. Future research could more comprehensively analyse the composition of the board of directors and its impact on family behaviour and performance. Second, we took an isomorphic context approach to multiple geographical zones on the assumption that there are governance configurations that are more common in some countries than in others. Future research can include an analysis to understand how institutional factors such as legal, economic, or socioeconomic contexts influence family business configurations. Finally, although family firm scholars frequently depend on surveys and self-reported data (Sharma & Carney, 2012), employing longitudinal studies, multiple data sources, or triangulation would provide a stronger research design that could address additional interesting research avenues.

Ethical statement. The authors confirm that data collection for the research was conducted anonymously and there was no possibility of identifying the participants.

Declarations of interest: *None*.

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