TITLE: ORIENTATION TOWARD KEY NON-FAMILY STAKEHOLDERS AND ECONOMIC PERFORMANCE IN FAMILY FIRMS: THE ROLE OF FAMILY IDENTIFICATION WITH THE FIRM

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ABSTRACT

Based on literature on stakeholder management and family firm dynamics, this research analyses the relationship between three constructs: the identification of business families with their family firms (FFs), FFs' orientation toward key non-family stakeholders (NFSs), and the achievement of better economic performance. Data analyses from 374 family and non-family members of 173 Spanish FFs show that a high level of family identification with their firms affects the orientation of FFs toward key non-family stakeholders in setting corporate goals and that this orientation will lead to higher economic performance only when it is built on family identification with the firm. Our results also show that the significance of both relationships change with the degree of family involvement in the management of the FF.

Keywords: economic performance, family firms, identification with the firm, non-family stakeholders, orientation toward stakeholders.

INTRODUCTION

In the normative attention to the firms' stakeholders, the beliefs, values and psychological processes of influential members in the firm has shown to play a very important role (e.g. Aguinis and Glavas, 2012; Blodgett et al., 2011; García-Castro et al., 2010; Payne et al., 2011; Ravasi and Phillips, 2011). Those beliefs represent a source of coherence and stability for an organization (Albert and Whetten, 1985) and support the corporate behavior that seeks to improve the stakeholder´s welfare and satisfaction (Payne et al., 2011) because of the intrinsic value of their interests –central point of the normative aspect of the stakeholder theory (Donaldson and Preston, 1995). At this normative level, influential leaders rise to the level of stewardship (Caldwell et al., 2002, 2010; Davis et al., 1997) whose behaviors resemble internal willingness to ensure the wellbeing of future generations –present day and future stakeholders- (Donaldson and Preston, 1995; Hernandez, 2008) going beyond the stakeholders' pressures on the firm (Domínguez-Escrig et al., 2018; Shevchenko et al., 2016).

However the relationship between a firm's orientation toward stakeholder satisfaction and its economic performance -instrumental vision of the stakeholder theory where the stakeholder management is a way to achieve traditional corporate objectives (Donaldson and Preston, 1995) - still generates great controversy in the literature. Important literature reviews have highlighted the existence of studies reporting a positive, negative, and neutral relationship (e.g. Laplume et al., 2008; Margolis and Walsh, 2003; Orlitzky et al., 2003; Peloza, 2009; Van Beurden and Gössling, 2008). Given these inconclusive results, certain contributions to the literature suggest that only when we understand the reasons behind the establishment of corporate goals related to stakeholders, will we be able to know the real connection between attention to stakeholders' needs and economic performance (e.g. Cennamo et al., 2009; García-Castro et al., 2010). In this sense, and although the underlying psychological mechanisms determinants of stewardship have remained under explored, identification with the company has been identified as a potential important ingredient in creating stewardship (Hernández, 2008; Wasserman, 2006).

On these lines, in this research we propose a model that links the identification of firms' owners with their firms and the inclusion of stakeholders' needs in the firms' goals. Although this link could seem natural, it has received almost no attention in the studies aimed at explaining the corporate response toward stakeholders and has been not considered when we try to explain whether this orientation toward stakeholders could improve the firms' economic performance.

Given their special nature, FFs provide a particularly suitable context in which to analyze the relationship between the identification (of business families) with the firm and the firm orientation toward its stakeholders, especially NFSs. Indeed, research indicates that FFs can have certain values attributable to family identification with their business (Blodgett et al., 2011) such as respect, fairness, transparency, integrity or citizenship (Dumas and Blodgett, 1999; Schwartz, 2005). These values may drive FF's managers by the desire to achieve not only individual objectives but also those of the NFSs (Zientara, 2017), as stewardship theory states (Davis et al., 1997), carrying a collectivistic orientation toward stakeholders (Bingham et al., 2011).

However, FFs are not a homogeneous group because business families are not homogeneous either. When family members believe that the family and the business have much in common, they are likely to view their business as an extension of their family (Dyer, 2006) enjoying FF successes and suffering FF defeats (Deephouse and Jaskiewick, 2013). Since family identification with the firm differs from one FF to another (Zellweger et al., 2013), it can help to explain both why business families vary in their pursuit of goals related to stakeholder satisfaction (Pearson et al., 2008; Westhead and Cowling, 1997;

Zellweger et al., 2013), and when and how the establishment of those goals and the economic performance of the FF can be expected to be positively related. Then, our research question is as follow: Does the degree of family identification with the firm produce incentives for the establishment of FF goals related to NFSs that in turn contributes to raise the economic performance of FFs?

Moreover, since top management teams (TMTs) are the ones ultimately responsible for making the decisions concerning stakeholders (e.g. Cennamo et al., 2012; Quazi, 2003; Swanson, 2008), a question that underlies in the context of FFs is whether the family influence on the TMT may condition both the orientation toward stakeholders in the establishment of FF goals and the relationship between that orientation and FF economic performance. What consequences will this higher non-family influence have on FF orientation toward non-family stakeholders? If the family identification with the firm positively affects this orientation and, in turn, economic performance, would this effect continue when the family members are a minority on the TMT?

This research contributes to closely relate the normative and instrumental base of the attention toward stakeholders in FFs. These firms will likely attend their stakeholders' needs adopting the normative core of the stakeholder theory when certain psychological processes arise in family members (identification with the firm). In this case the family identification with the business contributes to develop a family business culture defined by core values such as attention to non-family stakeholders which also constitutes a precondition for a firm to obtain a reputation as a credible and trustworthy partner (Duh et al., 2010) and it would likely contribute to raise the economic performance of the firm. A stewardship behavior emerges than can enable business to build trust and improve profitability because it values people while simultaneously pursues its instrumental objectives (Caldwell et al., 2002, 2010). Thus, this research contributes to filling the existence gap in the stakeholder literature in relation to the relationship between the normative and instrumental aspect of the stakeholder theory when explaining the firms' attention to stakeholders (Egels-Zandén and Sandberg, 2010; Kaler, 2003). At filling this gap in the context of FFs, this study focuses on the influence of a core family business stakeholder (the family as a group). Thus, we follow the recommendation of the literature on extending studies to include the impact of some stakeholders on firm orientation toward other stakeholders (e.g. Bingham et al., 2011).

The relationship between family identification with their FFs and their intention of building relationships with stakeholders that in turn contribute to rise the economic performance have been analyzed by distinguishing between FFs characterized by majority versus minority family participation in management. Even in the studies that may have included family controlled businesses, family involvement in the business has rarely been adopted as a discriminating variable (Sharma and Sharma, 2011).

In order to meet the aim of the study, the following sections include: the theoretical foundations of the study, that allow the formulation of the hypotheses; the research methodology; the statistical analyses carried out and their main results; and the conclusions, contributions, and the implications for future research.

THEORETICAL FOUNDATIONS

Family identification with the firm: the orientation to NFSs and the economic performance

Identification involves a sense of attachment to the organization and influences thought, feeling and actions that include beneficial decision making such as organizational citizenship behavior and orientation toward stakeholders that ensures that each stakeholder is given the attention they require (Hoffman et al., 2016). For the specific case of the FF, the degree of identification and emotional attachment of the family owners as a group to the firm they own define their degree of commitment to the continuity of the firm (Uhlaner et al., 2007; Vilaseca, 2002). This commitment leads the firm to consider the requirements of the firm's key stakeholders rather than focusing only on family interests. In this sense this identification and alignment with the business is one of the key psychological factors that has been associated to the notion of stewardship (Davis et al., 1997; Madison et al., 2016; Madison et al., 2017; Neubaum et al., 2017; Vallejo, 2009). Under the assumptions of the stewardship theory a normative context is created in which desirable behavior is encouraged (Davis et al., 1997), and where stewards believe that they are morally obligated to pursue the interests of the organization and its stakeholders (Neubaum et al., 2017). Stewards are considered to be motivated by achievement, responsibility, and recognition, and they benefit more from working for the organization's interest than against it (Braun and Sharma 2007; Neubaum et al., 2017). Thus, family owners and managers behaving as stewards will pursue social and self-actualization goals to the benefit of all stakeholders (Corbetta and Salvato 2004; Domínguez-Escrig et al., 2018; Marques et al., 2014). The family business protects its long term interests by developing firm objectives that include firm contributions to the welfare of society (Aragón and Iturrioz, 2016). In this sense, the well-being of stakeholders is considered a measure of business and personal (family owner) success and the breakdown of relationships with stakeholders as a business and personal failure (Lähdesmäki, 2012; Panwar, et al., 2017).

Organizations tend to manage internal and external relationships according to the same principles, values and goals, which for the FFs are the values shared by the family (Dyer and Whetten, 2006; Sharma and Sharma, 2011; Zellweger et al., 2010). As such, firms tend to portray the same identity toward external stakeholders as they do toward internal stakeholders (Brickson, 2007). Due to the strong identification between individual, family, and business (Dyer and Whetten, 2006), the business reputation will be felt as an individual and family reputation (and vice versa), creating value for the individual, the family, and the organization at the same time (Zellweger and Nason, 2008).

Owing to family identification with the firm, FFs will be likely to possess a strong organizational orientation in terms of values and beliefs that support behavior such as being socially-responsible (Payne et al., 2011). In this sense, Sharma and Sharma (2011) consider that the strong identification of the family with the firm is among the antecedent conditions that fortify the intention of FFs to pursue a proactive attention to society needs. The recognition by the FF of the intrinsic value of the family and non-family stakeholders' needs will be the central point of the normative version of the stakeholder theory in FFs. This normative stakeholder management will be reinforced when the identification of the controlling family with the firm increases and principles and values shared by the family are the base to define the management of the FF and to build adequate relationships with stakeholders. Therefore,

H1a: The greater the family identification with the firm, the stronger the orientation toward key non-family stakeholders of the FF.

Despite the inconclusive results on the relationship between orientation toward stakeholders and economic performance, relevant contributions to the literature have pointed out that a firm's good relations with its various stakeholders can be a valuable resource that may lead to performance advantages for the firm (e.g. Barnett and Salomon, 2012; Berman et al., 1999; Choi and Wang, 2009; Graves and Waddock, 2000; Hillman and Keim, 2001; Surroca et al., 2010; Torugsa et al., 2012). Firms that adopt a stakeholder orientation can transform social investment into financial returns (Barnett, 2007; Barnett and Salomon, 2012) given that, due to synergistic effects, the pursuit of non-economic goals does not necessarily destroy economic value (e.g. Chrisman and Carroll, 1984; Zellweger and Nason, 2008). Moreover, the firm can rely on the assistance of the stakeholders to accomplish its economic goals (Lähdesmäki, 2012). In the specific context of FFs, Zellweger et al (2013) also state that the concern for the satisfaction of non-family stakeholders does not imply that controlling families are self-sacrificial in their goals or that they pay exclusive attention to FF identification and/or ignore financial issues. In fact, research demonstrates that stewardship increases important determinants of FF performance such as innovation and strategic flexibility (Domínguez-Escrig et al., 2018; Madison et al., 2016; Neubaum et al., 2017). Thus, pro-organizational stewards are motivated to maximize organizational long-term performance and wealth (sales growth, profitability, innovation, and so on), thereby integrating and satisfying the shared interests of both present and future stakeholders (Caldwell et al., 2010; Domínguez-Escrig et al., 2018; Vallejo, 2009).

When stakeholders perceive that the purpose of the FF is the long-term value creation for all stakeholders in line with a normative treatment imperative (Edwards and Peccei, 2010), they will identify with the FF (e.g. Ahn and Park, 2018) and will increase their commitment (Bosse et al., 2009), exhibiting organizational citizenship behaviors –OCBs– (e.g. Sharma, 2018), trust (e.g. Ahn and Park, 2018) and feelings of respect toward the FF (e.g. He and Brown, 2013). They will regard FFs as responsible, compassionate or benevolent citizen of their community and they will be likely content with their relationship with such organization. It will foster a cooperative behavior, since they want to give back to the organization for its own commitment to them (Hansen et al., 2011). As a result, financial performance can be affected (Hasan et al., 2018) because of stakeholders' attitudes and behaviors such as customer satisfaction, loyalty and willingness to pay (e.g. He and Brown, 2013); higher employees’ productivity, reduced turnover and absenteeism (e.g. Cho and

Park, 2011); or decreased regulatory burdens and tax advantages derived from FFs' attention to community (Bingham et al., 2011). Therefore, stewardship is practiced pursuing the optimization of wealth creation through creating relationships that maximize stakeholder commitment (Caldwell et al., 2008).

Thus, the linkage between financial performance and the establishment of objectives toward non-family stakeholders will depend on the perception of those stakeholders about the reasons behind the establishment of firms' goals, that is, on the congruity between what individuals (stakeholders) and organizations view as right in relation to the attention to stakeholders (Sharma, 2018). We establish that this congruity will be more likely to exist when a normative imperative based on values and culture of the FF seeks the integration of stakeholders' needs with organizational purposes. FFs with certain cultural and other internal features are more capable of building good and efficient stakeholder relations than those without such values (Choi and Wang, 2009; Graves and Waddock, 2000), and thus achieve competitive advantage (Harrison et al., 2010).

Particularly, when business families identify with their firms, family identity is transferred to the FF, influencing the firm's organizational identity and rationality (Arregle et al., 2007; Pearson et al., 2008). As suggested above, when this happens, family members will try to ensure that the firm's behavior is positively valued by outsiders so as to maintain a positive image of the firm and of themselves (Deephouse and Jaskiewicz, 2013; Dyer and Whetten, 2006). It is desirable that this positive image of the firm be translated into a high corporate reputation as a result of the interaction of the firm with its stakeholders. Then, those controlling families that identify with their firms will exhibit a heightened concern for corporate reputation (Fombrun and Shanley, 1990; Zellweger et al, 2013) and will take particular care to make business decisions that protect the family own image and reputation (Berrone et al., 2012; Deephouse and Jaskiewicz, 2013; Dyer and Whetten, 2006) showing a strong commitment to those decisions. Thus, business behavior toward its stakeholders is constructed as the prerequisite for a good business reputation (e.g. Aguinis and Glavas, 2012; Brammer and Pavelin, 2006; Lähdesmäki, 2012) which is considered a strategic asset that provides competitive advantage, leads to continuity and enables better economic performance (Barraquier, 2013; Besser, 1999; Boutinot et al., 2015; Lähdesmäki, 2012; Stuebs and Sun, 2010).

Therefore, a high level of family identification with the firm would be the reason behind the establishment of corporate goals related to stakeholders that might help us to explain a positive connection of these corporate goals with the economic performance of the firm. Thus,

H1b: The stronger the FFs' orientation toward key non-family stakeholders – built on a high identification of business families with their firms – the greater the economic performance of the FF.

The moderating influence of the composition of TMTs

FFs are encouraged to incorporate non-family managers on the TMT as a way of improving their human capital. This seems necessary in order to allow these firms to deal with an increasingly competitive and very complex environment. In this scenario, TMTs in FFs may not be composed of family members exclusively, but by a combination of family and non-family members. In fact, family members may no longer be a majority compared to non-family members on the TMT. When this happens, it is possible that non-family managers could share the concern for the satisfaction of non-family stakeholders. However, it is less likely that this concern is based on their own primary values and identity, as is the case for those who have their names and families associated with a firm (Cui et al., 2016; Dyer and Whetten, 2006).

Previous research show evidences that a firm's emphasis on initiatives to satisfy stakeholders could be more intense in FFs with high family involvement (Bingham et al., 2011). Relatedly, Madison et al. (2017) provide evidence of how the presence of family members within the firm creates an environment where stewardship prescriptions can prevail. The family, as an institution, will carry out a normative institutionalizing process, transmitting their norms and values to the firms over which they exert a notable influence (Vallejo, 2008). Particularly, the presence of family members on TMTs may increase the likelihood that stewardship over family resources, including reputation, will be preserved (Bingham et al., 2011; Cui et al., 2016). Thus, the family will instill values in the FF through the presence of family members on the TMT, and this, in turn, will reinforce the intention of building strong relationships with non-family stakeholders so putting the family's own values into practice.

Therefore, the orientation toward stakeholders when establishing corporate goals might be stronger when it is built on normative socialization based on family membership, than when it is built on business socialization through a cognitive institutionalizing process of the non-family members of the TMT. In the case of greater non-family presence on the TMT, the identification of the family with the firm does not necessarily translate into higher FFs normative orientation toward stakeholders. That is, TMTs can show an orientation toward stakeholders but without necessarily embracing this normative orientation according to which stakeholders' interests have intrinsic value (Egels-Zandén and Sandberg, 2010).

H2a: When family members dominate the decision making process of TMTs, the influence of family identification with the firm in the orientation toward key non-family stakeholders of the FF is higher.

Furthermore, with greater family presence on the TMT, the establishment of goals related to stakeholders might have a greater positive impact on the financial performance of the FF as it provides a clearer signal about the stance and beliefs of the firm (Berrone et al., 2007). Family members with a stronger identification with their firms are not interested in a mere survival of the business based on compliance with an established set of social norms and/or industrial standards that allow them to continue with their business as usual (Panwar et al., 2014) but on developing a competitive advantage based on how much stakeholders admire and trust them (Zellweger et al., 2010). Thus, the positive relationship between social and financial performance may be prominent because familial TMT can choose a broad orientation toward stakeholders that will be rewarded with cooperation by them (Bosse et al., 2009; Phillips et al., 2010).

In contrast, when there is a majority of non-family members on the TMT, they will act based on their particular understanding of the firm's relations with others (Brickson, 2005). For instance, they can understand the need to care about stakeholders as a way of doing things according to given societal values and norms – to get social legitimacy (e.g. Suchman, 1995); or according to certain economic and legal standards within the industry – to get pragmatic legitimacy (Aldrich and Fiol, 1994; Suchman, 1995). This narrower orientation toward stakeholders that could emerge when there is majority of non-family managers on the TMT (Bosse et al., 2009; Phillips et al., 2010) will probably weaken the relationship between this orientation and the firm's performance. Therefore,

H2b: When family members dominate the decision making process on the TMT, the influence of the orientation toward key non-family stakeholders on the economic performance of the FF is higher.

METHOD

Research context and population

Spanish non-listed FFs comprise the population of this study. Private FF correspond to what the literature considers typical FF, with a concentrated shareholder base and family member insiders active in management and on the board (Lane et al., 2006). The existence of non-family shareholders is very unlikely and there is a strong presence of family members on the TMT and on the board of directors (Lane et al., 2006; Lubatkin et al., 2005).

In Spain, there is no official database of non-listed FFs, so the research team created this by indirectly identifying these firms from a database provided by Informa Dun and Bradstreet. This company was asked to list all the firms on its database whose board of directors and/or management team included a minimum of two individuals with different first names but had the same two surnames in common. As all individuals in Spain receive two surnames – one from each parent – people whose two surnames are identical are very likely to be siblings. Thus, after refining the initial database, the number of firms was 2,541.

To ensure that the characteristics of the companies would enable the objective of the study to be achieved, firms in which the following conditions existed were selected:

- The management team included at least three positions of responsibility.
- The number of employees was at least 10 with the aim of excluding micro-firms.
- The chairperson of the board, the CEO, or the general manager was a member of the family. This ensured that the companies studied were those in which family members held the highest positions of responsibility.

Consequently, in this study a firm is considered to be a FF if at least two people on the board of directors and/or management teams have different first names and two identical surnames (i.e. they are siblings); and if some (or several) of the people occupying top management positions have at least one of these two surnames (i.e. he/she is a family member). That is how we tried to ensure that the identified firms are in essence FFs (Chua et al., 1999).

After applying these criteria, 693 firms were finally selected of which 173 firms participated in the study carried out in October 2011. This represents a response rate of 24. 96%, obtaining 374 valid questionnaires (52.9% answered by a member of the family owning the firm). The survey included more than one informant per firm, so as to reduce the impact of individual perceptions of each firm, thus obtaining more objective evaluations (Simons and Peterson, 2000). The average number of respondents per firm was 2.16, with a minimum of 1 and a maximum of 8.

The demographic profile of the firms studied indicates that most of them are more than 30 years old and are in their second generation. It also indicates that they belong to the secondary sector – followed by the service sector – and have between 50 and 249 employees (see Table 1). In terms of ownership – in those firms where information was available – in 79.3%, the percentage of family ownership is 100%; in 12.3% of the firms it ranges from 76% to 99%, and in 6.2% it varies from 51% to 75%. In two of the firms the families account for 50% of the ownership and in only one case the family owns 49%. Similarly, in all the firms, the president of the board, the CEO, or the general manager is a family member. Thus, in these firms, families exert a high level of ownership and management control. In addition, firms with a percentage of family managers greater than or equal to 50% is 50.3%.

INSERT TABLE 1 ABOUT HERE

Measures

Family identification with the FF was measured using items obtained from the culture subscale of the F-PEC Scale of Family Influence (Klein et al., 2005). This scale was originally developed to assess the extent and the quality of family influence on a FF, and the views of family members on the extent to which their family and business values overlap, as well as the family's commitment to the business. More specifically, we included some of the items of the dimension related to the firm's culture, which reflect the concept of identification. The literature has linked this concept to aspects such as the pride of belonging to the organisation; a shared fate with the organisation and concern about this fate; and self-sacrifice on behalf of the organisation and the willingness to work hard for it (e.g. Ashforth et al., 2008; Riketta, 2005). This construct was evaluated only by the respondents that were members of the families owning the firms – all together 198 respondents.

Orientation toward key non-family stakeholders was measured using three items proposed for this research. According to the literature, a relational identity orientation of FFs considers their involvement in the local community, greater respect for and positive treatment of employees, and a long-term strategic focus founded on the ideals of superior products or services (Miller and Le Breton-Miller, 2003). Therefore, key non-family stakeholders with whom FFs are expected to develop dyadic concern and trust are primarily three: employees, consumers, and communities (Bingham et al., 2011). The attention to employees, consumers and communities is expected to lead to superior economic performance (e.g. Berman et al., 1999; Hamman et al., 2009; Rodgers et al., 2013). Attending to this reasoning, in this research the members of the management team were asked to evaluate on a 5 point scale (from not important to very important) the importance their firm placed on: customer satisfaction and loyalty, responsible behavior toward society without legal imperative, and the maintenance of job positions and the improvement of labor climate in the establishment of goals. Each item in this scale summarizes the aim of the corporate practices that look for the sustaining of the consumers', the community's and the employees' welfare, respectively, and that have been included in different researches (e.g. Clarkson, 1995; Jenkins, 2006; Ni et al., 2015; Pedersen, 2011; Pérez et al., 2015; Torugsa et al., 2013). This construct was evaluated by the whole sample – that is, by the 374 respondents of the survey.

The economic performance of the FFs was measured using three items asking the informants to evaluate the evolution of three indicators of economic performance in the last three years before the economic crisis, and comparing with competitors. Our interest in (1) isolating the crisis effect, (2) knowing the managers perception of economic performance in relation to competitors, and (3) combining several items to obtain a robust measure of economic performance leaded us to choose a subjective measure for our study. The literature shows a high correlation and concurrent validity between objective and subjective data on performance, implying that both are valid when calculating a firm's economic performance (e.g. Dess and Robinson, 1984; Homburg et al., 1999; Torugsa et al., 2013). Thus, we collected the respondents' perceptions on three performance items: sales (Ni et al., 2015), profitability (Ni et al., 2015; Panwar et al., 2014), and return on sales (Torugsa et al., 2013). On this scale, 1 means "it has worsened considerably" and 5 means "it has improved considerably". This construct was also evaluated by the 374 respondents.

Familial TMT was calculated by asking respondents to report on the number of family and nonfamily executives on the TMT (Zahra et al., 2007). The number of family executives over the total number of executives allowed us to identify the degree of family dominance on TMTs. Therefore, when the percentage of family members on the TMT was higher than the percentage of non- family members, the variable took value 1 (familial TMT), otherwise 0 (non-familial TMT).

Control variables included in the study that can affect firm performance were the age and size of the FF (e.g. Chirico and Bau, 2014; Gao and Bansal, 2013; Moore, 2001; Torugsa et al., 2013). Firm age was taken to be the number of years the firm had been in existence and size was measured by the number of employees of the FF. It is worth noting that the economic performance of the firm has been measured by comparing with competitors. Therefore, the industry effect has already been controlled in the way the question has been formulated.

All the scales have been included in Appendix 1.

ANALYSES AND RESULTS

Analysis of within-group interrater agreement

Given that this research was carried out using multiple informants per firm, it is necessary to determine the level of within-group agreement for every item of the measurement scales. We use the multi-item index suggested by James et al. (1993), which analyzes the disparity of the scores of every respondent in relation to the mean of the scores of all informants for the same firm. This enables to determine whether there is some agreement among informants regarding a common target versus whether those ratings match a random pattern. The results show satisfactory levels of agreement, since constructs of the model – family identification with the firm, orientation toward key nonfamily stakeholders, and economic performance – present 86.8%, 93.1% and 79.2% of values above 0.7, respectively. Therefore, we can state that the survey-takers of each firm constitute a homogeneous group in terms of beliefs and perceptions. Thus, the data can be aggregated to the group (firm) level of analysis using the mean values of the scores given to every item by the different respondents in every firm.

Validity and reliability analyses of the measurement scales

Firstly, exploratory factor analyses were used to refine and determine the dimensional character of the scales. These were followed by a confirmatory factor analysis (CFA); the first stage of the two-stage structural equation modeling (SEM) approach to evaluate the measurement properties of the scales used before considering more substantive relations. This analysis showed that family identification with the firm, orientation toward key non-family stakeholders, and economic performance are one-dimensional constructs. The measurement model shows a high goodness-of-fit, since CFI value > 0.95 and RMSEA value < 0.08 (Mathieu and Taylor, 2006).

Convergent validity was determined through the measurement model by examining whether the estimated loading of each item on its underlying construct was strong enough. Anderson and Gerbing (1988) suggest that loading indicators should be high in value and *t*-values should be statistically significant. Measures in the resulting model showed acceptable convergent validity, with each item being significantly related to its underlying construct and t-values being statistically significant (see Table 2). In summary, the result of the CFA indicated that the relationship between each item and its respective construct was statistically significant, with all loading indicators exceeding 0.623 (all $p < 0.01$), thus showing convergent validity.

The construct reliability was estimated by means of the internal consistency, which must reach a minimum value of 0.7 according to the recommendations of Nunnally (1978). In this respect, the results enable us to confirm the internal consistency in all the cases, as the values of construct validity exceed the minimum. Moreover, the construct validity of the scales was estimated by calculating the average variance extracted (AVE) proposed by Fornell and Larcker (1981). Since it was above or very close to the critical value of 0.5, we can accept the construct validity of the constructs related to the structural model. In addition, the Cronbach's alpha statistic was used to analyze the internal consistency of the measures. Their results also indicate that all the measures are reliable.

Table 3 presents the means, standard deviations and correlations for the quantitative research variables.

INSERT TABLES 2 AND 3 ABOUT HERE

To measure the discriminant validity between the three constructs, two tests were conducted. Firstly, to argue discrimination between constructs, the confidence interval can be obtained by demonstrating that a measure does not correlate highly with another measure from which it should differ. The obtained correlations between constructs did not include 1, thus supporting the discriminant validity of each of the three constructs (r=0.489 between family identification with the firm and orientation toward key non-family stakeholders; r=0.148 between family identification with the firm and economic performance; and r=0.218 between orientation toward key non-family stakeholders and economic performance). Secondly, CFAs were performed to test the discriminability of each construct (Anderson and Gerbing, 1988). In each analysis, the $\chi 2$ difference between the one-factor and two-factor models was examined. The significant improvement in $\chi 2$ from the one-factor model to the two-factor model was consistent [$\Delta\chi 2(1)$=44.727, p<0.000 for family identification with the firm/orientation toward key non-family stakeholders; $\Delta\chi 2(1)$=207.186, p<0.000 for family identification with the firm/economic performance; and $\Delta\chi 2(1)$=93.399, p<0.000 for orientation toward key non-family stakeholders/economic performance]. The differences indicate that the more constrained model works better than the less constrained one in explaining the data.

Finally, before specifying the structural model to test our hypotheses, we analyzed the existence of common method variance. We did this in order to test for spurious internal consistency that occurs when the apparent correlation among indicators, or even constructs, is due to their common source. We tested for this, as recommended by Garson in 2006, by jointly including the items of the different scales to detect the existence of a single or various factors, one of which would explain most of the total variance. Three factors emerged explaining 68.41% of the variance. However, the first factor explained 30.89%, while the remaining factors explained 37.52% of the variance. Accordingly, common method variance does not appear to be a problem in this study, since no method factor emerged.

Hypotheses testing

The statistical software package used to estimate the model was SPSS AMOS. Specifically, SEM was used to test hypotheses H1a and H1b. According to Hair et al (1998), the use of SEM in this study is suitable due to its ability (1) to examine a series of dependence relationships simultaneously, because SEM is particularly useful when one dependent variable becomes an independent variable in subsequent dependence relationships –this is our case for Orientation toward key non-family stakeholders– and (2) to represent unobserved concepts in these relationships and account for measurement error in the estimation process. The results of the model show an excellent goodness-of-fit [$\chi^2(25)=22.854$, $p=0.586$; CFI=1.000; RMSEA=0.000], since CFI value $\geq$ 0.95 and RMSEA value < 0.08 (Mathieu and Taylor, 2006). These results, shown in Figure 1, demonstrate that (1) family identification with the firm is a direct and positive antecedent of the orientation toward key non-family stakeholders ($\beta=0.614$, $p=0.000$), (2) orientation toward key non-family stakeholders -built on a high identification of business families within their firms- is a direct and positive antecedent of economic performance ($\beta=0.267$,

p=0.004), and (3) the proposed model explains 37.7% of orientation toward key non-family stakeholders and 7.1% of economic performance. These results support hypotheses H1a and H1b. Therefore, it can be concluded that a greater family identification with the FF will foster a stronger orientation toward key non-family stakeholders and, when this happens, a greater economic performance of the firm is also obtained.

In order to test the strength of these results, this model was estimated using the objective data of profitability for 2010 as an indicator of economic performance. This data for every firm was available in the database provided by Informa Dun and Bradstreet. This new model exhibited acceptable fit indices [$\chi 2(13)=13.144$, p=0.437; CFI=1.000; RMSEA=0.008] and showed that (1) family identification with the firm is a direct and positive antecedent of the orientation toward key non-family stakeholders (ß=0.589, p=0.000), (2) orientation toward key non-family stakeholders -built on a high identification of business families within their firms- is a direct and positive antecedent of objective profitability (ß=0.301, p=0.002), and (3) the proposed model explains 34.7% of the orientation toward key non-family stakeholders and 9.1% of profitability. Therefore, these results support the robustness of the model in our study.

INSERT FIGURE 1 ABOUT HERE

Regarding the control variables, age – by the number of years the firm had been in existence – and size – by the number of employees – were included in the model affecting the economic performance of the FF. Although this model exhibited acceptable fit indices [$\chi^2(39)=39.545$, p=0.446; CFI=0.999; RMSEA=0.009], none of the two control variables showed a significant influence on economic performance (β=-0.030, p=0.694 and β=0.055, p=0.471, age and size, respectively).

Multi-group Structural Equation Modeling was used to contrast the influence of TMT composition in the relationships between the family identification with the firm, orientation toward key non-family stakeholders and economic performance (Hypotheses H2a y H2b). Therefore, we fit the model both for the group of firms in which the percentage of family managers is equal to or greater than 50% (group 1: familial TMT) and the group of firms in which such percentage is less than 50% (group 2: non-familial TMT). A central and initial question to be addressed before comparing the two groups of firms is whether these constructs have the same meaning for each group. First, the data fit of the measurement model for the constructs has to be tested with the sample data for each group. This is referred to as testing for "form invariance" of the model across groups. If form invariance is observed, the next step is testing for "measurement invariance" to make sure that the scores on any construct have the same meaning for each of the compared groups. Form invariance and measurement invariance across groups are necessary conditions for meaningful and accurate comparison of groups (Byme, 2004).

The validity of the measurement model was tested separately for each of the two groups of firms. The goodness-of-fit indices reported for the two groups [Group 1: $\chi^2(24)=31.400$, $p=0.143$; CFI=0.984; RMSEA=0.061 and Group 2: $\chi^2(24)=27.512$, $p=0.281$; CFI=0.986; RMSEA=0.043] indicate that the measurement model fits the data for each of the two groups of firms. Therefore, the assumption of form invariance across the groups is met. Then, the next step is testing for "measurement invariance". In general, this testing includes testing invariance of factor loadings, regression intercepts and error variances. This is done by using the chi-square test for the difference between two nested models. Specifically, the following four-step testing procedure is applied:

- Model 0: The measurement model is fit in the two groups together allowing all parameters, including factor loadings, intercepts and error variances, to be free. That is, no invariance of parameters across the two groups is assumed.

- Model 1: The measurement model is fit in the two groups together, with the factor loadings held equal across the groups. Since this Model 1 is nested within Model 0, the chi-square difference for the two models is used to test for invariance of the factor loadings.
- Model 2: The measurement model is fit in the two groups together, with both factor loadings and intercepts held equal across the groups. Since this Model 2 is nested within Model 1, the chi-square difference for the two models is used to test for invariance of the intercepts.
- Model 3: The measurement model is fit in the two groups together, with factor loadings, intercepts and residual variances of exogenous variables held equal across the groups. Since this Model 3 is nested within Model 2, the chi-square difference for the two models is used to test for invariance of the residual variances.

As the results in Table 4 show, the chi-square difference for Model 0 versus Model 1 ($\Delta\chi^2$=6.226, Δdf =6, p=0.398) is not statistically significant, thus providing evidence for the invariance of the factor loadings across the groups. Furthermore, the chi-square difference for Model 1 versus Model 2 ($\Delta\chi^2$=5.672, Δdf =9, p=0.772) is also statistically significant, thus providing evidence for the invariance of the regression intercepts across the groups. In addition, the chi-square difference for Model 2 versus Model 3 ($\Delta\chi^2$=15.069, Δdf =9, p=0.089) is also statistically significant, thus providing evidence for the invariance of the residual variances across the groups.

With form invariance and measurement invariance across groups met, the groups can be compared using a multi-group structural model. The results of this model, shown in figure 2, indicate that: (1) this model exhibited excellent fit indices [$\chi 2(50)$=60.973, p=0.138; CFI=0.985; RMSEA=0.037]; (2) the effect of the family identification with the firm on the orientation toward key non-family stakeholders is positive and significant in any of the two groups (ß=0.681, p=0.000 and ß=0.529, p=0.008, groups 1 and 2, respectively); and (3) the effect of orientation toward key non-family stakeholders – built on the identification of the family with the firm – on economic performance is positive and significant in group 1 but does not reach an acceptable level of significance in group 2 (ß=0.374, p=0.004 and ß=0.180, p=0.216, groups 1 and 2, respectively).

These results demonstrate that, firstly, when there is a majority of family members on the TMTs, the relationship between the family identification with the FF and the orientation toward key non-family stakeholders is stronger. However, when there is a minority of family members on the TMTs, the role played by family identification with the firm in strengthening orientation toward stakeholders weakens. These results allow us to validate H2a. Secondly, when there is a majority of family members on the TMTs, the relationship between the FF's orientation toward key non-family stakeholders – built on a high identification of the family with the firm – and the economic performance of the firm is positive and significant. However, when there is a minority of family members on the TMTs, the influence of the FF's orientation toward key non-family stakeholders – built on a high identification of the family with the firm – on economic performance of the firm is not significant. Thus, we can accept H2b. The proposed model explains 46.4% and 27.9% of the orientation toward key non-family stakeholders for groups 1 and 2, respectively. Similarly, this model explains 14.0% and 3.3% of economic performance for the two groups, respectively.

INSERT FIGURE 2 ABOUT HERE

DISCUSSION, CONCLUSIONS AND IMPLICATIONS

This paper has shown that a high level of identification of business families with their firms positively affects the orientation of FFs toward key non-family stakeholders in setting corporate goals, being this relationship stronger when there is a majority of family members on the TMTs (familial TMTs). Indeed, our model explains an additional 18.7 per cent of the importance attached to key non-family stakeholders for the group of firms with familial TMTs compared to the group with non-familial TMTs. This means that when there is a majority of family members on TMTs, the role played by identification in explaining the importance attached to satisfying stakeholders' needs is more prominent. When family is less involved in visible roles of management, its influence on the dominant coalition's perceptions weakens. Without visibility and frequent contact with family members, non-family members in the dominant coalition may not be fully aware of the controlling family's thoughts about the level of FF's commitment to the attention to non-family stakeholders' needs (Sharma and Sharma, 2011). Thus, we have provided evidence supporting the Hernandez's (2008) premise stating that it is the internalization of family values what may be instrumental in creating stewardship behaviours in organizations.

Thus, this research contributes to the stakeholder management field by offering additional evidence of the important role of the psychological processes of the influential members in the firm to explain its orientation toward stakeholders. More specifically, the identification of the families with their FFs has been shown as a key aspect that can help to explain the definition of corporate goals aimed at satisfying key NFSs. Therefore, this study contributes to support the relationship between family identification and the definition of the family business culture (Blodgett et al., 2011). Since the values that define that culture will answer the question of what is important to the firm, they will constitute the standards that influence the FF response to others (Donaldson, 1996). Thus, identification seems to be one of the missing antecedents that would help to explain the attention to key non-family stakeholders from a normative perspective in FFs.

The results obtained also show that a FF's orientation toward NFSs will provide higher economic performance when it is built on family identification with the firm. However, the improvement of economic performance provided by the FFs' orientation toward key NFSs only happens when there is a majority of family members on the TMTs (familial TMTs). Therefore, this study also makes an additional contribution by providing a better specification of the models that link orientation toward stakeholders to economic performance, as suggested by many researchers from the stakeholder management field (e.g. García-Castro et al., 2010; Margolis and Walsh, 2003). The instrumental perspective of the stakeholder management has proved to go beyond a mere hypothesis which establishes that the corporate orientation to the stakeholders will maximize the economic performance of the firm. Important antecedents that explain a normative orientation toward stakeholders (such as family identification) and moderators (such as family involvement in management) contribute to define the context that allows explaining the economic results of the inclusion of key NFSs in the FFs' goals. Thus, a research version of the instrumental perspective of the stakeholder management emerges (Rowley and Berman, 2000) that "would yield theoretical context-dependent explanations of how stakeholder management and financial performance are related" (Egels-Zandén and Sandberg, 2010: 40), so offering a deep understanding of the very nature of corporate orientation toward stakeholders (Gao and Bansal, 2013).

This way, in this study the normative and instrumental aspect of the stakeholder theory are interrelated (Donaldson and Preston, 1995). Only when attention to stakeholders has a normative base because of the psychological process of identification on which it is built, the firm will likely get an improvement in their economic results (instrumental base of the stakeholder theory). From a stewardship framework and attending to Vallejo's (2009) request, we have provided a specific element rooted in the dynamics of the FF (in this case the identification of the families with their FFs) that explain the motivation of a pro-organizational steward to maximize FF's performance and competitiveness thereby satisfying the stakeholders' interests with the aim of ensuring the welfare of future generations (Davis et al., 1997). Therefore, stewardship and stakeholder theory reinforce each other to explain the FFs' behavior.

Since the familial character of the TMT has shown to be a key moderator of the relationship between the family identification with the FF and the FF orientation toward stakeholders, and it also conditions the significance of the relationship between that orientation and the economic performance of the FF, future research could analyze the prioritization of stakeholders in FFs depending on the family involvement in management (Mitchell et al., 2011). Does the salience attached by the TMT to NFSs depend on the family involvement in this TMT?

Regarding the literature on FFs, this study contributes to clarify the conditions that would explain an explicit attention to NFSs. Sharma (2003, in Laplume et al., 2008) considers there to be an absence of scholarship in stakeholder management in FFs, being this sort of research particularly scarce in the Spanish context. FFs offer a particularly interesting research context given the overlap between firm and family values, and therefore cultures may differ between FFs depending on the family identification with the firm (Blodgett et al., 2011). According to this study, when there is high family identification with the firm, an appropriate context is established to develop a unique capability, to the extent that the attention to stakeholders will likely evolve into a firm reputation that other firms cannot replicate (Sirsly and Lamertz, 2008) and that will likely constitute an important antecedent of a good economic performance (Barraquier, 2013). Thus, this research offers new parameters that could explain the competitive advantage of FFs or familiness (Habberson and Williams, 1999).

Future research could go further to discover if family identification with the firm allows to strengthen the relational social capital of FFs, building strong ties with their more relevant

NFSs. A multilevel study at individual (stakeholders) and organizational levels could contribute to analyze the intensity of those ties and its consequences for the stakeholders (satisfaction) and the firm (performance).

This study confirms that a majority of family members on TMTs will be necessary so that family beliefs can be translated into attentiveness toward key non-family stakeholders and good economic performance. Hence, more research is needed in order to study how a family identification with the FF allows to transmit the family claims to non-family managers and generate an extended conception of the family, which could be a key factor in the establishment of goals in FFs and in obtaining a higher level of economic performance (Fuller et al., 2006; Ng and Roberts, 2007; Vallejo 2009). If these non-family managers commit with the FF vision/values, this will reinforce their altruism in terms of building strong relationships outside the FF based on trust and reciprocity (Marques et al., 2014). In this sense, recent evidence suggesting that stewardship governance (i.e. practices that empower needs of autonomy, belonging, and competence) is more strongly and positively associated with pro-organizational behaviours and attitudes than agency governance regardless of a manager's family affiliation (James et al., 2017) must be taken into account.

From a practical approach, our findings highlight the importance of promoting the identification of the business family with the firm. Therefore, the governance of business families becomes especially relevant; mechanisms such as family councils and protocols can be essential for guaranteeing that family members share a sense of care, pride and dedication to their firms and for transmitting these values to the non-family members of management teams. Also, given that non-family managers can influence decision-making in FFs, it is important that they feel a sense of identity with the firm and are committed to supporting it. Therefore, issues of human resource management and the management of the relationship dynamics between members (family and non-family) of the TMT becomes fundamental for the functioning of FFs.

From a methodological perspective, our response rate of 24.96% is quite high for a Spanish survey since it is more than double that the rates obtained in previous studies also focused on private family firms in Spain (e.g. Cruz et al., 2010) where privacy concerns make these firms an especially complex context to study. Also in terms of methodology the validity of the constructs used in this study is noteworthy. One of the limitations of research on corporate responsiveness toward stakeholders that uses information from secondary sources (e.g. KLD data base) is the limited construct validity of databases (Inoue and Lee, 2011). In this paper, orientation toward stakeholders in setting corporate goals has been measured using primary sources, thus overcoming that limitation. The constructs used to measure economic performance (combination of three indicators: sales, profitability and return on sales) and family identification with the firm also show robust results in terms of reliability and validity. Also, we have tested "form invariance" and "measurement invariance" of the model across groups, which are necessary conditions for meaningful and accurate comparison of groups on constructs of interest (Byme, 2004). Therefore, stakeholder theory will benefit from the methodological contributions of this research.

However, there are a number of limitations associated with this study that should be acknowledged and that could also open new lines of research. Firstly, the context of this investigation is Spanish non-listed FFs and this could represent certain limitations in terms of generalizing the results. TMTs in listed FFs are subjected to other pressures and conditioning factors over and above fulfilling the interests, aspirations and the approach of the family (Bammens et al., 2011) which will likely affect the setting of goals in relation to the different stakeholders. Also, the Spanish context may present certain particularities in terms of culture that could affect our results. In this sense, for example, families in Spain have a strong paternalistic character associated with the Latin personality (Lansberg, 2007), and a great importance is placed on family relationships. Family unity and harmony are much more highly valued than in other countries like the United States (Poza, 1995). This fact could have some kind of influence in the relevance shown by the variables family identification and the familial composition of TMTs in our study. Therefore, replications of this study in other countries with different cultural contexts could be advisable. Also this kind of research on cultural differences both between families and between businesses embedded in specific communities and cultures may help to address relevant issues such as the moral development of family members, and how specific stakeholders outside the family contribute to shape the family business ethics (Vazquez, 2018).

Secondly, the definition of FF adopted in this study may limit the generalizability of our results. We have tried to guarantee the family nature of the firms in this study by requiring the presence of at least two siblings on the TMT. This criterion of two members sharing surnames in selecting potential FFs allowed for the identification of FFs in several generational stages (see Table 1). However, the criteria could exclude other FFs such as first generation founder FFs, marriage partner FFs, firms including parents and their children, firms where one sibling is in a managerial position and another is an owner, or cousin consortiums in which any relative has the same two surnames.

Thirdly, since theory is the basis for inclusion or omission of any relationship in SEM, we have suggested causal relationships that are based on theory distinguishing which independent variables predict each dependent variable even stating and examining a simultaneous set of dependence relationships – this is our case for orientation toward key non-family stakeholders-. Our theoretical development allows us to assume linear relationships between the variables under study. However, the SEM would not allow testing non-linear relationships between variables. In that case, other methodologies such as multiple regressions could be more suitable.

Given that the nature of a FF must transcend its components (for example, family involvement in ownership and management), the existence of the components itself may be necessary but not sufficient to create the essence that makes the FFs distinct from non-family firms (Chua et al., 1999) and from each other (Van Gils et al., 2014). Thus, the analysis of the dynamic of relationships, feelings, attitudes and viewpoints of the business family, really open a new avenue to inform about the establishment of social goals in FFs.

Compliance with Ethical Standards:

Informed consent: Informed consent was obtained from all individual participants included in the study.

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TABLE 1. Profile of the Firms Analyzed

Characteristics	N	%
Age:		
30 years or less	31	17.9
31-59 years	87	50.3
60 years or more	55	31.8
Generation:		
First	47	27.2
Second	83	48.0
Third	43	24.9
Sector of Activity:		
Primary	6	3.5
Construction	23	13.3
Manufacturing	79	45.7
Wholesale trade	18	10.4
Retail trade	16	9.2
Hospitality industry	5	2.9
Other services	26	15.0
Number of Employees in 2011:		
Less than 50	26	15.0
50-249 employees	114	65.9
250 employees or more	33	19.1
Percentage of family managers		
Less than 50	86	49.7
50 or more	87	50.3
TOTAL	**173**	**100.0**

TABLE 2. Confirmatory analyses (Measurement Model)

	Causal relationships			Standardized Estimators	*t*	*p*	Composite reliability	Goodness of fit
Family identification	IDENTIF1	←	Identification with the family firm	0.754			Cronbach's alpha=0.877 Construct reliability=0.886 Variance extracted= 0.723	CMIN = 22.344 *p* = 0.559 CFI = 1.000 NFI = 0.972 RMSEA = 0.000
	IDENTIF2	←	Identification with the family firm	0.944	10.400	0.000		
	IDENTIF3	←	Identification with the family firm	0.843	9.815	0.000		
Non-family stakeholders orientation	ORNOFAMSTA1	←	Orientation toward key non-family stakeholders	0.655			Cronbach's alpha=0.704 Construct reliability=0.722 Variance extracted= 0.466	
	ORNOFAMSTA2	←	Orientation toward key non-family stakeholders	0.624	6.161	0.000		
	ORNOFAMSTA3	←	Orientation toward key non-family stakeholders	0.761	6.580	0.000		
Economic performance	PERFORM1	←	Economic performance	0.708			Cronbach's alpha=0.902 Construct reliability=0.911 Variance extracted= 0.776	
	PERFORM2	←	Economic performance	0.965	12.006	0.000		
	PERFORM3	←	Economic performance	0.946	11.991	0.000		

TABLE 3. Variable descriptive statistics and correlations

	Variables	Global N=173 Mean (SD)	Familial TMT N=87 Mean (SD)	Non-Familial TMT N=86 Mean (SD)	1	2	3	4	5	6	7	8	9
1	IDENTIF1	4.32 (0.76)	4.45 (0.69)	4.19 (0.82)	---								
2	IDENTIF2	4.23 (0.87)	4.35 (0.82)	4.11 (0.93)	0.705***	---							
3	IDENTIF3	4.11 (0.88)	4.22 (0.87)	3.98 (0.91)	0.617***	0.793***	---						
4	ORNOFAMSTA1	4.54 (0.54)	4.57 (0.57)	4.54 (0.48)	0.314***	0.293***	0.292***	---					
5	ORNOFAMSTA2	3.96 (0.80)	4.04 (0.85)	3.88 (0.76)	0.330***	0.383***	0.353***	0.420***	---				
6	ORNOFAMSTA3	4.34 (0.68)	4.32 (0.78)	4.37 (0.59)	0.357***	0.401***	0.345***	0.507***	0.458***	---			
7	PERFORM1	3.15 (1.03)	3.13 (1.12)	3.17 (0.94)	0.079	0.092	0.066	0.242***	0.109	0.258***	---		
8	PERFORM1	2.85 (0.99)	2.87 (1.03)	2.86 (0.96)	0.133	0.189	0.161	0.191*	0.080	0.218**	0.681***	---	
9	PERFORM1	2.79 (1.01)	2.77 (1.05)	2.81 (0.96)	0.088	0.135	0.121	0.148*	0.033	0.218**	0.673***	0.913***	---

*** $p \leq 0.001$

** $p \leq 0.01$

* $p \leq 0.05$

TABLE 4. Tests for invariance of regressions slopes and intercepts across two groups of firms

Model	χ^2	***df***	$\Delta\chi^2$	Δ***df***	***p***
Model 0	58.912	48	---	---	---
Model 1	65.138	54	6.226	6	0.398
Model 2	70.810	63	5.672	9	0.772
Model 3	85.879	72	15.069	9	0.089

FIGURE 1. Results of the proposed model

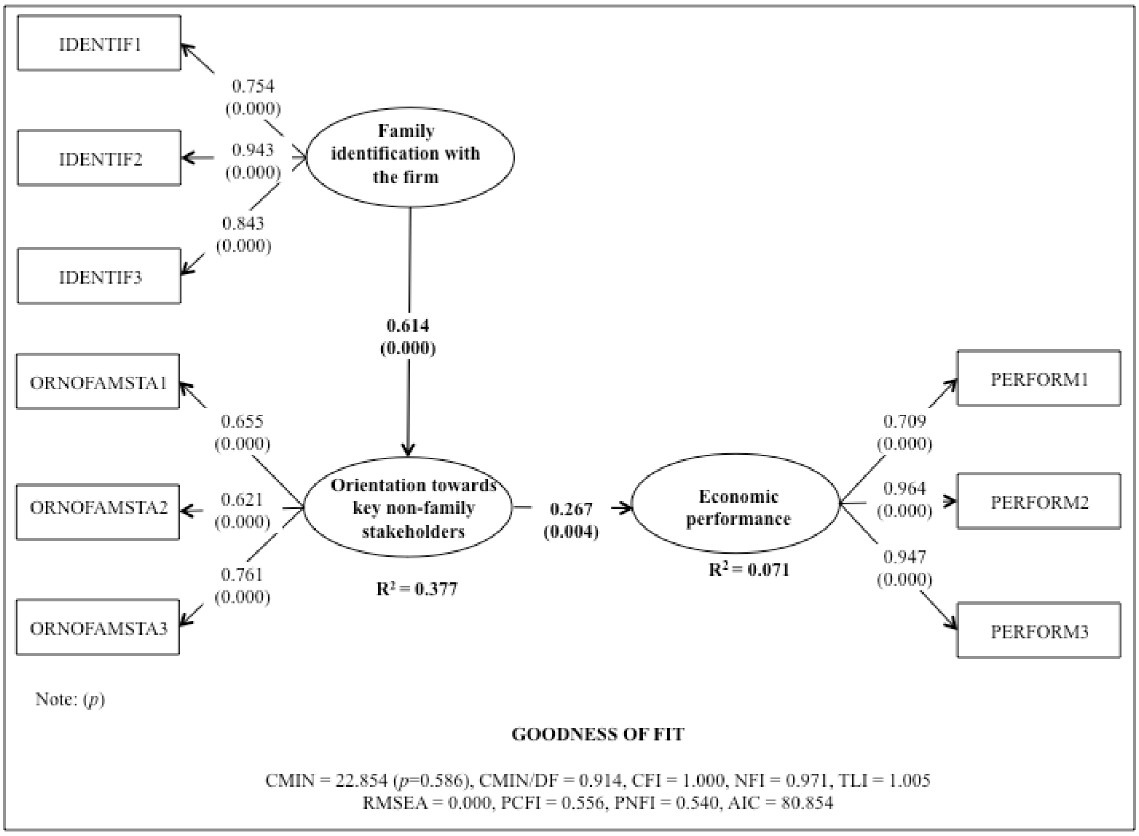
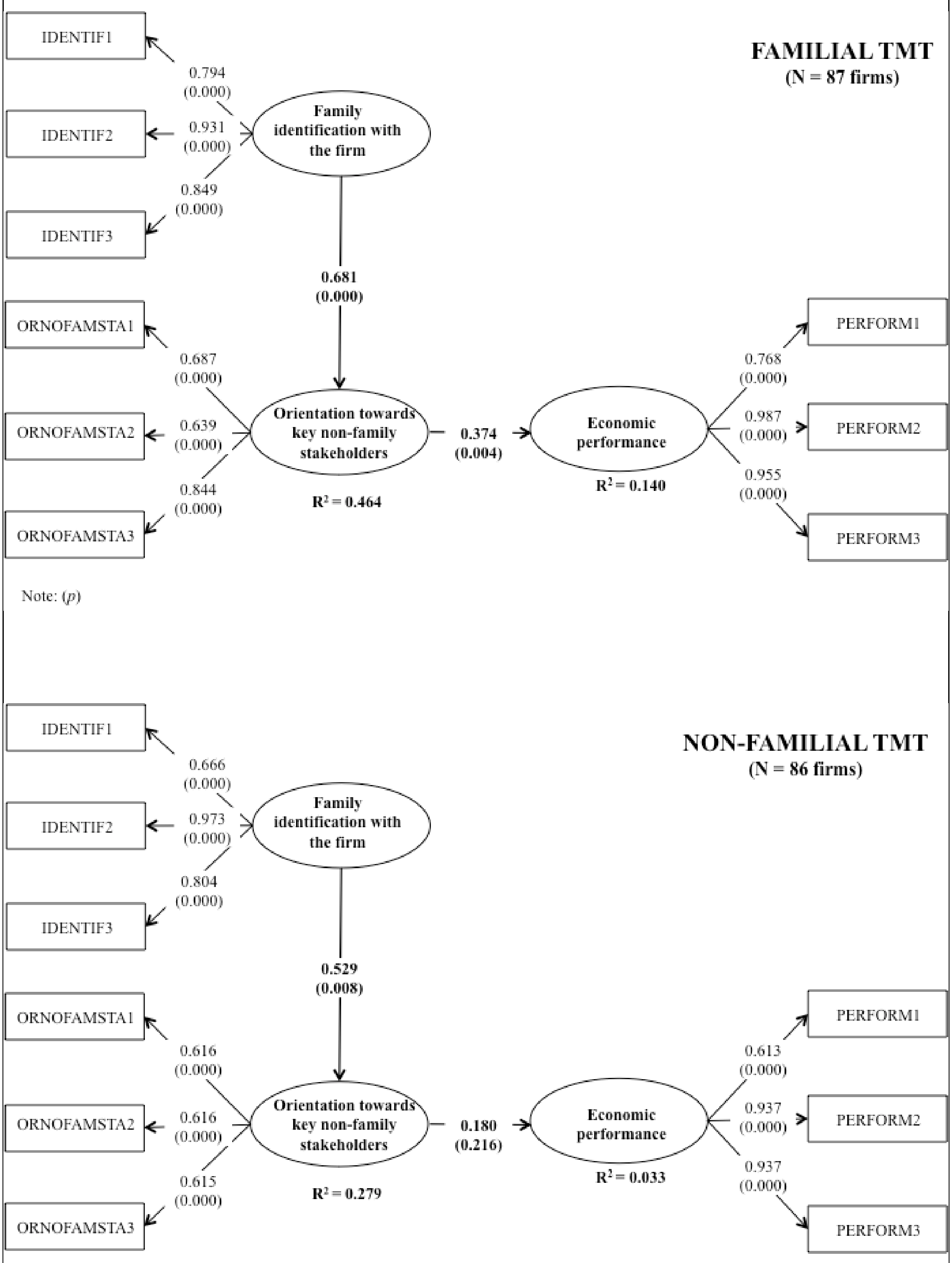


FIGURE 2. Results of the multi-group model



Note: (*p*)

Note: (*p*)

GOODNESS OF FIT

CMIN = 60.973 (p=0.138), CMIN/DF = 1.219, CFI = 0.985, NFI = 0.924, TLI = 0.972
RMSEA = 0.037, PCFI = 0.547, PNFI = 0.513, AIC = 176.973

APPENDIX 1. Final items of the measurement scales

FAMILY IDENTIFICATION WITH THE FIRM	
IDENTIF1	The members of this family are proud to say they belong to the family firm
IDENTIF2	The members of this family are concerned about the fate of the family firm
IDENTIF3	The members of this family are willing to make an extra effort to help in the success of the family firm
ORIENTATION TOWARD KEY NONFAMILY STAKEHOLDERS	
ORNOFAMSTA1	Client satisfaction and loyalty
ORNOFAMSTA2	Responsible behavior toward society without legal imperative
ORNOFAMSTA3	Maintenance of job positions and improvement of labor climate
ECONOMIC PERFORMANCE	
PERFORM1	Sales
PERFORM2	Profitability
PERFORM3	Return on sales