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Doctoral Dissertation

Exploring the Familiness in Family-Owned Business:  
The Case of Myanmar

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*To My Parents*

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Nay Zar Aung  
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## Abstract

Familiness is a well-known phenomenon of the family business, which represents a kind of intrinsic resource. It has been accepted as an interaction results from the family, individuals and business entities that occurs while members are working together in the business. However, it is still difficult to grasp the occurrence of familiness. Indeed, previous studies have not investigated the sources of resources which engender familiness so as to explain which integral parts of the family supports to occur this phenomenon. Therefore, this study aims to develop an understanding of embedded family resources that are generative of familiness. During clarification of the resource configuration, the resource-based view aspect helps to examine tacit and explicit features of family resources relating to familiness. The research also explores the association of familiness to the business performance by the strategy and performance aspects.

This research used the qualitative case-based study due to their flexibility so that it can design the appropriate research framework with the breadth and depth of study. This study conducted the Myanmar family-owned businesses as the cases due to their more recent ventures into the world of business compared to other neighboring countries. Specifically, this research applied multiple case study to observe the majorities of person's behavior, characteristic and performance at business. In this study, thirteen cases are conducted in six different cities of Myanmar FOBs. During the analysis, grounded theory analysis is used to observe the family-owned business of resources.

Three main resource dimensions were found to construct the *familiness*. There are *family resource dimension* (internal governance system and family leading patterns), *individual resource dimension* (family unity and members of engagement), and *business resource dimension* (family attitude which regulates the institutional form and heading the way of doing business). These three resource dimensions are naturally inseparable and interdependent in daily activities, even though the study considered the particular phenomena. Through findings, familiness model is verified with facts and figure.

In particular, the family dimension accounts for the institution and govern form of all family matters, such as nurturing system, parent-child of cognitive and emotional relation, and family bond system. This background is important foundation of family members' behaviors to generate the implicit shape of resource viz. familiness. From individual perspective, member's engagement and unity mindset is essential in working at business. In fact, the family conflicts, selfishness and competitiveness are main cause of terminating the business and this two features can help to digest those family breaking. Accordingly, the way of thinking and behaving (family institution) have

shaped the ways of doing business and it could affect business behaviors, such as strategical usage and business performance. Those three dimensions regulate the background family nature as the resource profiles for familiness. Findings show that Myanmar's business families have two types of institutional forms: traditional and cooperative that regulate the different background family nature and behaviors. Based on this, the study can categorize into two kinds of familiness: stable and flexible. Also, the study suggests that different familial resources may shape to develop the different business performance.

Therefore, this study provides the working definition of familiness is that “*a sense of awareness that occurred on the collective mindset and effort to support the business*”. Based on the definition, the study suggests two assumptions: *resource shape* and *resource conversion* of familiness. The first assumption is that the involvement of resources are necessary for the harmony and interrelated to support familiness within the business. The second assumption is that familiness doesn't emerge instantaneously, it is rather initiated as a tacit nature and then develops as a background resource that later appear as the inseparable form. By combining these significant findings, this research suggests that familiness acts as the strategic resource rather than a pure resource because the familiness can be seen as a mechanism rather than a fixed condition. This study has three facts that illustrate originality of the research in terms of research approach (i.e., family-centered approach), findings (i.e., two types of familiness and its associated five resources) and business performance measurement (i.e., non-financial performance indicators by KPIs). Thus, this research is one empirical research that articulate sources and consequence of familiness by family perspective with the Resource-Based view theory.

This research contributes our knowledge into three communities: the academic, knowledge science and family business communities. This research is one of the empirical studies examining the sources and consequence of familiness by resource-based view aspect and grounded theory analysis. Therefore, the uniqueness and trustworthiness of findings illustrate the significance of study. Secondly, this study offers to share knowledge as feedback to Myanmar FOBs that was aimed at encouraging their socio-economic development. Thirdly, it offers to complement the family business literature by adding our three-dimensional resource concept to the original concept. Therefore, this research does not only encourage an understanding of the phenomenon of familiness but also helps to enhance the business competency and continuity. Although this study depicted the case evidence from Myanmar, which may represent the emerging economies of the FOB's nature, it might be replicated in small and medium-sized of FOBs in Asia.

**Keywords:** *family-owned business, familiness, resource-based view, family member, strategy, performance*

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## List of publication and presentation

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# **Chapter 1**

## **Introduction**

This chapter introduces and explains our research framework. In the first section, the background of the research is presented. We discuss what a family-owned business is and further posit the importance of studying such businesses. And then, we briefly present familiness from a resource aspect. We, then state the research problem. In addition, the research objective, research questions, method and the significance of research are highlighted in the third section. Finally, the dissertation structure is presented.

### **1.1 Research background**

#### **1.1.1 Family-Owned Business**

Nowadays, the global economy is becoming more uncertain. Most business sectors are confronted by imminent lack of resources and rapidly changing business landscape. As a result, the international business environment has been unstable due to economic crises, for example-Brexit. However, these conditions do not apply to family-owned businesses (Irava and Moore, 2010) due to their specific sizes, structure and management boundaries.

The family-owned business (FOB) is the oldest business form in the business history. It refers to “*the business established by a family or families with the intention to use family oriented management ways and keep the business across generations*”. Thus, it emanates that the nature of this business is different from others. In fact, FOBs are established and managed by the family and, the influencing effects of family are much associated to their business, even the small detail facts such as employees’ salaries (Basco, 2013). As the business body, the constitution of FOBs and management systems are not formally organized yet even though they may be legal businesses. Thus, the leadership system, performance, duties, responsibilities and longevity are different than other businesses which make them to possess so many significant facts.

As the business performance, the role of existing FOBs is remarkable in many countries’ economies. They create the job opportunities, provide welfare of local communities and contribute to socio-economic enlightenment. Therefore, studies suggest that FOBs are the engine of economic growth (Gersick et al., 1997) in both local and national level. It is posited than 80% of large businesses are controlled by families in Southeast Asia, while 65%-75% of large family controlled

businesses in Middle East, Latin America and India (Kets de Vries, 2017). In particular, in the Southeast Asian nations and region FOBs contribute a larger percentage to economic development, for instance, in Malaysia's GDP 67.2% is covered by family enterprises (Lee, 2008), while 83% of small and medium enterprises are considered as family owned in Myanmar (Anh, 2016) but the exact percentage of family-owned business is not expressed yet. In general, the contribution of FOBs in business sector is tremendous and foremost in Asia economy (Raharso, 2014). These kinds of businesses could be different in size and industry type, but their basic characteristics and customs are same in a social aspect (Lanberg, 1983).

### 1.1.2 Family-Owned Business of Performance

While focusing insights into FOBs, the business behaviors and performance are much attractive research points. Because FOB and Non-FOB business natures and characteristics are different (e.g., business goal and members influence). Furthermore, there are some positive and negative family influencing effects integrated in the FOBs. It is on this note that Habbershon and William (1999, p.14) assert that configuration upon the positive family effects is needed in the study that aims to digest and lessen the negative effects of family. Anderson and Reeb (2003) further observed that FOBs are stronger than any kinds of businesses in terms of their family members' serving and its characteristics (Dyer, 2003).

Although, most FOBs carryout activities in the industry they exist in, their actual business lifespans are not much longer along through the *generations*. The continuity in FOBs does not only rely on the business capacity but also depends on the background the families, for example, members' willingness to do business. Studies have revealed that only 40% of FOBs can survive into the second generation and about 15% of total businesses survive into the third generation (Marshall et al., 2006; Morris et al., 1997). It, therefore, emanates that family background factors have a great effect on the survival capabilities of the FOBs. In fact, there are different background issues that need to be considered in sustaining FOBs. These include resource endowment, lack of professions, weak in management and generational segment. Among them, deploying the resources is a very important issue for FOBs especially in cases when the family members have integrated their resources and efforts. In such cases, the effectiveness and dedication of members are essential for FOBs. On the other hand, the resource nature in FOBs is still unclear in studies because resources in FOBs may not only rely on the physical, human and organizational resources but also integrated with family's tangible and intangible resources (Irava and Moore, 2010).

In case of FOBs, the primary resources are considered as the family members themselves, and the family nature or their characteristics (e.g., parents-children of interactions and members' ties) are assumed connected to FOB business performance. To support this assertion, Astrachan et al., (2002) used three different scales called the F-PEC to explain the family influencing effects on

the business. These scales are explained as **F (Family)** of ***P: Power*** (ownership and management system), ***E: experience*** (generational transferring knowledge or experience), and ***C: culture*** (family overlapping value or commitment) and that identify both tangible and intangible levels of family integrating resources at the business.

### 1.1.3 Familiness Resource

From resource perspective, Habbershon and William (1999) defines the family business unique resources as “*familiness*”. This refers to each family member’s intrinsic mind-set or internal quality abilities and drive to generate an effective business performance (Dawson & Mussolino, 2014). In other words, this mind-set is one distinct concept in clarifying the difference between FOBs and non-FOBs. Through a system perspective, familiness is articulated as the unique bundle of resources which could occur while the members are working together at business (Habbershon et al., 2003). This phenomenon aligns well with the interaction results of three dimensions that help businesses to gain the competitive advantages which are individuals, family and business entity (Dawson and Mussolino, 2014). However, prior studies couldn’t describe the exact integral part of those dimensions in the familiness research.

Using the resources-based view aspect, it can be posited that familiness is the intangible assets assumed as resources which are valuable, inimitable and un-substitutable from outside competitors (Barney, 1991). In addition, familiness can act as the strategically relevant behavioural and social phenomenon (Habbershon and William, 1999; Pearson et al., 2008). Therefore, familiness can be regarded as the resources and capabilities available for deploying and managing a task. Furthermore, Habbershon et al., (2006) extended the early work on the familiness concept by describing it with the agency theory aspect that later developed a family business ecosystem. In fact, the authors showed that the family members’ familiness is partially shaped by the economic and non-economic preferences, and belonging to a family and business.

Regarding the family members’ affairs, Ensley and Pearson (2005) observed familiness in the behaviours of a top management team with cohesive patterns and highlighted the family leaders of collaborative unit. From the social-capital perspective, familiness may assist in mediation among family members (Pearson et. al, 2008) to help tie members’ relationship into a dynamic business process. Based on social interaction between family and business, the authors observed three social dimensions: structure, relationship and cognitive dimensions and that are essential for the smooth interactions at business performance. Irava and Moore (2010) also identified familiness based on three dimensional resources, that is, human, organizational, and business process, that delineate an individual’s behaviours on the business level. From a human resources’ perspective, familiness can be explained using 3Hs which are: Head (knowledge), Hand (ability) and Heart (willing to performance) (Dawson, 2012). Recently, Frank et al., (2016) and explained familiness as the

interaction effects of family through business by developing the familiness measurement scale. Drawing from the literature, familiness can be said to be the overlapping value of family members who are working for business.

## 1.2 Research Problem

Although different aspects of familiness appear in various behaviors and performance levels in businesses, the prior studies have not paid much attention to the background of the family entity and its nature. In fact, FOB is born from the family entity and resources that the family puts forth to initiate and sustain the business performance are important for the business. As such, familiness emerges from interaction result of family, individuals and business dimensions, their primary background is the family nature.

Therefore, this study aims to develop an understanding of the embedded family resources that are generative of familiness which drives the business performance. For this purpose, this study emphasizes on the familiness resources by the family-centered approach. Since it is suggested that the family itself has originated resources or hidden abilities that help to shape the business tasks. This study of research focus and approach is illustrated in figure 1.1.

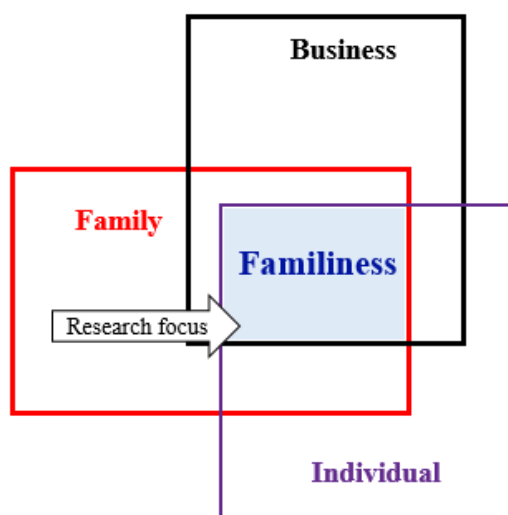


Figure 1.1. Research Focus of Familiness

## 1.3 Research Objectives and Questions

To investigate FOB in an effort to obtain insight into the FOB of unique resource: familiness. This dissertation has following objectives:

- (1) To understand the unique resources accrued by FOBs due to the family involvement
- (2) To explore how familiness emerges from interaction values of family and business
- (3) To explore linkages between familiness mindset and its performance

- (4) To propose the familiness of theoretical model for family-owned business

To achieve the research objectives, one major research question (MRQ) and three subsidiary research questions (SRQs) have been formed to give the guidance in each research steps.

MRQ: How does the familiness emerge through from the family's involvement as resources?

SRQ1: What kind of family resources are embedded in the family?

SRQ2: How do the family members combine their resources to emerge the familiness?

SRQ3: Which business strategy and performance are brought forth from familiness?

## 1.4 Research scope

This dissertation employs a qualitative case-based approach to examine the ways of familiness occurrence. It is argued that the nature of FOBs is born from family resources hence it is necessary to comprehensively understand their nature rather than just relying on statistical facts of business performance (Irava and Moore, 2010). Specifically, it examines what familiness is in a family-owned business and then explores its' effects on business strategy and members of performance efforts. Therefore, this dissertation is hinged on the resource-based view (RBV) perspective to explain the tacit nature and explicit behaviour of family resources: familiness through business. Since RBV arose from multiple theoretical frameworks, such as the theory of firm growth by Penrose (1959) which involved the view of Wernerfelt (1984) and focuses on the firm-specific resources rather than the products (Hannson, 2015). Moreover, this study followed the knowledge concept by Nonaka and Takeuchi (1995). Through this way, the familiness concept can be drawn from the RBV by analysing steps that seek the phenomenon in heterogeneous nature of individual and group level interactions.

Furthermore, this study employs the Myanmar FOBs as a case because their businesses are still 'young' (1<sup>st</sup> -2<sup>nd</sup> generations) in their economic sectors and compares them with those of neighbouring countries, particularly those in Thailand which are now 3<sup>rd</sup>-4<sup>th</sup> generations (Suehiro, and Wailerdsak, 2004). Other report also addressed that 83% of small and medium businesses are regarded as family owned (Anh, 2016) in Myanmar, but it was not described the exact amount of family-owned business, but it is necessary to encourage their business at country level economic development. Thus, this study aims to use the Myanmar FOBs as the research target to demonstrate and understand the occurrence of familiness in family.

## 1.5 Research Methodology

By highlighting the philosophical paradigm, this dissertation adopted a constructive approach with using case study. In fact, this approach allows us to construct the meanings from the interpretation of human beings and their behaviours. Thus, this study uses the inductive reasoning approach to find out the phenomenon from the bottom up way. Under the research roof, the

qualitative case-based method is adopted as research strategy (Yin, 1994) due to their flexibility of designing on the focus with depth and breadth. Since the nature of FOB and familiness are complex and difficult to understand that could not be able to explain with statistical facts (Klein et al., 2005; Irava and Moore, 2010). Therefore this study used case-based method for understanding the familiness.

Explicitly, this study adopted thirteen case studies of Myanmar business under the guidance of research purpose. Worth noting is that this study used the grounded theory analysis method as a tool (Corbin and Strauss, 1990). Because, it aims to ensure reliability and trustworthiness of the analysis and findings, as well as the conceptualization of the outcome result. Therefore, the coding steps, theoretical concept and developed categories are disclosed through the study. Also, evaluation is co-existing within the analysis steps of grounded theory; thus, the result outcomes are valid and reliable. Finally, the familiness model is proposed based on the conceptualized outcomes with answering the major research question.

## 1.6 Definitions of Research Terms

### (1) Family

**Family** is defined as a group of people who live and share money, food and life-time together by law or customs or biological connection.

**Nuclear family:** It refers the group of people consists of two couple with/without their dependent children as a basic group.

**Extended family:** A family that includes the nuclear family with grandparents, aunts and, the children' spouse who all live nearby or in one household.

### (2) Family-owned business

**Family-owned business** is defined as the business established by a family or families with the intention to use family oriented management ways and keep the business across generations.

### (3) Familiness

**Familiness** is defined as “*the unique bundle of resources a particular firm has because of the systems interaction between the family, its individual members, and the business*”. Particularly, it refers the tacit mindset and explicit abilities of the family member. The term “familiness” is firstly defined from Habbershon and William (1999, p.11).

### (4) Resources

**Resources** can be defined as “*tangible and intangible assets which are tied semi permanently to the firm*” (Wernerfelt, 1984. P.172). Traditionally, resources has three kind of assets:

land, labours and capital, however knowledge or tacit nature of resources are involved in business as an essential resources in nowadays.

#### **(5) Resource-based view of the firm**

The **resource-based view of the firm** (RBV) is an economic theory and it mainly emphasize on the internal resources and capabilities of firm rather than focusing on the business of outside features (i.e., market and production). For family-owned business study, it helps to catch the resources occurrence of family members who interacts through family and business. Thus, RBV is used as the theoretical background which can access all people resources and capabilities to gain the competitive advantages for business (Barney, 1991; Penrose, 1959; Wernerfelt, 1984)

#### **(6) Knowledge**

Knowledge is defined as “*a meaningful set of information that constitutes a justified true belief and/or embodied technical skill*” Nonaka et al., (1996, P.205). In this study, knowledge refers to both tangible and intangible behavior with fluid performance and understanding upon the task.

#### **(7) Strategy**

**Strategy** refers the business of using a way of technique to meet the benefits. Traditionally, it has been described as “*resource position of the firm*” or “*continue search for rent*” where rent refers the economic benefits (Mahoney and Pandian, 1992, p.364). Thus, the strategy could be a creating or innovation for the business process or products or services which aim to use at market, in case of FOBs.

#### **(8) Competitive Advantages**

**Competitive advantages** refers the complete value creating of the business by using their unique strategy not simultaneously from other businesses. This business may lead in the market one period of time.

### **1.7 Significance of the Study**

This study is important as it observe the insights into family-owned business with resources-based view aspect. Although, this study highlighted the resources attributes into the business, it also figured out the ways of business practices, especially the familiness effect on the business strategy and its performance thus possessing more significance than the previous research. The main outcome of significant facts are described as follows.

- (1) It is suggested that familiness might have some degree as the level of resource. Even prior studies have recognized those phenomenon, they were not able to analyse with the empirical

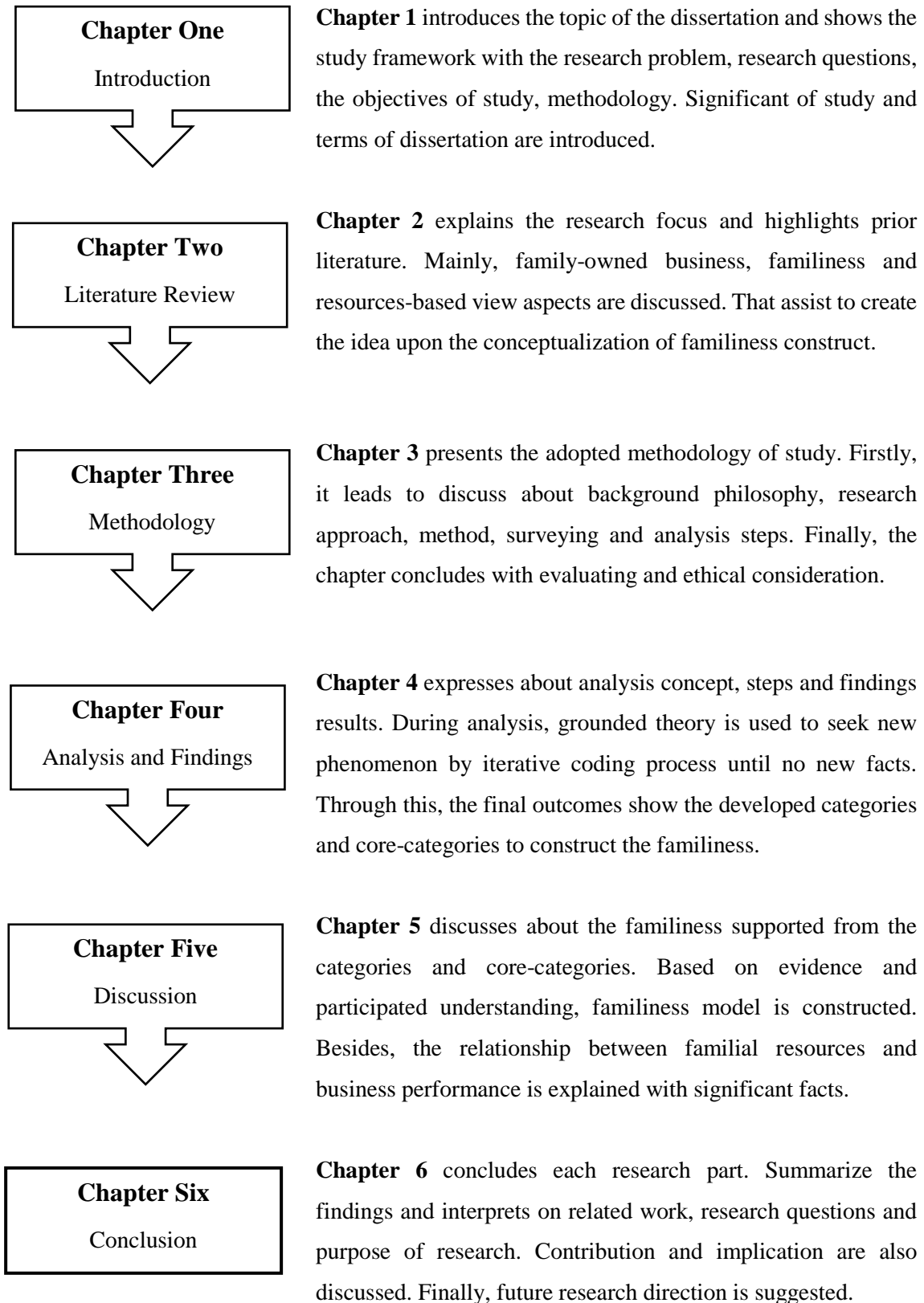
studies through families. Ironically, this study of main findings can delineate the shapes of familiness with two features: *stable familiness* and *flexible familiness*. This two familiness may address the real context of family involvement into FOB. Besides, it also demonstrates the shape of business strategy and performance aligned on the familiness.

- (2) The ultimate goal of exploring resources is to obtain the sustainable competitive advantages for business. Thus, the relationship between the resources and business performance is an essential in operating of business. From this perspective, this study discloses the detail relationship of sources of resources that articulate the familiness. Also business of long-term and short-term features are discussed based on the background resources via familiness.

Therefore, we believe that those significant facts are more advanced than other family business studies. Moreover, the study has several unique features in family-owned business research which are described in terms of the following aspects:

- It is widely accepted that *the role of family* is essential in the FOBs, however, prior studies do not explicitly delineate the aspects of a family which might appear as the main resource (e.g., how the family's internal governance system can profit the cohesive unit of business). Therefore, this study tries to bridge such research gaps by explaining two aspects: (1) the family itself is able to shape the members' mindsets as the hidden resources and, (2) the family can produce the specific behaviors as the performance outcomes. These phenomena are of significance in this study.
- Prior studies have accepted that *familiness* is one distinct resource of family business and it might appear from the interaction results of family, individual and business. However, the previous studies have not much done in clarifying of this three dimensions with detail facts which support to emerge familiness. Interestingly, this study of family-centred approach makes it clear with evidence. Findings of *five resources constructs* might be depicted the sources of resources to develop familiness at the center of three-dimensional concept. So that this is the vital part of research and offer to contribute to the original concept by filling with this significant facts.
- In family business landscape, employing the *empirical research* is very rare, because of difficulties in conducting such research in families. This is because such families usually keep their information as closely guarded secrets while their management and documentation systems are not well organized. To overcome these research difficulties, this study tried to conduct the real-life context and content of the FOB as the empirical research, therefore this is one distinct feature of the research.

## 1.8 Structure of the dissertation



## Chapter 2

### Literature Review

This chapter reviews the prior studies, theoretical insights and their phenomena in the context of family-owned businesses. Based on this, this chapter offers information about two sub-systems: family, business and their interactions as business performance, as well as familiness. In family business landscape, the terms family business and family-owned business are different due to the organizational characteristics, and this study mainly uses “family-owned business” which is fully operated and governed by the family entity. As theoretical lens, this study adopted “resource-based view of the firm” by (Barney, 1991; 2001).

As overview, section 2.1 firstly introduces about the family-owned business comprehensively. Section 2.2 deeply explains what familiness is and then section 2.3 demonstrates the resource-based view aspect. The background nature of Myanmar FOB is discussed in section 2.4 and concludes with the chapter summary.

#### 2.1 Family-owned business

##### 2.1.1 Definitions

In research, the definition gives the overview image and context of focus phenomenon. In case of family business, there have so many identifying terms based on specific focuses and it has not one precise definition to represent the term. Drawing from literature, we reviewed most cited family business definitions for understanding to the business behaviors (e.g., familial behaviors and business of generational shifting phase).

Donnelley (1964) firstly defined **a family business** as “*a company is considered a family business when it has been closely identified with at least two generations of a family and when this link has had a mutual influence on company policy and on the interests of the family*” (Harms, 2014). It focused on the chain of generation and family’s collaboration unit at business.

Chua et al., (1999, p-25) also defined the theoretical definition based on the essence of **a family business** which is most cited in the literature. “*A business governed and/or managed with the intention to shape the vision of the business controlled by members of the same family or a small number of families that is potentially sustainable across generations of the family or families*”. This

definition figured out the family influence into business with three aspects: governed/managed, family members' goal, and generational stage that emphasize the strategic direction of business behind the family influence (Chua et al., 1999). Another **definition** is that "*family firms are those in which multiple members of the same family are involved as major owners or managers, either contemporaneously or over time*" (Miller et al., 2007, p-836) and it emphasized on lone founder businesses rather than normal family-established business. Thus, it has been noticed that the majority of definitions aim to describe the vital role of family (ies), such as family management or ownership or succession (Habbershon et al., 2003; Sharma, 2004). Thus, it has been noticed that different perspectives make the divert phenomena of business nature and its behaviors.

Regarding the family-owned business (FOB), some studies address that *any business in which two or more family members are involved, and the majority of ownership or control lies within a family* (Inc. Magazine, 2017). In fact, the family-owned businesses (FOBs) are the oldest form of businesses, and their characteristics and nature are much different than other types of business in terms of the business body (Basco, 2013), management system and organizational culture (Dyer, 1988). In this dissertation, we proposed the definition of FOB as "*the business established by a family or families with the intention to use family oriented management ways and keep the business across generations*". In doing so, the role of family and socio-economic goals are primary in the business system. Due to the family management, their business structure does not necessarily have to be formal, such as management and legal stakeholder system (Basco, 2013), however the families can operate business through their own resources (e.g., knowledge, experience and reputation). Therefore, most FOBs prefer a traditional management system by their family.

### 2.1.2 Two-Circles Model

Family business of ordinary figure is firstly illustrated by Tagiuri and Davis (1996) that explained the family business with two-circle model that illustrated with two interaction systems: family and business. Two systems have different nature in which family is emotional based, while business is economic based entity. By integrating two system as the family business, their overlapping area become interesting and complexity. Later, these authors extended the three-circle model for family enterprises by including the ownership system (Gersick et al., 1997). In case of FOBs, the ownership system is excluded because the family itself do not have such kind of legal system, and all members are homogenous in every matter, such as social, economic and, education etc. (Basco, 2013). In two-circle model, it can be seen two feature: *family involvement at workplace* (family members' affairs and individual's efforts) and *business management system* (business governance system, experience and family working system) as shown in Figure 2.1. It has been noted that the family leader is considered as a manager, as well as the owner of business.

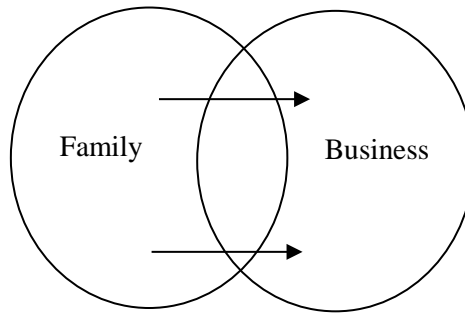


Figure 2.1 Two-circles model (adopted from Tagiuri and Davis, 1996)

- **Family involvement:** According to objective, the family of the intentional goal is to live and work together under the same roof (Basco, 2013) and most members are willing to corporate in the business as their life. Concerning this, some studies observed that the family business goal has both economic and emotional intentions hence so called socio-economic goal. In doing so, family's involving patterns is associated with the business performance. In case of FOBs, most family members traditionally follow the previous generation's steps. Here, some studies examine the family members' behaviors with agency theory, because members of involvement are regarded as the agents who facilitate the business tasks between business and family. On the other hand, some suggest that family members (individual) are regarded as the steward due to their commitments and scarifies for business (Frank et al., 2010).
- **Business management system:** This aspect described the business of experience, governance system, and the family contribution to the business. In terms of family involvement, the FOB of operating system is complicated and more informal than other private non-family businesses (Basco, 2013), such as generational shifting, knowledge transferring, and members' mutual understanding. Therefore, governance system is essential for both family and business system. Regarding this, most studies have emphasized on governance upon the business activities, such as top management team of cohesive, potency, handling conflicts through the decision making (Ensley and Pearson, 2005). The detail explanation of business governance system is discussed on the next section.

### 2.1.3 Difference between Family-Owned Business and Non-Family-Owned Business

Drawing from two-cycle model and prior literature, the distinct characteristics of FOBs have been found in multiple aspects. Mainly, it can be categorized into four dimensions: architecture, governance, entrepreneurship and stewardship that namely *AGES Framework* (Craig, 2015). *Architecture* (structure and system) refers the business of how do they generate the tasks, while

**governance** (family and business) refers the business of how do they decided to operate business, **entrepreneurship** (leadership and strategy) refers about how do the business create strategy in the market, and then **stewardship** (individual and family) refers the members of actions. Each dimension delineates the major difference of FOB from non-family-owned businesses approach, and their distinct features are described in Table 2.1.

Table 2.1 Comparing of FOBs and Non-FOB (adopted by Craig, 2015)

Description	FOB	Non-FOB
<b>Architecture</b> (structure and system)	<ul style="list-style-type: none"> <li>▪ Organization form is informal</li> <li>▪ Less documentation and do not assign duties and responsibilities</li> <li>▪ <b>Less formal</b> policies in communications</li> </ul>	<ul style="list-style-type: none"> <li>▪ Organization is formal</li> <li>▪ Used legal documentation system and assigned job descriptions</li> <li>▪ Formal policies in written and follow the regulations</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>▪ Do not form the stakeholders system, <b>all members have same</b> opportunities</li> <li>▪ Managed by parents or family members</li> </ul>	<ul style="list-style-type: none"> <li>▪ Owned by share of stakeholders</li> <li>▪ Managed by leaders who are board of members or owners</li> </ul>
<b>Entrepreneurship</b> or <b>business strategy</b>	<ul style="list-style-type: none"> <li>▪ Less creative but flexible to adjust</li> <li>▪ Act as defender</li> <li>▪ Business interaction is aligned on the personal affairs for both economic and non-economic preference</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong creative but difficult to adjust</li> <li>▪ Act as reactor</li> <li>▪ Business interaction is aligned on business affairs for economic preference</li> </ul>
<b>Stewardship</b>	<ul style="list-style-type: none"> <li>▪ Members are mostly stewards and less agents</li> <li>▪ Members have somehow cognitive ties, as well as conflicts among members</li> </ul>	<ul style="list-style-type: none"> <li>▪ Members are pure agents</li> <li>▪ Members have no cognitive ties and no conflicts in business</li> </ul>

From Table 2.1, it can be noted that the strategies of FOBs are inward orientation, generating their available resources and long-term commitment than other private businesses (Gumundson et al., 1999). The most distinct feature is less formal policies (such as job descriptions, documentation system and assigning the duties) regarding the family nature. Therefore, business is informally managed and, it has un-limited space, time and responsibilities that drive the family members to participate freely in all aspects. Based on the members' cognitive ties, their physical and mental interactions become the reciprocal and strong peer network at business based on their governance (Craig, 2015). Due to the frankly orientation system, most FOBs of loyal employees are warm-heartedly rewarded (Ward, 1988) than other private businesses. Although the entrepreneurship

system is not strong at market but the FOB of persistence and patience help to keep the business, and they can create their own innovation in products or services processes.

#### 2.1.4 The Family Influence Effects to Business

The family involvement plays a critical role, is very important, for FOB. According to Chua et al., (1999) definition, business's behaviors is significantly shaped by family members' colourful influence by intentionally or un-intentionally. Prior studies observed the positive and negative outcomes of family effects to business performance. In 1988, Dyer suggested that the family nature (i.e., nepotism) may reflect as the negative effects in professional management and assumed to foster the family culture. For example, members' collaboration and sharing ideas can improve the decision making and lessen the selfishness within business. Some studies have concerned about the family types (nuclear and extended), because the family structures and relationships of members could be effective to the business success. Meanwhile, Anderson and Reeb (2003) found that FOBs are strengthened than other types of businesses due to the family members' self-serving and characteristics (e.g., members' ties and parents-children' interactions). Regarding this, family involvement in management and performance stages are not clear picture in studies until now, because it have both positive and negative effects (Poutziouris et al., 2015). Also it has been noticed that family background component becomes a trigger to capture the business performance.

This section briefly shows the numbers of studies which examine family influence effects into business in different countries. Table 2.2 shows the chronological order of some empirical studies. As described in table, all findings are not the same and it might be related to the business size, type and family size of those business.

Table 2.2 Prior case studies of family influence effect to business performance

Year	Author(s)/ country	Studies' findings
1991	Donckels and Frohlich (European countries)	Family businesses are <i>less growth oriented</i> with conservative in their strategic behavior than other type of businesses
1996	Gorriz and Fumas (Spain)	Family businesses show <i>a greater efficiency level</i> (value added efforts) than non-family businesses
1999	Gudmundson, Hartman and Tower (USA)	Family businesses are <i>stronger corporate networks</i> and fast peer organization than non-family businesses
2003	Anderson and Reeb (USA)	Family business performance is <i>strengthened than non-family business' performance</i> due to the members of self-serving than other businesses
2007	Naldi, Nordqvist, Sjoberg and Winklund (Sweden)	<i>Family SMEs are lesser risk taking than non-family firms</i> , while their entrepreneurial orientation is positively associated with pro-activeness and innovation.

2010	Minichilli et al., (Italy)	In family business, top management team of family members and firm performance are <i>U-shaped relationship</i> than other businesses
2015	Machek and Votavova (Czech Republic)	Parents-ancestors of cognitive disagreement, spouses of competitiveness and sibling of un-equal emotional treatment are <i>common problems of family owned business</i>
2015	Massis, Kotlar, Campopiano and Cassia (Italy)	Evidence on 787 SMEs suggest that an <i>inverted U-shaped relationship between the family ownership and business performance</i> , and the family ownership is seemed as negative affect among family members.
2016	Massis et al. (USA)	The authors explored the effects of family governance on product innovation. The result suggested that it <i>can engender either positive or negative outcome during the innovation process</i> regarding on how the family develop the new product for business.

Through this studies, it has been seen that examining of family influencing effects to business has both bright side and dark side, also the business features, such as performance, corporate network, entrepreneurship, and innovations are vary aligned on the different viewpoint and theoretical background. By comparing with non-family firms, most studies figured out the nature of family which is weak, having conflicts and lesser in professional skills at business. However, the background family nature of characteristics are less attention in the studies which implicitly facilitate the members of abilities at work. Regarding this, Dyer (1988) figured out the family of background culture and its business behaviors.

#### 2.1.4.1 Background Culture of Business

Culture refers to the “*mental software*” and it is not inherited and actually it derives from one social environment (Hofstede, 1991, p-5). Based on the different environment, the results of mental programming (culture, behaviors and social norms) could be different. For instance, Indian family business is not only the business but also the social identity in their community, while the U.S. companies are viewed as the commodity to make the benefits of selling and buying, in term of their individualism and collectivism cultural dimension (Hofstede, 2011). Notion from the previous studies, Colli and Rose (2008) pointed out the background culture effects to the business. This means that different family background cultures affect the different business nature.

In terms of the cultural context, it can be classified as four levels: *symbols* (physical things), *heroes* (personal affairs), *rituals* (group or collective activities) and *values* (feelings or intrinsic quality of mind) (Hofstede, 2011). In the real sense, these four levels are interlinking, integrating each other and, remain in an inseparable form as the embeddedness behaviors. According to Hofstede of survey lists, USA is the least collectivist country, and Guatemala is the most collectivist country

among in the 50 countries. These collectivistic cultures are mostly found in East (eastern world) and Latin America countries (Triandis, 2001). Regarding the collectivist feature, the most distinct form is family and it connect with the blood ties, cognitive relations, customs, conformity and so on. Therefore, the underlying culture of a nation and family is also necessary to consider in study, for example Asian and western families of customs.

#### 2.1.4.2 Family Influencing Scales

Generally, the family influence effects can be investigated by using three scales, namely F-**PEC** scales (Astrachan et al., 2002) where the **F** means **family**, **P: power** (ownership, stakeholders and business management), **E: experience** (knowledge or experience transferring through generation) and **C: culture** (family overlapping value or commitment) as described in Figure 2.2. The development of F-PEC scale is based on in-depth content analysis of various definitions with quantitative study. Therefore, this scale can cover both visible and invisible levels of family integrating values, such as physical performance, retention and commitment. Specifically, these three scales provide overall measure of family influence, especially in soft factor (Harms, 2014). Each sub-scale of description is described in Figure as follow.

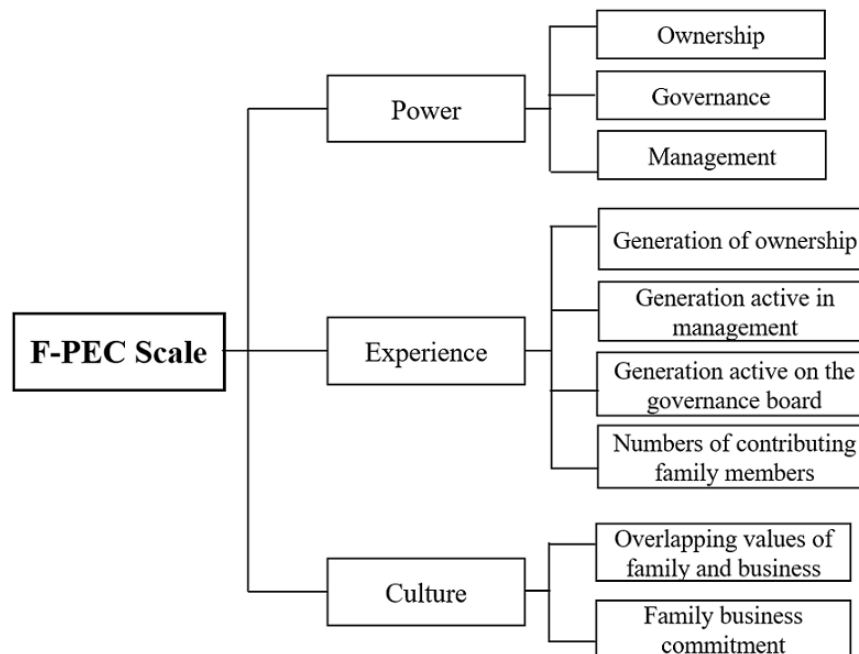


Figure 2.2 The F-PEC Scale

- **Power** refers the ownership, governance and management system of business that prefer to consider the legal, political and economic considerations of different culture/country. For example some western family businesses of board members structure is one-level while other countries are based on two-level system by law (Klein et al., 2005). Thus, family members of ownership system, voting ratio and family's representativeness are important in

business. Thus, ownership effect on the cost of debt financing (Anderson et al., 2003a), business of corporate mechanism and comparing the CEO's performance (i.e., descendant CEO and new CEO) are often cited in the studies (Astrachan et al., 2008).

- **Experience** refers the exchanging the family and business of values (i.e., knowledge, skills and family's experience) from their previous generation to current generation. Mainly, this sub-scale relates to the succession and family members of contributions. From resource aspect, informal or formal form of knowledge transferring and sharing are comprised in the experience. In case of FOBs, the family members' learning are always based on the non-verbal or practical learning than formal learning. Indeed, the younger members follow the ways of the elder persons or parents. Also, familial habits, the ways of thinking and doing business are informally transferred to the next generation. Thus, experience appears in both tangible and intangible features.
- **Culture** refers the business values rooted in the organization and important one (Astrachan et al., 2002). Here, culture means the overlapping values of family and business, and their commitments, thus this sub-scale refers the internal integrated values, e.g., style of communication and the ways of handling the conflicts. Otherwise, this kind of values are developed from family members and can consider as the overlapping values. As the organizational culture, the degree of centralization or decentralization is related in this sub-scale. Furthermore, family of commitment is a kind of value and shape to business as the culture.

Besides, this scales are able to measure the business performance. Astrachan et al. (2008) further recommend these three scale to investigate with short-term and long-term approach. Since, it allows to scan with a continuous scale rather than a simple dichotomy of family and non-family business (Chrisman et al., 2005). For example, experience sub-scale is valid to investigate the tacit and explicit knowledge of family members effort for business that under the supervision of owner/CEO of governance (Astrachan et al., 2008). In this regards, Teters, et al. (2017) explored the familiness of influence on performance with quantitative approach in Netherland family business. They found that culture sub-scale demonstrated positive and significant effects on return on equity, return on capital and net profit margin. Other subscales: power and experience are not much significant effect with familiness resource.

#### 2.1.4.3 Non-financial Performance Indicators for Business Performance

Regarding the performance measurement, the some studies identified the numerical facts as measurement. Since, the performance indicators are not so much well-known in family business studies, because each study use their own criteria to examine the business performance.

Under the conceptualization of business performance, Venkatraman and Ramanujam (1986) codified three domains to measure the business performance: financial performance, financial + operational performance (business performance), and organizational effectiveness that comprise both soft and hard skills (e.g., return on assets, intrinsic retention of person). In overview, concerning the financial facts only might not be represented the whole business's figure, but other soft factors perspective is also necessary to consider in screening the performance (Teters, et al. (2017).

In the business studies, they employed the Key Performance Indicators (KPIs) for navigation of business, based on the balanced scorecard. Balanced scorecard has four perspectives (financial, internal business process, innovation and learning, and customer perspective) (Lodder, 2009). Indeed, KPIs is used to measure a whole business matters (i.e., financial or non-financial), such as business process and products that allow to measure the business performance. This KPIs indicators may vary depended on the business nature and mechanism. For example, the manufacturing firm of KPIs (e.g., the quality of products) and HR firms of KPIs (e.g., customers' satisfaction) might not be the same.

In case of FOBs, the underlying businesses nature is different with other private businesses and they wouldn't able to disclose the financial figure because most FOBs are lack of documentation and recorded system. Thus, non-financial indicators are suitable to use in FOBs rather than financial indicators, while non-financial indicators measure the manufacturing and production, sales and marketing, people, research and development, and the environment (Lodder, 2009). Also, Astrachan et al. (2008) and Chrisman et al. (2005) called to capture the in-depth context and content of family business by using with the unique methodology. Here, the business of generation phase is a critical part in performance measurement, for example, the founder stage of business could not able to scan their transferring knowledge on generation.

## 2.2 Familiness

Familiness is the concept that refers the internal qualities and mindset of the family (Dawson, 2014) that operate in business as a resource. Specifically, familiness is defined as "*the unique bundle of resources a particular firm has because of the system interaction between the family, its individual members, and the business*" (Habbershon and Williams, 1999, p.11). Since, familiness is assumed as the tacit nature and develop as the explicit features that is the interaction result of family, individual and business by the resource-based view aspect (Barney, 1991). According to the original concept, the familiness emerge from the family members of working togetherness at business. Thus, occurrence of familiness is not only based on one fundamental source and certain facts and seems that it is necessary to consider the multiple facts. From the performance perspective, familiness is unique resource and is able to generate business' capabilities to gain the competitive advantages as performance at market (Frank et al., 2016). Besides, this intrinsic resource could occur at both

tangible and intangible levels of behaviors in individuals and group performance. As the resources' criteria, familiness is valuable and cannot imitate and substitute from outsiders (Barney, 1991).

The ultimate goal of clarifying the resource is to gain the competitive advantages which is sustainable for business in long run. Based on the strategic assessment on resources (Grant, 1991), Habbershon and William (1999) adopted the resource intervention from the family to business performance as shown in Figure 2.3. This relation process illustrates the antecedents and consequence of familiness which are strategically transform with the relevant shape of resource, capabilities, strategy and performance. Besides, it reveals that resource of replenishing, augmenting and upgrading nature as the looping circle or process intervention at business mechanism (Habbershon and William, 1999). If resource can't accept to replenish or upgrade in the business evolving process, the familiness would not able to remain in longer.

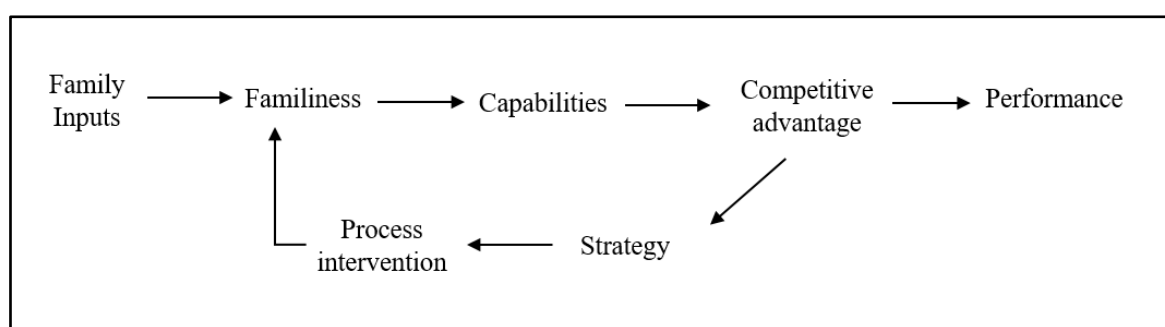


Figure 2.3 Relationship of family, familiness and competitive advantages (adopted by Habbershon and William, 1999)

As primary assumption, the family possesses the resource to generate the business, such as belief, politics and philosophies which provide as the inputs into the idiosyncratic bundle of resources. This familial inputs are regarded as the resources to emerge familiness by scanning with RBV of VIRO (i.e., valuable, rare, inimitable and, un-substitutable) and four resource categories (i.e., physical, human, organizational and process). Based on this assessment, the familiness or unique resource would be occurred. As the third stage, the capabilities of the business should be analyzed and match with occurrence of familiness. This stage show that how familiness drive to create the business's capabilities for gaining the competitive advantages. In developing the competitive advantages stage, the business might have two functions: generate the business performance and create the strategy. According to the external environment, the business might create the relevant strategy aligned on their resource competency and capabilities. On the other hand, the competitive advantages might be headed to act their performance over their competitors. Through this way, business generate their performance and their gaining values return to the primary resource of business: familiness as intervention (e.g., family meetings, sharing and consulting). These figure

depicts the comprehensive strategic activities and it might have another detail facts in each stage because the familiness concept is still unknown black box in family business studies (Pearson et al., 2008).

Above Figure 2.3 presents how does familiness affect to business as capabilities through performance, and then the next discussion will highlight about how familiness emerges at business. While considering the FOB as a system that consists of interaction sub-systems: family, individual and business which compile their resource and attributes to occur the familiness (Frank et al., 2010). Each sub-system is interdependence and reinforced each other that compile as a system. For example, family persuade their members to participate at business and individual of socio-economic interests drive to work at their business, consequently the business's image reflect to family and individual as feedback. Through this way, individual, family and business compile together. Interestingly, Zellweger et al., (2010) proposed the organizational identity as the third dimension that aims to define the how the family views and operate the firm through leveraging in both internal and external activities. These perspective has considered the micro and macro facilitating facts of organization, such as market relationship.

Here, the agency cost is being considered in individual attributes by economic aspect because FOB generate the less agency cost than other business. Since, family members themselves act as agents at business and spending costs on that agents are less than other private non family businesses (Miller and Breton-Miller, 2006) due to the family members of mindset. Other study pointed with stewardship aspect for clarifying the emotional involvement of members. In parallel, surrounding environment of input and output relations (e.g., demand and supply) between family business and local markets create the ecosystem of FOBs. Through this nature, the whole business system operate.

### **2.2.1 Familiness and Its' Representative Features**

Due to the tacit nature of familiness, prior studies observed the constructs of familiness and its consequence of family involvement (Sharma, 2008). Also, some examined the familiness phenomenon with empirical research based on the called of Habbershon and William (1999). Reviewing through literature, we describe the some empirical studies and its representative features that shown in Table 2.3.

Table 2.3. Familiness and Its Representative Features

Familiness perspective	Description	Authors (Years)
Origin and definition	Idiosyncratic firm level bundle of resources and capabilities that resulting from the interactions between the family, its individual members and business, called familiness	Habbershon and William (1999) Conceptual paper
Behavioral dynamics in top management teams	Familiness in top management team (TMTs) that results in high cohesion, potency, potency, and shared strategic consensus	Ensley and Pearson (2005) Quantitative approach with 88 firms
Market orientation	A firm of Familiness qualities contribute to the effective market orientation and its competitive advantages	Tokarczyk et al., (2007) 8 case studies
F-PEC scales	Examine the familiness with three family involvement scales (F-PEC). The family (F) of P (power: ownership), E(experience: generational shifting knowledge) and C (culture: family and business of overlapping values)	Rutherford et al., (2008) Quantitative approach with 831 firms
Family social capital perspective	Familiness is considered as the social capital which help to mediate the communication and understanding among members Social capital dimensions: <i>cognitive, relation and structure</i>	Pearson et al., (2008) Conceptual paper
Resources-based Skills (Human, organizational, and process)	Familiness is clarified with three dimensions of resources: human, organizational and process that lead to obtain the competitive advantages	Irava and Moores (2010) 4 case studies
Top management teams	Examined the familiness effect on top management teams. Found a family CEO is beneficial for firm performance but coexistence of fictions in family and non-family managers can hurt firm performance	Minichilli et al., (2010) Quantitative approach in 113 firms
Family influence scales	Familiness scale measuring the family influence on business via decision premises. Found six dimensions represents as familiness: (1) ownership, management and control (2) proficiency level of active family members (3) sharing information (4) transgenerational orientation (5) family-employee bond (6) family business identity	Frank et al., (2016) Qualitative approach (7firms) and quantitative approach (160 firms)

Through these studies, the antecedent of familiness can be seen with four perspectives: human resource, social capital, organizational process and management. These four perspectives illustrate the richness image of familiness with individual or group level analysis. Each perspective upon studies are discussed as bellows.

**(1) Familiness as human resources:** Basically, human resources are primary resources of FOB.

Irava and Moore (2010) observed that individuals' reputation and experience can generate

familiness and they found the paradoxical nature of those resources (i.e., positive and negative degree). Since, human via person has own talent and abilities in natural sense and their attitude also shape the individual's resource type, so that familiness' image could not the same in all persons and business. Regarding this, Astrachan et al. (2008) mention about the knowledge, skills and experience for improving the working quality and long-term of business. It is similar as the Dawson (2012) of three dimensional human resources: head, hand and heart that illustrate the tacit and explicit nature of sense. Thus, the role of knowledge become important in operating the business. Meanwhile, Danes et al. (2009) approach with family capital by combining with human, social and financial capital for short-term business achievement and long-term sustainability. Moreover, Frank et al., (2016) explored familiness scales with six dimensions that emphasize on business perspective. They are (1) ownership, management and control (2) proficiency level of active family members (3) sharing information (4) transgenerational orientation (5) family-employee bond and, (6) family business identity. This six dimensions can scan the relationship of business and family of content and context.

- (2) Familiness as social capital:** Family is a basic social unit and the synergies among the business's behavioral and social resources come out as the results of capabilities which are considered as the heart of the family firm social capital, namely familiness (Pearson et al., 2008). Based on this concept the authors constructed the uniqueness of familiness with three dimensions: structural dimension, cognitive dimension and, relational dimension. This three dimension address the inside mechanism of family business by identifying the elements of social capital as a system (Cano-Rubio et al., 2016). Specifically, structural dimension concerns the actors and their relationship among them as the network within organization, so that it helps to be a smooth organizational process. Meanwhile, cognitive dimension express the invisible facts regulated from the actors' share vision, language and serving to others. These value is rooted from family's customs and embedded in their daily life. Besides, relational dimension refers to the members of mutual interaction among them based on their network, such as trust, obligation and norms. This three dimensions are inseparable and interrelated with others (Teters et al., 2017). Moreover, Habbershon (2006) discussed about the social impact on family business ecosystem which promotes the opportunities of entrepreneurship in their environment. This perspective aimed to address the outside mechanism of family business. Noticed that both inside and outside social mechanism are essential for business transactions by reducing the agent costs and improving the business efficiency (Cano-Rubio et al., 2016). Therefore, social capital perform as the heart of familiness.

- (3) Organizational process supports familiness:** Regarding to the organizational routine, Rutherford et al., (2008) clarified a family influence scale (P-power, E-experience and C-culture) in examining the relationship between familiness and business performance. Found that familiness associated to the revenue, capital structure, growth and perceived performance but it is not much associated with PEC scale. Also, Tokarczyk et al., (2007) applied the familiness' qualities in market orientation system, and found that strategic focus, customer orientation, family relationship and operational efficiency are associated to the familiness mindset. Organization of decision-making and learning can reflect the strength of familiness (Irava and Moore (2010).
- (4) Management of cohesive unit reflect familiness:** From business perspective, top management members of heading role is important in FOB due to their collective dynamic management system. Ensley and Pearson (2005) extended those concept with behavioral constructs including new ventures: cohesion, conflict, potency and consensus. In fact that business's performance is a reflection of the characteristics and actions of the group of management team (Hambrick & Mason, 1984). Also, business of economic and noneconomic goal is embedded and co-existed in the business system (Chrisman et al., 2003) that influence to the capabilities of familiness. That intended goal allows the working families to be a stable routines and environment that lead to higher levels of consensus in productive and high performance (Nordqvist, 2005). Among those management team, Ensley and Pearson (2005) identified the ownership categories with familial distance which refers the family's beliefs, value and leadership system and decision making. Regarding this, parental based working families seem to have a greater familial distance than others which types of working families, for example, sibling partnership and cousin consortium. Based on this top management team, the level of familiness would be different due to the familial distance, so that it is assumed that familiness is shaped from top management level of leading system with family ties.

Despite the depiction of familiness as the colorful image, those studies have somehow ignored the nature of the family itself, such as customs or membership affairs or bond system which exist behind the scene in familiness. To fill the gap, this study aims to approach the family orientation system and members' interactions for understanding in detail constructs of familiness.

### **2.2.2 Family Orientation at FOB**

Lumpkin et al., (2008) firstly introduced the family orientation concept which explained the values and involvement of individual family members in family business from the family therapist aspect. Indeed, the authors provided a new window into the family inside mechanism by addressing the how individual perceptions of family affect the business processes and outcomes. In addition, the authors

proposed the different orientation patterns of the family that influence the different business features. To obtain a deeper understanding upon family orientation, we reviewed the micro level components upon a family unit.

#### **2.2.2.1 Family unit**

The family is a basic social unity and first group of our lives (Sharma and Manikutty, 2005). In the meanwhile, a family also means “*a group of people who live and share the money, food and lifetime together by law, rules and biological connection*”. Thus, the family member’s personal life, values, attitude and behaviors are implicitly shaped by the family institute. Here, the role of culture embedded in the family nature is important (Colli and Rose, 2008). For example, in India family business culture can explain their family nature, because their business is not only a business but also a social identity in their community. Here, the family culture refers to the unique ways that a family forms in terms of rules, roles, habits, activities and beliefs. However, based on the group and environmental nature, the background family culture could be varied from place to place certain place (Colli & Rose, 2008).

When focusing on the family, the members’ serving or attributes are seen as the main drivers of the business evolving process, in terms of their internal quality (Dawson, 2014). Also, it is assumed that family structure could affect the business strategy, whereby family structure refers the absolute nuclear family, egalitarian nuclear family, authoritarian family and community family. Based on the certain family structure, their producing strategies are different (Sharma and Manikutty, 2005). Based on this, the authors argue that the nuclear type family structure is the most effective than the others. As the individuals’ orientation patterns, Lumpkin et al. (2008) illustrated the five family orientation patterns: tradition, stability, loyalty, trust, and independency for explaining the individuals of intensions, involvement and vision at business. In fact, the family members’ self-adjusting, relations and awareness are fundamental sources and if these basic sources are not enough to work, that might lessen the individuals’ positive perception. Here, the traditional orientation refers the fundamental patterns of family form which uses the roles among the members, shared history, legacy and follow the customs with ritual, therefore, this kind of orientation are simple and rigid ties patterns.

#### **2.2.2.2 Siblingship**

Meanwhile, Taylar et al., (2000) highlighted the important ingredient of siblingship affairs at family. Unsound sibling affairs are mostly likely to occur resulting to family conflicts and difficult succession process at business. Thus, authors observed that the fairness in the siblingship affairs would lead to smooth business succession. With respect to membership affairs, Lubatkin et al., (2007) identified the parents and children relationship patterns as important in parents-owned firms.

In their study, the authors described the parental altruism with five patterns and proposed each pattern of parental altruism of concerns with relationship. Also, the authors stressed on the parents' leading patterns that lead to shape the offspring's life and the business climate with trust and reciprocal relations. Meanwhile Jayantilal et al., (2016) identified the family collaboration as the outcome of family members' ties. In fact, the institutional patterns of relationship, climate and social affairs are led by the parents of *governing patterns*.

In terms of siblingship affairs, it is not only important for current status, but also critical condition for the long-term business due to the generational phases (Taylor and Norris, 2000). Since, the family climate of founder stage, and the second or third generation of family climate might be different due to the family governance with single member's affairs. For example, second generation (sibling partnership) and third generation (cousin consortium) of members interactions are much more critical within the business because the incensing members with spouse and self-center preferences (Machek and Votavova, 2015). Therefore, prior studies suggested that the founder stage of business are much strengthened than other generation's stage (Dyer, 2006).

As the organizational literature, the business life-cycle has four general stages: founding, growth, maturity and decline (Dyer, 2006). By comparing with generational stage, the life-cycle might decline in the second and third consortium stages due to the extended members and, its cognitive and mental conflicts. As findings, one-third of FOBs couldn't survive in the second-generation stages (Gersick et al., 1997). Similarly, most scholars cite that average business life is around 24 years in the United State (Goto, 2014) and 20 years in South East Asia countries (Lee and Li, 2009), thus it has been considered that the business couldn't continue the processes by the members' strength mainly and as well as other critical issues of business are included (Dyer, 2006).

### **2.2.2.3 Family Relationship**

In the FOBs system, other sub-functions are also important to integrate as the whole unit, e.g., sibling affairs, parents-children relations and the role of leader or parents (Dyer, 2006). As the family-owned businesses, the parents' influence is significant than other type of FBs due to the parents-children relations and parental altruism (Lubatkin, Durand & Ling, 2007) with interrelations. Particularly, the parents' nurturing and guiding shape the children's implicit nature and it facilitates the members' trust, communication and reciprocity that foster the family bond system. However, the nurturing forms could be different based on the family customs and pattern of norms.

### **2.2.3 Family Governance at FOBs**

Family governance mainly refers to the governing form for the families' wealth creation and its long-run development (Carney, 2005). In prior studies, the family governance is demonstrated from a business perspective which delineates the ownership system, decision making and board members of governing unit (Miller et al., 2006). In fact, the purpose of using the family governance is to

protect the unnecessary business conflict among the family members regarding their business sizes and complex generational involvement.

In short, the whole family atmosphere and context are generated from how the parents are leading and that is regarded as the governance system. From governance viewpoint, there are two governance forms: family governance and business governance. However, most studies have given attention to the business governance at duplicated entities (i.e., family governance upon members of business activities), rather than focusing on family governance upon members of behaviors to participate in business. For example, Miller and Breton-Miller (2006) and Carney (2005) have emphasized on the family governance system in business entity (e.g., family meeting). In this dissertation, we emphasize the family atmosphere and context resulting from family leadership or parents thus regarded as the family governance. Notably, the parents-children interactions, siblingship affairs and leadership system which are all part of the same institution system.

### **2.3 Resource Based View of the Firm**

According to Wernerfelt (1984) and Barney (1991) the Resource-Based View of the firm (RBV) mainly examines the business' internal resource, and the heterogeneity of the organization. From the RBV proponents' view, it is feasible to exploit external opportunities by using the existing resources in a new way rather than trying to acquire new skills in different opportunities (Jurevicius, 2013). Since, the business resources, capabilities, and competency are always critical parts of the business's health and success, therefore, considering the RBV of theoretical aspect is appropriate for the business (Yordanova, 2017). In fact, that RBV has strong economics theoretical background, such as Ricardian economics, the theory of the firm growth by Penrose, with involving the view of Wernerfelt (1984) which focuses on the firm-specific resources rather than the products in the market.

In RBV perspective, resources are given the major role for the business to perform very well. Basically, there are two types of resources in business: tangible and intangible. Resources can be defined as "*the tangible and intangible assets which are tied semi permanently to the firm*" (Wernerfelt, 1984. P.172). For the business, the role of resource and its attributes are essential for firm's health and process, due to their attributes.

RBV addresses two main important resource aspects. The first aspect clarifies the resource properties with two assumptions (heterogeneous and immobile), while the second aspect examines the resource criteria with four indicators that are illustrated in Figure 2.4 as follow.

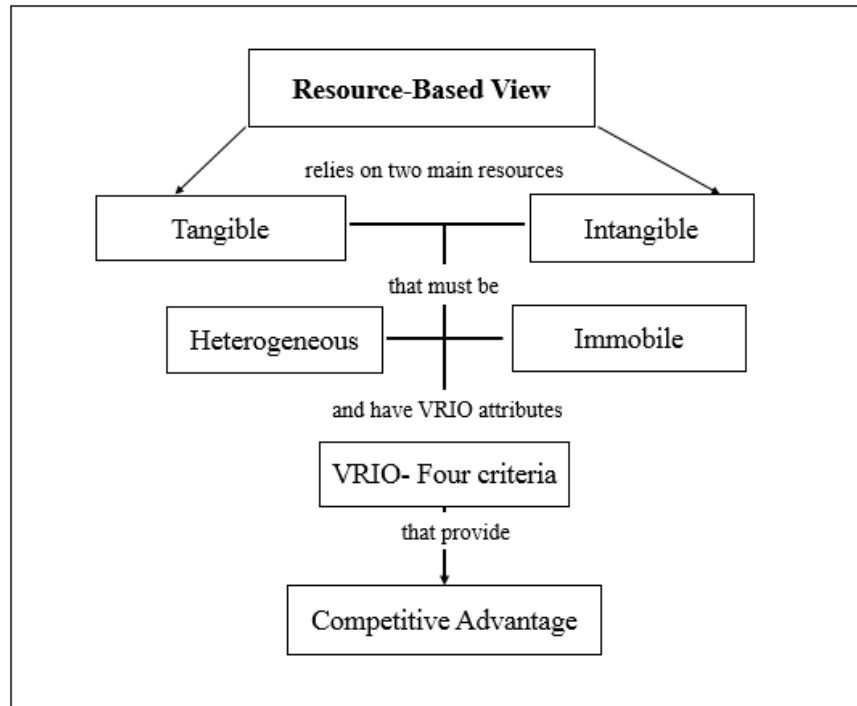


Figure 2.4 Resource-based view of the business (adopted by Ovidijus Jurevicius, 2013)

**Heterogeneous:** The first assumption is that business (or groups of business) resources (skills and capabilities) are different from one company to another. Even if the business would have the same amount and mix of resources, they may not employ the same strategies to compete each other. In fact, the real-world markets are more competitive and some businesses supposed to have same external and internal resources with which they are able to implement different strategies and outperform each other. Through this way, RBV assumes that business competitive advantages are based on their different varieties of resource uses.

**Immobile:** Another alternative assumption is that resources are not easily mobile from one business to another within a short time. Due to this immobility, businesses cannot duplicate the essential resources and strategies. For instance, the brand equity, processes, organizational knowledge or intellectual property are intangible resources and machines, tools and production materials are tangible resources. In short, the two assumptions provide the interactions of the resources properties and the ways of resources usages by the owner.

RBV addresses four primary criteria to examine the resources: valuable, rare, inimitable and non-substitutable. By handling these four criteria, possessing resources should lead to attainment of quality of work with superior performance (Wernerfelt, 1984). In fact, RBV mainly aims to compete in the market with VRIO resources to maintain competitive advantages. Otherwise, if a resource cannot fulfill the VRIO criteria it cannot be classified as a business resource. The details of VRIO can be explained as follow.

1. **Valuable (V):** Resources are valuable if they help business to increase the perceived customer value, especially if the resources help in exploiting market opportunities or help in reducing market threats. Such advantages are expected to obtain from resources.
2. **Rare (R):** Resources must be difficult to find among the existing markets and competitors. For example, individual experience which is very rare and cannot be found in other places. Nowadays, each business possesses several resources in the market place and these do not provide the competitive advantages with rareness and uniqueness.
3. **Inimitable (I):** Inimitability refers the difficulty of copying or duplicating by competitors. Imitation can occur in two ways: by direct imitating (duplicating) the resource or providing the comparable product/service (substituting) by competitors. Barney (1991) provides three reasons for imitation difficulty :
  - (1) Historical condition which no one couldn't develop such kind of things,
  - (2) Causal ambiguity which other business can't identify with the particular resource, and
  - (3) Social complexity which is based on the company culture or interpersonal relationships that couldn't be substitute it
4. **Non-Substitutable (O):** It replies that resources can't be substituted by other alternative resources.

RBV mainly assumes that each business is unique and that the other businesses do not have the same people, knowledge, experience and process at all (Barney, 1991). Based on this, RBV selects the resources which reflect to give the competitive advantage for business. Here, the business competitive advantages refer the complete value creating of the business by using their unique strategy with leading in the market than other businesses (Barney, 1991). Based on the resources attributes, the abilities of advantages could be different in terms of the competitors' duplication. This could depend on the size of businesses which of some are making in first mover advantages based on their new short creations in market. Therefore, it is notable that resources positioning, and its attributes are depending on their usage of purpose and strategies.

### 2.3.1 Resources and Knowledge

Traditionally, resource can be classified with three different types: *physical*, *human* and *organizational capital* (Hansson, 2015). In order to compete in the markets, all applicable resources are important to create the business competency. Especially, the human resource mainly helps to get the unique capabilities and that includes both tangible and intangible resource (Barney, 1991). Here, the intangible resources comprise the intangible things, such as knowledge, experience, strategies usage and mind-set, while tangible resources include the physical performance.

Among intangible resources, knowledge is an essential one than others in terms of attributes to the organization. Since, knowledge refers to “*a meaningful set of information that constitutes a justified true belief and/or embodied technical skill*” Nonaka et al., (1996, P.205) so that it involves both tacit and explicit form of knowing, understanding, experience and practical skills (Awad and Ghaziri (2004). Concerning this, knowledge appears in both physical and emotional based features. Prior literature clarified that knowledge can represent two types: tacit and explicit. Tacit knowledge is the intangible form, hard to duplicate, un-transferrable, and difficult to explain holistically but it can create through learning by doing (Sveiby, 1997). For example, commitment, retention and personal experience are sort of tacit knowledge. Meanwhile, explicit knowledge refers to the tangible form and can be articulated, codified and stored in media that are available to transfer to others (Pan and Scarborough, 1999).

Through two shape of knowledge, it can appear in the shape of performance, creative thinking, experience and sharing stories among family members within individual and group level interactions. Such kind of activities and interactions are considered as the SECI model of knowledge conversation (Nonaka and Takeuchi, 1995). Because, FOB’s transactions are aligned on the socialization in the environment, externalization among family members’ relations and documents that assist to regulate the business routines. Meanwhile, family members of transferring, sharing and organizing are integral parts of combination and without those members’ relations, the business process will not be generated longer. Besides, members’ of cognitive ties or inner mechanism (i.e., understanding and long-time familiar and learning) make them as the internalization. Those knowledge are dynamically evolving within individual and group relations at business as the continuum process. For FOB perspective, such kind of routines are considered as members of knowledge conversion at business (Nonaka and Takeuchi, 1995). Regarding RBV viewpoint, those kind of resources are inimitable and non-substitutable from the outsiders (Hasson, 2015).

Dawson (2012) also mentioned the role of human capital at family business with three aspects: head (knowledge) and hand (abilities) and heart (mind-set). Notable that all the resources properties and degree of capabilities are depended on that owner and their usage of strategies (Finstorp & Padang, 2016). Through this way, RBV explains the insight of resources and its properties at the business (Barney, 2001).

## **2.4 Business strategy**

Sirmon and Hitt (2003) argue that possessing the business resources only is not adequate to obtain the competitive advantages in the market and those resources are necessary to create the strategies with relevant ways for the target. As Miles et al., (1978) and Martins and Kato (2010) posit, the central concern of using a strategy is to maintain the dynamic adjustment between business’ capabilities and market’s needs. Contrary to the RBV aspect, Miles et al., (1978) argue to consider

the external facts on the business process by combining with internal facts. Mainly, Miles and Snows (198) aim to solve three organizational problems: entrepreneurial, engineering and administrative problems by proposing with four strategies: defender, prospector, analyzer and reactor. Based on this, the authors aim to answer “how do organization move through the cycle?” (Miles et al., 1978). In case of FOB, this study mainly emphasizes on the administrative problem due to the focusing of people’s behaviors. From business aspect, each strategy has its own unique ways based on their own business structure, technique and process. As the business, they would use one of four strategies to level up their capabilities.

- (1) **Defender** who defends their business with aggressively and ignore the others’ development from outside. Such business of main concern is a stability and focus on their current market. Such organization is dominated by top management, strictly business process and focus only on the products.
- (2) **Analyzer** adjusts their business with maintaining the current market and seeking innovation at the same time. This business share characteristics with prospector and defender. They interact the environment with fairly and mainly concern to be efficient production. Such kind of business cultivate collaboration among employees and employer with balance form.
- (3) **Prospector** prefers to find the opportunities in the market for exploiting new products. They are always willing to create and innovate the products with high technology. Even they prefer to act the business system in according with environment simultaneously, but their products or service are often broad. Interestingly, their business structure is built on a decentralized form.
- (4) **Reactor** has no consistent strategic approach, also operational drivers and structure as well. They mainly react or create the strategy upon the current action, it can be seen as drifts with environmental events. Not surprisingly, those kinds of business usually do not perform as an organizations form. Therefore, the business practices are unable to develop cohesive statement of organization strategy, as well as aggressive behaviors was precluded.

All four types of strategies have both advantages and disadvantages. In case of FOB, this business of operating tasks are generated by their own resources and capabilities with their members, therefore their usage of strategy would be a mixture type and it can’t represent a pure one type of strategy. Each type of key features are described in Table 2.4 as follows.

Table 2.4 Four types of strategies

Type	Strategy	Environment	Organizational characteristics
<b>Defender</b>	<ul style="list-style-type: none"> <li>▪ Stability is first</li> <li>▪ focus on current markets with maintaining the growth</li> </ul>	<ul style="list-style-type: none"> <li>▪ Keep stable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tight control</li> <li>▪ Centralized</li> <li>▪ Focus on products</li> </ul>
<b>Analyzer</b>	<ul style="list-style-type: none"> <li>▪ Maintain the current market and seek innovation at the same time</li> </ul>	<ul style="list-style-type: none"> <li>▪ Moderate change</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collaboration and balance</li> <li>▪ Creative</li> <li>▪ Efficient production</li> </ul>

<b>Prospector</b>	<ul style="list-style-type: none"> <li>▪ Exploit new products for market opportunities</li> <li>▪ High technology used</li> </ul>	<ul style="list-style-type: none"> <li>▪ Act dynamically</li> <li>▪ Creative</li> <li>▪ Innovative and flexible</li> <li>▪ Decentralized</li> </ul>
<b>Reactor</b>	<ul style="list-style-type: none"> <li>▪ No consistent in strategic approach</li> <li>▪ Drift with environmental events</li> <li>▪ Do not perform as an organization</li> </ul>	<ul style="list-style-type: none"> <li>▪ No clear strategy</li> <li>▪ No clear organizational approach</li> <li>▪ Creates on current business/market of needs</li> </ul>

## 2.5 Myanmar Family-Owned Businesses

Myanmar is one of the South East Asian countries and their private business sectors are not well matured yet, by comparison with the neighbors (e.g., 3<sup>rd</sup> – 4<sup>th</sup> generation in Thai FOBs, Suehiro & Wailersak, 2004). Myanmar has economic framework since 1950, 1962 and 1988, due to the political effects (Kyi et al., 2000). Along through the history, the government implemented the market-oriented economy in the late 1980s by initiating the Foreign Direct Investment (FDI) (Hlaing, 2014). Meanwhile, the government revised the Myanmar Company Act Law (1914) which was influenced by the British quality and it has lower minimum capital requirement with relatively simple procedures (Kyi et al., 2000). Thus, the government set other reinforcement laws for the business, such as Contract Act, Sale of Goods Act and son on (OECD, 2014). Meanwhile, the private businesses emerged on their own efforts and they didn't get any encouragement from government. Some small and medium enterprises arise from the international relations and the government, however, the business policies and frameworks are not matured as yet (Kyaw, 2008). By comparing with others countries, Myanmar FOBs of business ages are still young than other neighbors of business, e.g., Thailand and India (Manikutty, 2000).

Regarding the family-owned businesses, they are legally established by themselves in the market and these business community is not listed in the Census Bureau. According to the International Finance Corporation (IFC) facts in 2016, the formal enterprises (large and normal) are 17% account of total and other small and medium enterprises are 83% account of the total that is counted as the family-owned (IFC, 2016). As the result of the new policy framework, some sectors are well developed but some are not. Even though, the main economic projects emerged in the metropolitan areas, the local markets and customers are still aligning on the Family-Owned Businesses (FOBs) of contributions. Therefore, the involvements of FOBs in business sectors are vital for the emerging economy that provides as the country of economic engine (Gersick et al., 1997).

In Asia and Southeast Asia, most businesses are generated by family ownership and contribute as the backbone of the Southeast Asia economy, especially in manufacturing industry. As the figure, 80% of large businesses are controlled by families in Southeast Asia, while 65%-75% of large family controlled businesses in Middle East, Latin America and India (Kets de Vries, 2017).

Specifically, the Southeast Asian nations and region are contributed by family enterprises, e.g., Malaysia' GDP of 67.2% is covered by family enterprises (Lee, 2008). Although, they are the large business groups in South East Asia, the businesses mostly contribute to the local community of development rather than participating in the international trading. Carney mentioned that East and Southeast Asian Family Business Groups (FBGs) is already organized and many local businesses groups have participated in group activities, such as international workshops. Some member countries are Hong Kong, Taiwan, Singapore, Indonesia, Malaysia and Philippines, but Myanmar couldn't still involve in FBGs due to the lack of own community.

## **2.6 Chapter summary**

The family of the main attitude is "business represents a way of struggling life", therefore the familiness emerges upon the involving resulting from individuals, business and family. Through this concept, this chapter described the causes and effects of familiness sequentially. Also, the previous studies of proposed conceptual framework and findings are also represented. As the theoretical perspective, the resource-based view of the firm and typology of strategies are discussed. Thus, this chapter gives the phenomena linkage between the prior studies and the current study.

## Chapter 3

### Research Methodology

This chapter explains an overview of research methodology used in this dissertation. Before describing the methodology part, this chapter introduces the philosophical background of research, the research rationality and reasoning of research by the scientific perspective. After that, the research design is explicitly illustrated. One significant thing of this study is using the grounded theory in the analysis step that aims to capture the real sense of family-owned business. This chapter explains with five parts. Section 3.1 explains the research paradigm, and section 3.2 describes the study of whole framework with detail facts. After that the research evaluation and ethical consideration are presented in section 3.3 and finally, the research limitation and research structure are illustrated in section 3.4.

#### 3.1 Research paradigm

In scientific viewpoint, the research paradigm is the essential part of research that explains the basic set of beliefs or shared understanding of reality. In addition, it let us know about how problems should be understood and addressed (Kuhn, 1962). In research paradigm, ontology, epistemology and methodology are fundamental aspects for understanding about knowledge (Guba, 1990). In fact, ontology refers to “the nature of reality” and epistemology refers to “how we know what we know” while methodology is “a way of thinking that includes strategy, plan of action, process or design” (Guba and Lincoln, 1996). Thus, these three philosophical assumptions that helped us to generate the understanding upon the research knowledge and to increase the creativity of researcher. To understand above terms and its relationship, the study explained the summary of research paradigm in figure 3.1 as follows.

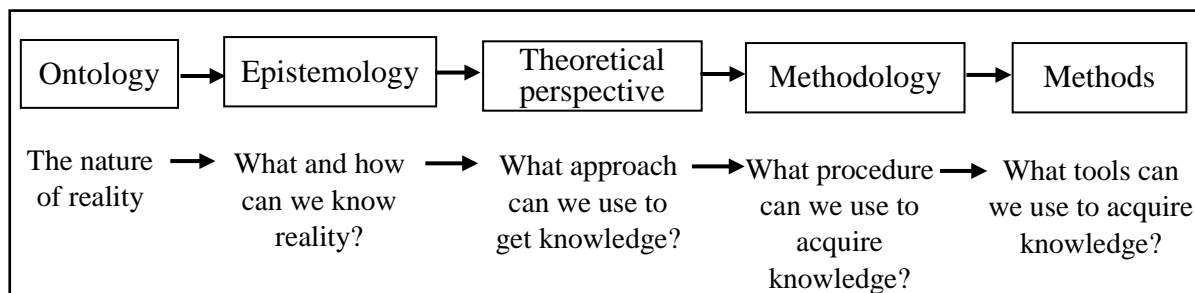


Figure 3.1 Research paradigm (adopted from Patel, 2015)

Regarding the philosophical assumptions, above interlinked questions show the interrelatedness of knowledge which goes through to the research design and process. Indeed, this **perspectives** inform a choice of research approach from the broad assumptions to narrow focus that entail about how to collect and analyze data in a research. Simply, there has four common paradigms in research, there are positivism, constructivism, advocacy and pragmatism (Creswell, 2003).

Regarding the family and business of social perspective, this study of assumptions is based on **constructivism** because the study emphasizes and interpret upon the human being of behaviors, relations, engagement and their reflected actions in the world. In fact, the study assumes that the world and people are connected and affects each other (i.e., ontology). Thus, it is needed to discover the reality that underlying on the meanings of events and activities (i.e., epistemology) and we need to use the interpreting upon people' behaviors, symbols and phenomenon (i.e., theoretical perspective). In doing so, this study used the qualitative methodology approach with case-based method (i.e., methodology and method). In fact, the qualitative approach is suitable for observers who intends to use open-ended questions with explaining their participating view (Creswell, 2003).

### 3.1.1 Research Methodology

Corbin and Strauss (2015) describe the term of methodology is that “way of thinking about and studying social phenomena” (p. 3) while research is defined in social sciences as “the search for knowledge through objective and systematic method of finding solution to a problem” (Kothari, 2004, p.14). Thus, the research methodology can cover all research activities, such as way of research approach with sound reasoning of the problem, formulating a hypothesis, collecting and analyzing facts to reach the certain conclusion in the form of generalization. Thus, adoption of appropriate methodology provides a guidance throughout the study. According to our research questions and purpose, this study adopted the qualitative research method by using the inductive reasoning approach.

### 3.1.2 Inductive and Deductive reasoning

In social science research, the ways of doing research are complex and building the concept is critical. In logic, there are two broad methods of reasoning: deductive and inductive approaches. For the qualitative study, the inductive reasoning makes a broad generalization from specific observations by using the data and facts. This logic is called inductive, and some called a bottom-up approach (Bradford, 2017). Regarding this, Thomas (2006) states the inductive approach as a systematic procedure for analyzing qualitative data where the analysis is likely to be guided by specific evaluation objectives. The purpose of the inductive approach is to allow the research findings from the relevant significant themes. In social science, an inductive approach is a common approach for several ways of qualitative data analysis, especially the grounded theory analysis (Corbin and Strauss, 1990).

On the contrary, the deductive reasoning is a basic form of valid reasoning (Bradford, 2017) and it is commonly used in a scientific method. Mostly it is used to test hypotheses and theories by examining the possibilities to reach the specific goal and logical conclusion. Indeed, the deductive analysis makes data analysis that set out to prove whether data are consistent with prior assumptions, theories or hypothesis or constructed by an investigator. Both inductive and deductive analysis methods are practically useful in many evaluation projects (Thomas, 2006).

### **3.1.3 Qualitative Research Method**

Under the research roof, qualitative and quantitative methods are main columns and used as a framework to do the study. The quantitative method helps the researchers to handle the formulas, rich data processing and determine the confidence level with generalization of the focus issue (Yin, 2009). Since, the quantitative research method usually aim to prove with statistical generalization with their numerical data and it may not be experienced with touching the focus domain (Baskarada, 2014).

By comparing with quantitative method, a qualitative method is used to learn about the people of behavior in social context by using the observing ways. Also, the qualitative study of formulation the problem, scope and analysis process are different from the quantitative method. Even if their heading ways seems like the subjective, but it aims to suggest the objective matters on their ways. The research question is usually based on the context of social situations and design the research by emphasizing on ontological position.

Based on the research questions and purpose, this dissertation used a qualitative research method which enable us to understand about a person' conceived value, behaviors while they are communicating and reasoning behind their talking (Yin, 2009). These features are basic phenomenon of this study and help to figure out the familiness. Even, FOB's features are complex and dynamic, this qualitative approach can help to clarify the content and context of FOB (Irava and Moore, 2010). Therefore, this approach is suitable for the FOB study (Enhorning et al., 2012).

## **3.2 Research Design**

### **3.2.1 Case Study Method**

There are several research methods in studies, and each has its unique process (Yin, 2012). For observing the hidden resources of FOBs, this study applied the case study strategy as the research method. Since, the case Study is the most well-known and useful research method for the researcher that provides in-depth knowledge of a focus issue by answering the "how" and "why" research questions (Yin, 1994). Besides, the case study is flexible to design with an appropriate framework based on the goal of study, for example, exploratory study (Yin, 2003). Creswell (2006) also provides the way of case creating boundary (i.e., choosing a single case or multiple cases as the case setting or context) which interlinked with purposeful case sample and research questions of the study.

In particular, the case study has three different types: single, multiple and intrinsic case study. The single case study uses the single instrument, while the intrinsic case study focuses on an unusual situation with narrative research. The multiple case study focuses on one issue by concerning with numerous cases that aims to assure the findings and offer to generalize in population panel. One advantage of multiple case study is that allows to confirm with replicated findings (Baxter and Jact, 2008; Yin, 2003). When applying the case study strategy, the basic necessary procedures are needed to be right for the researcher. According to the statement of Creswell (2006), this study relies on five proceeding ways as follows.

1. Firstly, determine the approach of study if a case study is suitable for the research problem and inquiry within the boundaries.
2. Secondly, identify the specific case or cases which involve individuals, group and event as the setting. For example, choosing the cases to study as the sample.
3. Thirdly, preparing and collection data, such as primary and secondary data sources. As Yin's recommendation, it has six types of information to collect: documents, archival records, interviews, direct observations, participant-observations, and physical artifacts (Yin, 2003).
4. Fourthly, identify the analysis type and steps.
5. Finally, report the lessons learning regarding the cases by a researcher.

This five procedures are the primary flow and help to do the steps by steps processes. For this study, we investigated multiple cases to determine the social behaviour of the majority by comparing the similarities and differences among the cases. Besides, using multiple cases enables the replication and confirmation of results (Baxter and Jack, 2008). According to Yin's explanation, conducting six to ten cases can be effective in the study (Yin, 2003). Consistently, we examined thirteen FOBs in Myanmar by using a variety of sources, such as primary data, interviews and self-observation in cases.

### **3.2.2 Sample of Case**

In statistic, the researchers select a small part of quantity as a sample that intend to represent the population. Contrary, the social science researchers study about patterns of human behaviors with specific population, thus the study could not cover entire population due to the feasibility and cost constraints (Bhattacharjee, 2012).

Despite of using much quantity of sample, the qualitative researchers select a representative sample with un-biasness and ethical consideration. Before and during the study, the researchers have to identify the intended survey targets which they want to observe (i.e., who, what, where and when) (Maxwell, 2008). Otherwise, the target sample or cases of boundary are ambiguous and it would not become a good picture in study. Besides, the qualitative study rely on the richness information of cases with deep emphasizing, therefore, the relevant cases are necessary to demonstrate in the research. In qualitative study, selecting the case sample is neither the probability sampling nor convenience sampling, but it involves with research purpose which is called the purposeful sampling (Patton, 1990).

The qualitative study of reliability and trustworthiness are partially relying on the choosing sample cases because the case's characteristics, and its representativeness can reflect as the confidence and adequate approval for the research. In case of FOBs, the business of characteristics and features are necessary to check before the surveying, whether they are real family-owned business or not. In fact, SME businesses are similar to the family-owned businesses but their ownership, management and business system are different. Even some businesses are named themselves as the family-owned business, but the family members do not involve in the businesses yet; therefore, such kind of businesses are not considered as the FOBs. The selection of case and its criteria are described in the next section.

### 3.2.3 Case Selection

Yin (2009, p.54) states that cases should be selected to either (a) predicts similar results (a literal replication) or (b) predicts contrasting results for anticipating reasons (a theoretical replication). For this study, the similarity cases were selected to find out the unique business resource. Therefore, cases are intentionally chosen to exemplify the phenomenon (Irava and Moore, 2010).

In this study, cases (family-owned businesses) are selected in both urban and rural area with purposefully (i.e., similar business size, generation phase, pure family owned and representativeness of their industry). According to get the richness information, we selected multiple industrial types, such as food based products, daily products, accessories-goods and educational center. Therefore, these multiple industries can represent the general business circumstance. Mainly, such businesses are allowed to show the families' nature, daily life, business process and activities with confidentially to the researcher. Besides, the study had some criteria for the selection of cases (i.e., pure FOBs) as shown in Table 3.1.

Table 3.1 The Criteria of Selected Cases

Item	Criteria
1	Owned by Myanmar citizen (family or a group of families)
2	100% family investment and managed by the family members (at least 2 or more members)
3	Willing to show the family's nature and business characteristics across their generations
4	Accepted as the family-owned business by customers, market and their environment

### 3.2.4 Case Study Protocol

For this study, we designed the case study with step-by-step procedures. The significant of this study is not only observed the familial phenomena in FOB, but also evaluated findings with using the grounded theory aspect. Therefore, this study of research design may demonstrate the real-life context. Here, the case study protocol represents as the report and overview of study that described in Table 3.2 as follow.

Table 3.2 Case Study Protocol

Step	Description
1	<p><b>Overview of case study project</b></p> <ul style="list-style-type: none"> <li>▪ Research Issue- How familiness had been emerged from family facilitating behaviors through the business?</li> <li>▪ Research purpose- To understand the FOB of resources nature and its attribution into the business (characteristics, performance and competency)</li> <li>▪ Research questions- <ul style="list-style-type: none"> <li><b>MRQ: How does the familiness emerge through from the family's involvement as resources?</b></li> <li>SRQ1: What kind of family resources are embedded in the family?</li> <li>SRQ2: How do the family members combine their resources to emerge the familiness?</li> <li>SRQ3: Which business strategy and performance are brought forth from familiness?</li> </ul> </li> </ul>
2	<p><b>Field procedures</b></p> <ul style="list-style-type: none"> <li>▪ Firstly, inquired to the businesses in different cities and judge they are real FOB or not</li> <li>▪ Introduced and invited to businesses by emails/phone/person (<b>refer to Appendix-2</b>)</li> <li>▪ Prepared the field procedures, while receiving the business replied</li> <li>▪ Prepared the survey materials (i.e., documents, recorders, website information, emails and letters)</li> <li>▪ Prepared the recommendation (e.g., consent form, university approval)</li> <li>▪ Plan for data collection (i.e., appointment with businesses, questionnaires, and gifts)</li> </ul>
3	<p><b>Data collection guidance (refer to Appendix-1: Interview guide)</b></p> <p><i>1. Questionnaires of key facts</i></p> <ul style="list-style-type: none"> <li>▪ Family nature and life-style</li> <li>▪ Business establishment</li> <li>▪ Family members' performance behaviors at business</li> <li>▪ How do the members engage and trade-off their participating at business</li> <li>▪ Business of competency</li> </ul> <p><i>2. Self-observation of key facts</i></p> <ul style="list-style-type: none"> <li>▪ Family's customs and their relationship</li> <li>▪ Relationship between customers and family members, employees and family members</li> <li>▪ Business management system by family members</li> </ul> <p>Case study: Conducted in thirteen businesses in six different cities of Myanmar</p>
4	<p><b>Case study report outline</b></p> <p>Case study profile: (1) Introduce the family and business in general  (2) Business of nature in the regional or national level  (3) Case summaries (e.g., generation and culture)</p>

Step	Description
	<p>Resource Finding: (1) Internal Governance System (family orientation and context)  (2) Family Unity  (3) Member's Engagement  (4) Family Leading Patterns  (5) Family Attitude</p> <ul style="list-style-type: none"> <li>➤ Check all business's performance by their resource aspect</li> <li>➤ Conceptualized the resource Core-Categories for model: <ul style="list-style-type: none"> <li>• Family resource → governance, leading patterns</li> <li>• Individual' resource → unity and engagement</li> <li>• Business resource → heading of family attitude</li> <li>• Relationship between resources Core-Categories</li> <li>• Causal relation of familiness and business's performance</li> </ul> </li> </ul>
5	<p>Discussion on emergence of familiness</p> <ul style="list-style-type: none"> <li>➤ What is the familiness and how does it occur?</li> <li>➤ The resource dimensions of familiness</li> <li>➤ Assumptions of familiness</li> <li>➤ Familiness Model</li> <li>➤ Attributes of familiness into business performance</li> <li>➤ Conclusion</li> </ul>

### 3.2.5 Data collection

One advantage of case study strategy is that it enables the researcher to organize the study design in flexible ways (Pearson et al., 2015). In fact, the case study is a kind of triangulated study strategy and it allow the various additional methods or sources in the empirical materials. Yin (1994) recommends the combination of the multiple data collection methods when using case studies (Irava and Moore, 2010). Regarding this, this study of case study protocol included multiple sources and methods: interviews, direct and of participate observation, archives of artifacts and records. For example, this study gathered data with two forms: formal and informal participating into the business. Thus, we used the open-ended, semi-structured, in-depth interviews as the formal mode of data collection, while daily conversation with family members and employees, observation within the business process and family relationship are informal mode of data collection.

According to the constructivism paradigm, the researcher itself has the role in research process because, the researcher is not only to absorb the focus point of phenomena but also capture the dynamic interactions between the family and its business. Creswell (2003) stated about the researcher' intent that make sense of the meanings other have about the world and address the process of interaction among the individuals. Thus, this approach helped to generate, elaborate and extend conversations that allowed a deeper understanding of the interested phenomena (Irava and Moore, 2010).

While surveying, the interviews ranged from 60-90 minutes per person and recorded with notes, photos and audio files. The number of interviews were at least two persons per one business (i.e., one business leader and one working family member). The focus questions and data collection procedures were driven by the focus research questions and that are described in the case study protocol.

### 3.2.6 Data Analysis

To analyze the tacit and explicit nature of family and business, we followed the guidance description of Yin (2012) by combining the analysis steps of the grounded theory method as the tool (Glaser and Strauss, 1967). In fact, the grounded theory can guide the systematic analysis process, the inductive reasoning method and it generates much contextual data with steps-by-steps process (Corbin and Strauss, 1990). Mainly, the grounded theory helps to clarify un-identified facts, context and content of the study deeply with evaluation method.

#### 3.2.6.1 The Grounded Theory Analysis

The main function of the grounded theory was the coding which develops from text to concept, concept to categories and categories to core themes as the hierarchical steps and it can be iterative process if needed. Among the diverse analysis ways, this study followed the Corbin and Strauss of methods due to their criteria and evaluation phases in analysis steps (Corbin and Strauss, 1990). Here, coding refers to the labelling of contextual data and is mainly used to compare the similarities and differences in the evidence (Glaser and Strauss, 1967). There are two main principles of making the coding: *changing* (the evolution process of concept coding from data) and *determinism* (concepts based on responses controlling).

The GT has three main coding steps: open, axial and selective coding. Therefore, the code is developed from the text information and the categories and core theme that have emerged in the process. Through this step, text to concept, concept to categories, categories to stem code, then finally the conceptual code or core concept appear. Therefore, the analysis outcome represented as the insight of the study can illustrate the real-life conditions with trustworthiness (Corbin and Strauss, 1990). In fact, the analysis outcome refers the core category or phenomenon of particular data and it represented reality. Therefore, the outcome of grounded theory is useful in both the practice and academic knowledge with reliability.

Open coding is the first interpretation step of analysis that interpret from text to concept. In other words, this is the first level of the breaking down the data into concept. During interpreting the concepts, we used five clarifications of criteria while reading the raw data: context, condition, phenomenon, strategy and consequence (Corbin and Strauss, 1990). After getting these clarifications facts, we compare the similarity and differences that later occur as the categories. Axial coding is the second level coding and it finds the relationship among the categories by researcher. This step includes the researcher of creating concept by using with his/her understanding/memo/images. This step might

be the iterative process as the backward and forward between the open and selective coding steps. Through this process, the categories are created.

Selective coding refers to the process that intended to create a theoretical concept based on the connections of categories. The main task of selective coding is making the abstract concept with synthesis way that represents scope of the study (Charmaz, 2006). Therefore, the finalize outcome of analysis is the phrase or words as the theoretical concept by generating with concept. Glaser (1978, p.72) states that the theoretical concept gives the integrative scope, broad pictures and a new perspective and it is finally call a theory. Through the whole analysis process, the analyzer of role is critical in emerging the codes, categories and core categories, therefore, the skills and experience are necessary in analyzers.

### **3.2.6.2 Six Data Analysis Steps**

This study of data analysis steps is generated by six steps which is shown in Figure 2. The raw data is gathered as the transcripts files, memos, images and knowledge obtained by the interviewer. Firstly, we selected the key phrases in the contextual file by Nvivo software (Starter 11). Since Nvivo is a software for qualitative data analysis and it is designed to organize the textual data. Mainly, it is useful to analyze and find the insights of unstructured text files, such as interviews, open-ended responses, gather the key phrases of informants, collect the group in same meaning and text design. Also, we combined the manual analysis steps during analysis for gaining the exact meaning of codes. Overall, we analyzed six steps. Step (1) collects the key phrases and (2) select the line-by-line phrases are done by Manual process. Meanwhile other steps are done by grounded theory: (3) generate the coding process, (4) develop the themes from coding process, (5) interpret the themes of description based on grounded theory concept at the same time, and (6) finally interpret the meanings of themes as focus conceptual codes. Detail steps are described as follows.

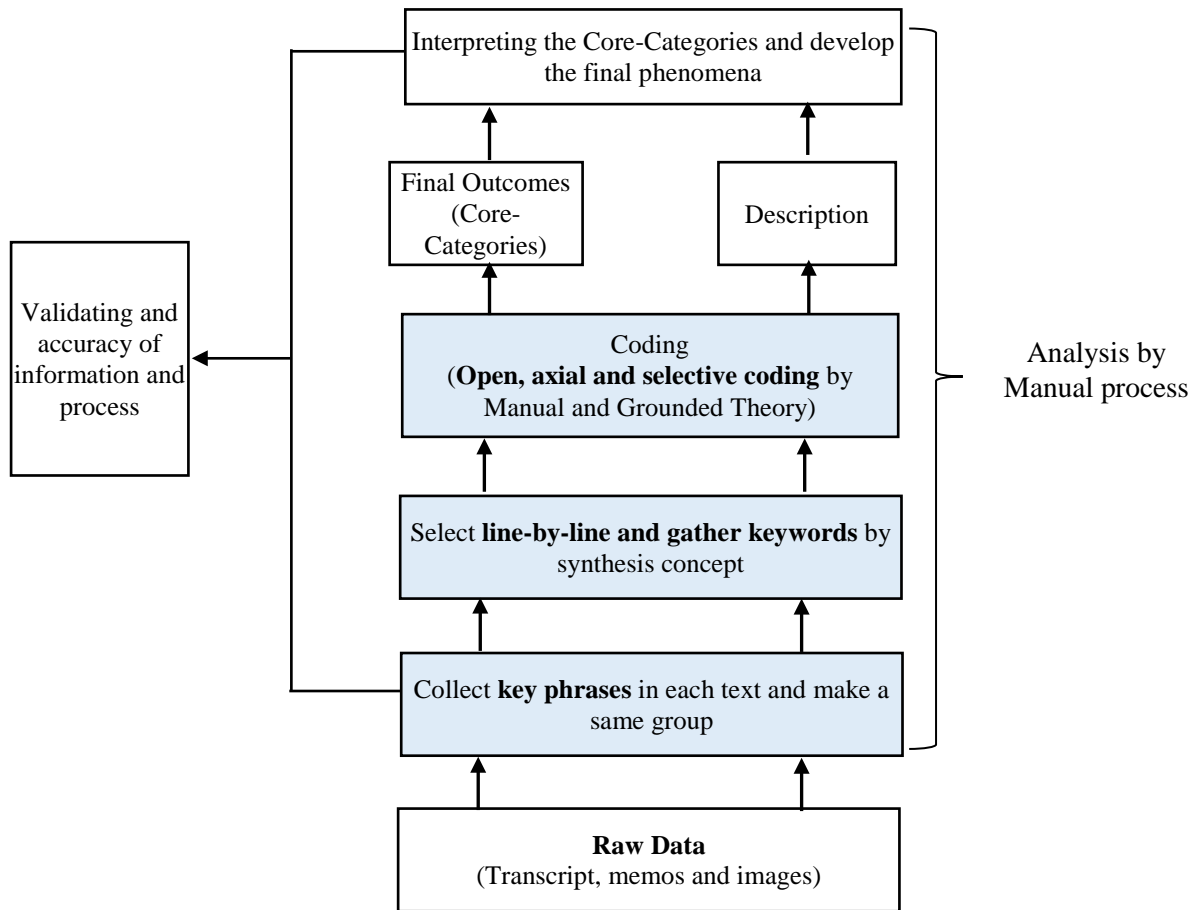


Figure 3.2. Six data analysis steps

### 3.2.6.3 Unit of analysis

In case-based method, identifying the unit of analysis is necessary in study and it helps to avoid deviating of the research without collection of unnecessary data. Thus, the analysis unit is important throughout the study. According to our research questions, this study preferred to focus on both individuals and group level of family. Since, the emergence of familiness is born upon the interactions between the family entity, the individual's attributes and business condition, therefore both individuals and family level is necessary in the analysis.

## 3.3 Evaluation and Ethical Consideration

### 3.3.1 Criteria of Research Quality

In reality, gaining a new knowledge only is not adequate, and it is necessary to bring up with the research rationality and ethic. In order to do a good study, both quantitative and qualitative study have to evaluate with the criteria and how to evaluate the quality of research is a primary question for all studies (Brink, 1993). In quantitative research, it has exact criteria to evaluate the research practices. It means that the researchers can judge their studies with its credibility that demonstrate their usage of instruments. On

the other hand, the qualitative research has no common agreement in evaluating criteria. In fact, qualitative researchers provide the relevant criteria for themselves aligned through their research design. Therefore, the vital of research's quality is depended on the researcher's the lens that built the inquirer of viewpoint for establishing validity in a study (Creswell and Miller, 2000).

In prior literature, the qualitative research has multiple criteria but the main concern is derived from two judgements: validity and reliability. Validity refers the accuracy and trustfulness of scientific findings (Brink, 1993) and it states the reality of focus point. It addresses the actual circumstance of condition that supposed to measure with research instruments. Although, there has different assumptions on validity in research, the main lens has two types: internal and external validity (Yin, 2009). Internal validity concerns the true reflection or representativeness of the reality (Brink, 1993) and it is suitable for explanatory or causal relationships rather than exploratory studies (Yin, 2009). Respectively, external validity concerns the degree and extend of findings that could be generalized in actual condition. Regarding the concept of validity, some researchers use the terms alternatively, such as credibility, trustworthiness, truth, value and confirmability (Brink, 1993; Golafshani, 2003).

On the other hand, the reliability refers the study's consistency, stability and repeatability that states the study of operational process (i.e., data collection and other producers). In case of qualitative studies, the reliability is more important than other judgments, due to the involvement of investigator and informants within the study. Since, the qualitative studies are not only involving with data and analysis, but also integrating with investigator of interpersonal skills, conceptions and informants' cooperation. Therefore, it has been suggested that such kind of research could be reflected with bias (Meyer, 2008). In order to reduce the qualitative studies' bias and errors, the prior studies address many aspects but they are equally mention upon the content and context of study. For example, Maxwell (2008) gives the strategies for the researcher to reduce the bias, while Yin (2009) describes the guidance upon the researcher. Through the previous literature, this study mainly emphasize on four aspects that taking care in the study: *role of researcher, informants, social and research method* (Brink, 1993).

#### **(1) Role of researcher**

Researcher himself involves as the instrument of data gathering in the study. Since, the researcher of attitude, participating ways, ethics and genders that are probably reflected to the availability and richness of data.

#### **(2) The participating subjects**

The subject matter refers the real statement or responses of informants as the data that came from questionnaires and interviews. During the data collecting, the role of informants is essential, and their degree of willingness to answer is a critical one. This circumstance is probably relying on the trust between investigator and informants, which is opposite of the afraid and overacting upon the actual condition of informants. Sometimes, the informal mode of conversations allows the researcher to catch real information than the formal mode of conversation

**(3) Social context**

In qualitative studies, the embedding role of society is vital to the study's content. If the relationship between the investigator and informants are familiar and they could be negotiated the similarities and differences of the study. By avoiding such kind of behaviors, the observing data can be free from the bias.

**(4) Data collection and analysis steps**

This aspect highlights the external activities of research, such as analysis method, analysis procedures and findings results that should be clearly addressed in the study. Besides, the results of presenting phenomena should be accuracy, sufficient and the correct naming of findings. By caring that kind of concepts, it would help to reduce the study's errors and bias.

Based on the case study protocol, this study prefers to ensure the reliability that account the internal coherence of data in the relation with findings, interpreting and recommendation (Yin, 1994). Also, this study of multiple case studies offer the grantee of empirical data, analysis ways, concept and results, as well as the bias of analysis process and role of the researcher (Creswell, 2003). As the Corbin and Strauss of the statement, "the success of research project can be judged by its products", this research results can give the grantee of the whole project (Corbin and Strauss, 1990, p.16) and the following adopted research tasks aim to reflect the accuracy and truthfulness of scientific findings:

- (1) Multiple sources and data collecting ways can indicate the phenomena of informants
- (2) By generating with grounded theory analysis step may reflect the reality of businesses
- (3) By generating of first study results and hypotheses and second study of finding can reflect the knowledge of study

According to Corbin and Strauss (1990), they prefer to test the outcome with three criteria that the ways of evaluating in case studies. There are (1) plausibility and value of the result outcome (i.e., that how to generate the concept, way of thinking and develop the result outcome; (2) adequacy (i.e., the whole research process of coherence); and (3) empirical (i.e., the representativeness of data) (Corbin and Strauss, 1990).

**3.3.2 Triangulation**

In social science, the triangulation is typically used as a strategy for checking the findings and evaluating the research. Since the triangulation implies that a single focus point that considered from three different sources (e.g., data, methods and theories). This triangulation concept is introduced by Campbell and Fiske (1959) as a synonym for convergent validation (Decrop, 1999). In particular, both quantitative and qualitative study can apply the triangulation for establishing the validity and consistency of research (Guba, 1990; Maxwell, 2008). The ultimate goal of triangulation is to avoid the bias and reduce the errors of using the single-way, method and perceptive (Brink, 1993). In literature, four types of triangulation are identified by Denzin (1978) and Patton (1999):

- (1) Methods-triangulation (i.e., approaching with multiple appropriate methods),

- (2) Triangulation of sources (i.e., using multiple data sources with time and space based),
- (3) Investigator triangulation (i.e., involves more than one investigator) and
- (4) Theory/perspective triangulation (i.e., applies multiple theoretical background concept)

Each type of triangulation approaches on one specific perspective. However, it has been noticed that usage of triangulation has no boundary, free to use and combine the relevant ways that depend on the study's heading direction and goal. Thus, some studies combine the appropriate techniques, such as quasi-statistics which approve the qualitative findings with the quantitative judgement (Maxwell, 2008). Respectively, some qualitative studies seek the evidence with multiple sources and aspects, for example, access the secondary documents, collect the primary data (interview with informants) and observe their environmental facts. Through this way, researchers can build their study with un-biasness and prove with validity, reliability and trustworthiness.

### **3.3.3 Role of Researcher in Research**

Unlikely as the quantitative studies, the qualitative studies have involved with the researchers' participating. In fact, the researchers itself assume as the instruments in data collecting, observation and analysis process and their abilities are becoming the critical one. Myer (2001) also mention that the strength of qualitative research lies in the flexible and responsive interactions between the interviewer and respondents. Even, some instruments are involved in qualitative studies, the researcher of an integral human part of the research process is undeniable.

Thus, the role of the researcher is important in qualitative studies. Some scholars suggest that the researchers have a high responsibility to handle the research phase, not only in surveying, but also in analysis and concern the research framework. Therefore, the researchers of concerns and, assumption are needed to align with the ethical matters. According to Yin (2009), he suggests to train the novices for doing the research.

### **3.4 Limitation of research methodology**

As the empirical study, this methodology has somehow limitation as the boundaries although the study chose the appropriate approach. The purpose of illustrating this section is to understand the weakness of study and how can we upgrade and continue the further study in future. Firstly, our study was able to take the snapshot of family-owned business and could be captured the family and their business nature explicitly. However, it could not able to observe the full-length framework of businesses' practices. Secondly, the data was collected through a self-participating process at businesses and thus may lead to occur the subjectivity assumption of the focus cases. Finally, focusing on the FOBs in emerging economy can give the one specific feature and that may lead to assume the limited boundary of business nature. Otherwise, it is necessary to validate the findings in other countries (e.g., other

developing countries). To minimize above bias, this study adds more strategies in the research process as described in below.

- (1) Get aids from experts' reviews and comments upon the research concept that aim to keep the quality of research
- (2) Keep peer studies with triangulation form, such as sources of literature, prior studies of results as the cross check

### 3.5 Research Structure

The significant point of this study has two folds: (1) conducted two parts of studies (2) with using the grounded theory analysis steps. In family business study, employing the grounded theory tool in the study often rare case and those findings are more reliable and valid than other analysis results. Besides, conducting two parts of studies provide the assured outcome and it represents the real sense of business. The whole study of research design is illustrated in figure 3.3.

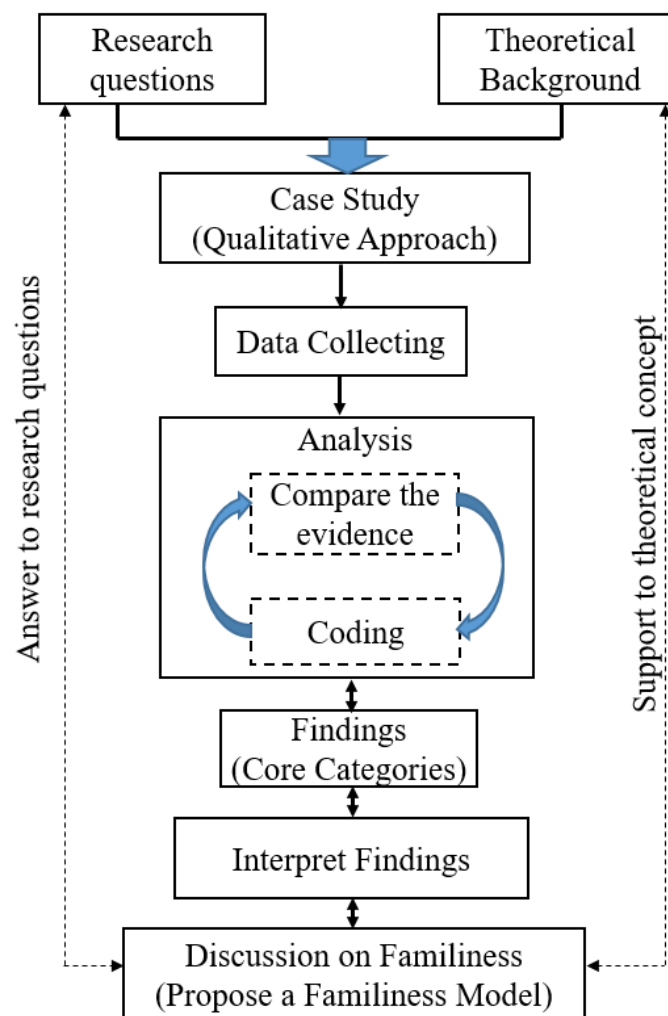


Figure 3.3 Research diagram

### **3.6 Chapter summary**

This chapter discussed the whole research framework with explaining the adopted philosophical background concept. Firstly, the logic behind the research process and analytic concept is explained. Also usage of qualitative research method (Yin, 1994) and the grounded theory analysis steps are described with the reasons. And then evaluating criteria of the study (analysis concept, coding and outcome) and the whole research diagram is illustrated. In the next chapter, the case study (1) and (2) of findings categories and core categories are sequentially expressed.

## **Chapter 4**

### **Research Findings**

#### **Overview**

This chapter explains the analysis steps and findings of the resources with its business performance. In the analysis steps, grounded theory is used to explore the integral social phenomena of groups and individual behaviors. Grounded theory generates contextual data with a coding process of iterative thinking until there is no more new findings. Those steps help find the familiness construct. The meanings and relationships of the core categories and familiness are interpreted based on the analyzers' understanding and the analysis findings. This process presents the real-life sense of family-owned business, which makes this research significant.

This chapter consists of four sections: section 4.1 describes the case study profiles, and section 4.2 explains the analysis results of the resources categories and core categories. After that, the findings about family-owned business performance are shown in section 4.3. Finally, the summary of the case study is illustrated in section 4.4.

#### **4.1 Case Study Profiles**

##### **4.1.1 Size of Family-Owned Business**

The choice of the case is important in the case-based method because of the cases' nature represents the actual conditions which attribute to the concept. According to Yin (1994) and Miles (2014), giving attention to the case's context reflects on the understanding of the main content. Thus, the **FOB** of the business nature, the family system and their daily activities are deeply considerable in this study. First, we identify the business size using the four **SME** criteria (investment amount, net profit per year, usage of electrical power and numbers of workers) (Abe, 2014). This is shown according to the Myanmar Ministry of Corporation in Table 4.1. Second, family types and leader's profiles are considered in the **FOB**'s main features. Finally, the involvement of family members required critical attention in the cases. Among the thirteen cases chosen, nine small-sized businesses and four medium-sized businesses are selected, shown in Figure 4.1.

Table 4.1 Criteria of Small and Medium Enterprise Firm Size (Abe, 2014)

Category	Investment amount (Kyat)	Net profit per year (Kyat)	Installed power usage	Numbers of workers
Small sized	1 million Kyat	10 million Kyat	Less than 25 horse power	10-50
Medium sized	5 million Kyat	10 million Kyat	Less than 50 horse power	51-100
Larger sized	10 million Kyat	More than 10 million Kyat	Over 50 horse power	> 101

#### 4.1.2 Age, Type and Places of Family-Owned Business

This study considered thirteen businesses in six different cities that involved both rural and urban areas of Myanmar. That covers six cities with population densities and geographical locations as below. The cases are from different market natures and customers' preferences to add to the richness of the study. Some rural area family businesses follow traditional style, while some urban area families use the modern style. However, both do not fit in the geographical places. The Thirteen businesses locations are detailed in Figure 4.1 and Table 4.2.

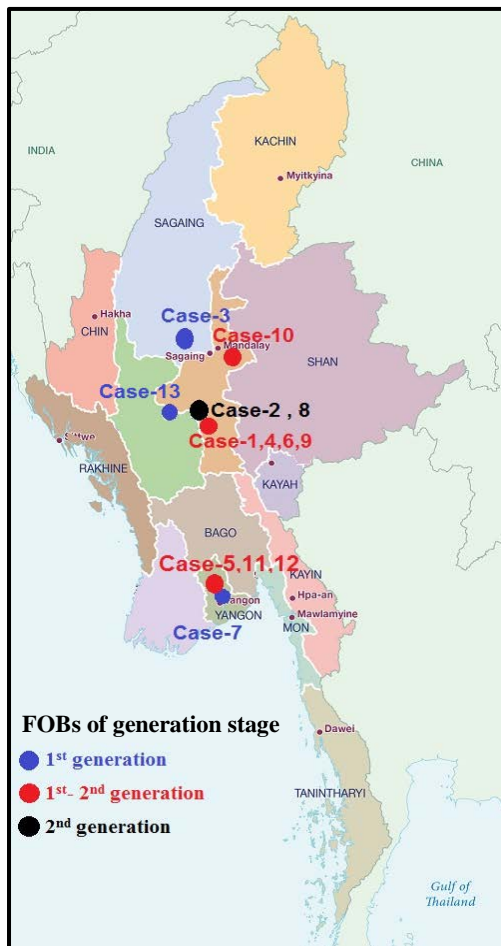


Figure 4.1 Thirteen cases of surveying places in Myanmar

- The number represents the case number.
  - The locations of the cases are shown in Figure 4.1.
1. Case-3 is in *Shwebo city*, Sagaing Division. 17% of that city population lives in urban areas. The population density is 57 per sq.km.
  2. Case-10 is in *Mandalay city*, Mandalay Division. 35% of its population lives in urban areas and the population density is 200 per sq.km.
  3. Case-13 is in *Bagan* which is a famous ancient city and touristic sites in Mandalay Division
  4. Cases-2 and 8 are in *Meik Hti Lar city*, Mandalay Division.
  5. Cases- 1, 4, 6 and 9 are all in the middle region of Myanmar (*Wun Dwin city*), Mandalay Division.
  6. Cases- 5, 7, 11 and 12 are in *Yangon city*, Yangon Division. It's a city with 70% of the population living in urban areas and density 716 per sq.km
- (Source: 2014 Census report, Department of population, Ministry of Immigration and Population, Myanmar)

Table 4.2 Family-Owned Businesses Profiles

FOB case	Business				Family				
	Age (years)	No. of employees	size	Industrial type	Leader (Familial positioning and age)	Type	Generation	No. of working member	Interviewees
1	36	30	Small	Weaving Factory	Father (62 years)	Extended	1 <sup>st</sup> - 2 <sup>nd</sup>	4	▪ Founder couple
2	58	150	Medium	Weaving Factory and Distribution Center (own logo)	3 <sup>rd</sup> son (40 years)		2 <sup>nd</sup>	8	▪ Founder ▪ Eldest one
3	12	40	Small	Weaving Factory (own logo)	Husband (39 years)	Nuclear	1 <sup>st</sup>	2	▪ Founder couple
4	37	200	Medium	Traditional Green-Tea and Fried Pea Manufacturing	Father (57 years)	Extended	1 <sup>st</sup> - 2 <sup>nd</sup>	4	▪ Founder couple ▪ Daughter-in-law
5	33	80		Milk Production and Distribution	Father (58 years)		1 <sup>st</sup> - 2 <sup>nd</sup>	4	▪ Founder couple
6	25	12	Small	Gold and Jewelry Shop	Father (49 years)	Nuclear	1 <sup>st</sup> - 2 <sup>nd</sup>	3	▪ Founder couple ▪ Eldest son
7	14	40		Private Education Center	Husband (45 years)		1 <sup>st</sup>	2	▪ Wife
8	40	20		Wheat wholesale center	All nine sibling		2 <sup>nd</sup>	9	▪ 4 <sup>th</sup> & 5 <sup>th</sup> sibling
9	33	6		Gold and Jewelry shop	Mother (59 years)	Extended	1 <sup>st</sup> - 2 <sup>nd</sup>	3	▪ Mother ▪ 2 <sup>nd</sup> daughter
10	50	12	Medium	Rice factory	Mother (73 years)		1 <sup>st</sup> - 2 <sup>nd</sup>	4	▪ Mother ▪ The youngest daughter
11	40	80		Snack (plum) food production	Father (68 years)		1 <sup>st</sup> - 2 <sup>nd</sup>	5	▪ Founder couple ▪ 2 <sup>nd</sup> son's couple
12	52	10		Watch wholesale center	Father (74 years)		1 <sup>st</sup> - 2 <sup>nd</sup>	9	▪ Mother ▪ 2 <sup>nd</sup> daughter
13	21	10	Small	Wood crafting and Handicraft shop	Husband (42 years)	Nuclear	1 <sup>st</sup>	2	▪ Wife
<b>Total business</b>		13			<b>Total interviewee</b>			28	

### 4.1.3 Data Collection

This research adopted the case-based method as the research strategy (Yin, 2009) to explore the hidden contexts and content of sociological aspects (Mayer, 2001). The FOB's nature is complicated and dynamic in nature. That is why using a case-based method is suitable for exploring the phenomenon which cannot be represented as numerical facts (Irava and Moore, 2010).

Due to the lack of statistical databases in the Myanmar Census Bureau, this study contacted several FOBs in person over the three Divisions (e.g., different population density, market nature and customers' preferences). After informing them about of this research's purpose and plans, some businesses agreed to participate in the survey and formal appointments were made by post or mail or phone calls. During the survey, we also examined the business's features to classify those family-owned businesses according to four different criteria (described in Chapter-3). Through this way, we selected thirteen businesses in several industrial types, such as foods, daily goods, accessories and education. All the businesses were legally registered and well-known firms on both regional and national level. This survey provided us with rich information about the relation between family and business. According to Yin (2003), six to ten cases are sufficient to research a phenomena, this research process is adhering to Yin's guidance.

As mentioned in the case study protocol, this study conducted the survey in two modes: formal mode and informal mode. Formal mode refers to the formal setting with the family, while informal mode refers to the casual conversation or visit to the business, members and employees. It includes self-observation related to FOBs, such as family members in the relationship, customers dealing patterns, business activities and employees' management.

- (1) **The formal mode** is the interview held with the family leader and other members in a one-to-all conversation. During the interview, semi-structured questions were asked for approximately 45 ~ 90 minutes.
- (2) **The informal mode** captures of all the information of the researcher's senses (i.e., understanding, awareness, experience and self-evidence) of the business's environment. Therefore, for the informal mode of observation, the time is longer than that of the formal mode. During the survey, audio memos, photos, notes are recorded together with some collected documents. Also, the understanding of those businesses are kept as self-evidence.

### 4.1.4 Data Analysis Steps

The analysis steps were based on the transcription of audio files, field notes and interviewer's experience and knowledge. We applied Yin's (2003) *analytical concepts* and implemented the *analytical process* associated with grounded theory (GT) by Corbin and Strauss (1990). Since, GT entails inductive reasoning to systematically generate the contextual data with a coding process (Glaser and Strauss, 1967) and determine the unidentified facts, contexts and content. As mentioned

in Chapter 3 (Methodology), the analysis process generated with *six main steps* which included three coding steps (*Open coding, Axial coding and Selective Coding*). This was iterated until no more new contextual data was found. The coding step is based on two core principles: changing (the evolution process of coding concepts) and determinism (concept based thinking and sequential responses) (Corbin and Strauss, 1990). During the coding process, the categories (i.e., similarities and differences) and their correlated linkages are sought to generate a concept and provide facts to generalize. Meanwhile, the role of analyzer is also important in the analysis steps using himself/herself as the instrument to combine his/her understanding, experience and ways of thinking. This way, the theoretical concept is generating by the analyzer. The detailed analysis steps are described in Figure 4.2 as follows.

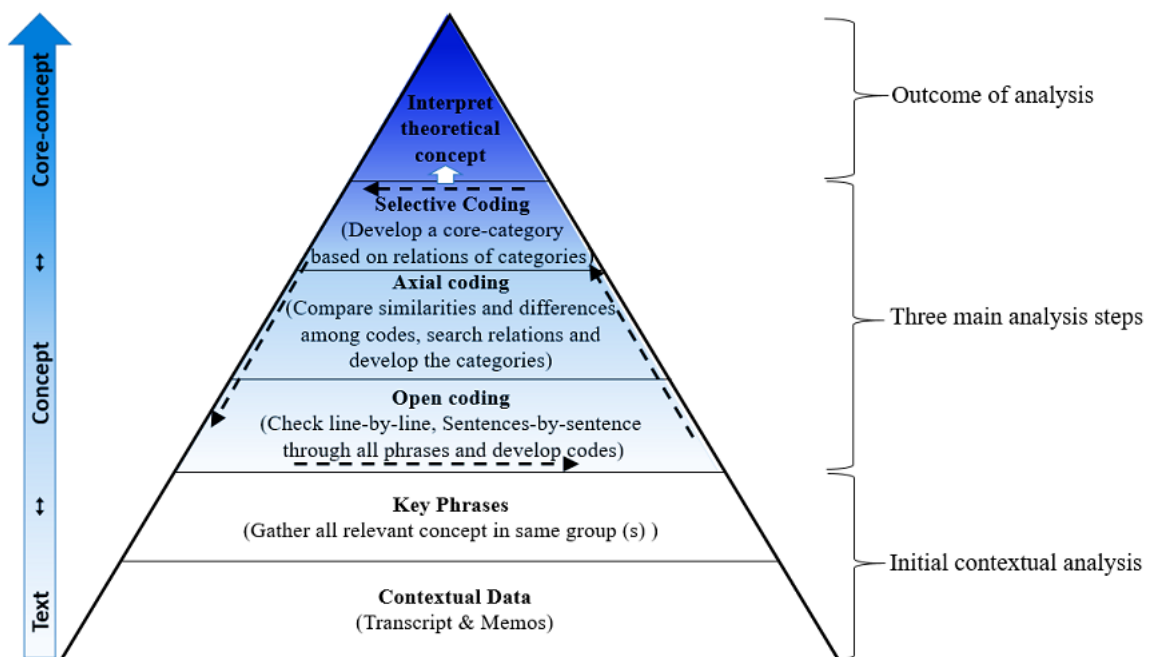


Figure 4.2 Data Analysis steps

## 4.2 Family of Resource Core-Categories and Categories

It has been suggested that familiness emerges from the interaction results of the three components (family entity, individuals and business). In other words, according to the sources and attributes of the family (families), familiness originates. Therefore, this study focused on the originators' families, especially, the grounded nature of the family. Five core-categories evidently facilitated the occurrence of familiness. Namely those are; member's engagement, family unity, internal governance system, family leading pattern and family attitude. These resource aspects manifest in three entities (individual - family - business) consistent with the original concept (Habbershon and William, 1999). The detailed categorization of family resources are described in Figure 4.3.

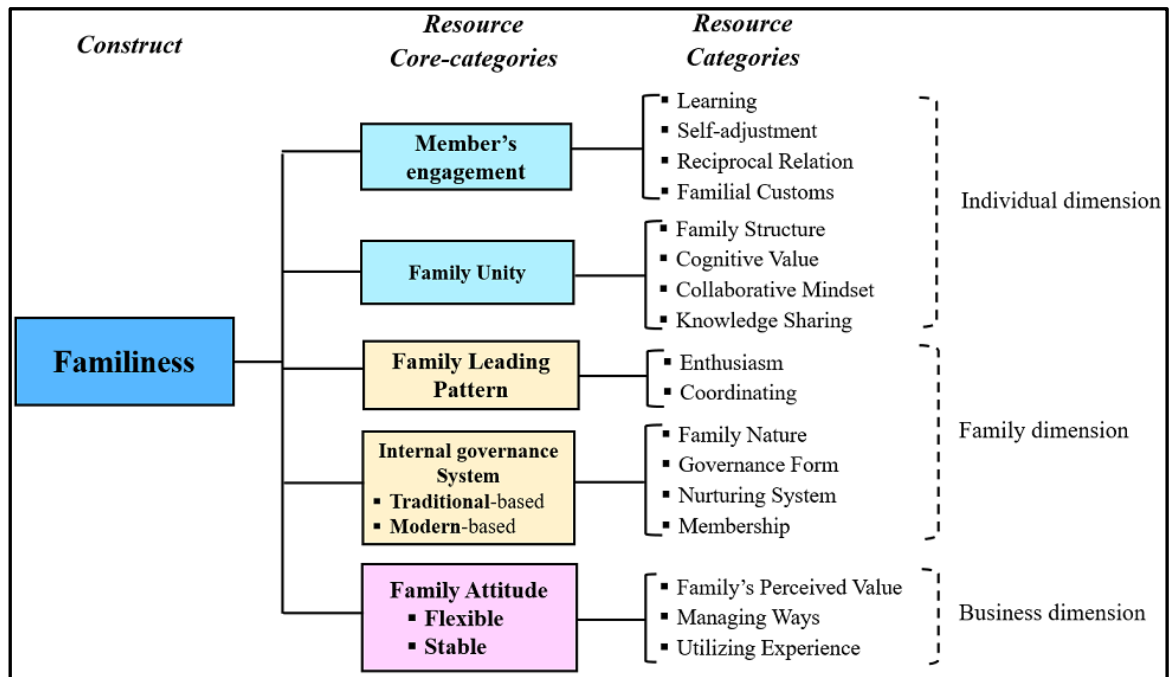


Figure 4.3 Summary of Resource Core-Categories and Categories

#### 4.2.1 Member's Engagement

**Definition:** Member's engagement refers to the members inter-linked within the family system. If the family is seen as a system, the individuals' engagement is like as the glue bonding the family system. The empirical findings describe that the member engagement is initially introduced from the individuals' self-serving and sharing to the whole group, after that it acts as the bond of the system. The involvement is of a tacit nature and not distinct in terms of resource figures. This facilitates many work behaviors, especially familianness. Therefore, it has been assumed that member's engagement is a kind of intangible resources for FOB by RBV aspect (Barney, 1991). The detail features of engagement are described as follows.

**Importance of member's engagement:** For the family system, the existing role of member's engagement is important. Sometimes, it can be seen as the mechanism to compile the member's learning, sharing, reciprocal relations and self-adjusting. Although this four background facts have particular aspects, each is integrating in the natural sense to provide member's engagement.

##### (1) Learning

**Definition:** Learning is a fundamental fact in all aspects. Specifically, practical learning is the most valuable for any person. Not only does it give raw knowledge, but also it builds experiences. Learning can occur everywhere, even in family's customs, parental relationship and sibling affairs. Learning can also facilitate the understanding and reciprocal relationship between two parties. This way, learning can generate all the constituents of cognitive mindset and physical behaviors.

*Although we were familiar with some business tasks, we needed to learn a practical one in business that makes us understand all. As for me, I made so many mistakes in selling and buying gold accessories. My father didn't blame me and allowed me to try again, this way I learnt that practical task at business. (Case-6)*

*Among three daughters, the second one is the more talented and interested in the gold technique. My husband knew about this and taught her in summer time. Even, when she was young, she was happy to learn and enjoyed it. Now, she is leading this business. (Case- 9)*

*My husband's hobby is snack food production, and he made tried a lot before our marriage. Owing to his persistence and patience, his work is now thriving in Yangon city area. Therefore, time, effort and persistence are the real investment in our business rather than the financial one. (Case-11)*

*When I finished my high school, my mother made me join the watch selling shop due to some employees' conflicts. From that time, I learnt a lot: patterns of dealing with customers, relationship with the environment, i.e., managing the business in general. Although, I was tired at that time, but now I can handle everything. (Case-12)*

## (2) Self-adjustment

**Definition:** Self-adjustment is negotiating from the involved person side with the behaviors. In that relationship, self-adjustment is the basic cognitive sense for a smooth relationship. In case of FOBs, individual's awareness and understanding make them self-adjust. Without this adjustment, members couldn't participate well in communication. This research found that self-adjustment of the studied working members was excellent in different kinds of relationships (customer dealing, supplier interactions and family affairs).

*You know, the nature of a gold business is different from others, so we have to take care of every single communication. So, we get a lot of knowledge from both the customers' and suppliers' sides. Although my father taught us the gold business technique and customer nature in the market, I often made some mistakes. In doing so, we adopted this pattern. (Case-9)*

*When the eldest brother taught me about the rice and paddy trading nature, I thought that it was easy for me, but actually it was not. The most critical thing to consider is the proper actions of the business process. Practical experience from many times, now I can handle it by myself. (Case- 10)*

*We built this business by ourselves, so we never make the unnecessary business tasks. This place is the most famous touristic place in Myanmar, and we have to think of wood*

*crafting design and the selling plan season by season. Also, we do our best in business, for example, I can speak English a little, so I always manage the reception, while my husband handles other raw materials and employees. (Case- 13)*

### (3) Reciprocal Relationship

**Definition:** Reciprocal relationship is considered the mutual interaction between two parties for understanding without selfishness. On the long-run, it would lead to trust and transparency among those people. This research found that the relationships of the *working families* adhere to reciprocal interactions and they are willing to complement each other without expectations. For working families, the familial governance and their leading patterns can motivate members' reciprocal behaviors. This relationship is especially important for FOB, it can smooth the communication, understanding and tie system.

*Even spouses are involved in the business, we still have mutual relations on both the family level and business level. I think this great mindset has developed from our father's guidance and it reflected to us as a good foundation. (Case-2)*

*Nowadays, all our nine siblings are working together in this business. Yes, we do not have a leader, but we understood each other's string and weak points and based on this we complement each other. Even if we argue sometimes, somehow we solve the problem after that. (Case-8)*

*My husband loves an open-minded relation with our children. Thus, he never pushes them to do the work. However, he demonstrated to the kids how to struggle in life while running the business. Luckily, two of the sons understood him, and they joined the business. (Case-11)*

### (4) Familial Customs

**Definition:** Familial customs refers to the family itself, the way of treating things, behavior or traditions within their family unit. Every family has its own customs some are different from other families. This customs might be influenced by previous generations in the form of transferred experience and knowledge. For example, parents usually nurture their children decision making behaviors in family matters and also social relations with the community. References considered family customs as part of culture. The familial habits include social relations, decision making, conflict and governing systems. Normally, such customs of family behavior includes their working nature. Through this concept, the study assumed it as a resource of tacit nature. This research found that Myanmar working families make a regular meeting of breakfast time and dinner time when all the members gather.

*Based on my hobby, I want to produce gold accessories for the shop. Because, this is the knowledge of ages and I prefer to create new designs for customers' to get their attentions and listen to with others opinions. (Case- 6)*

*In our customs, the eldest one has to take care of the others in family, same in business. When a younger sibling joins the business, the eldest gives guidance and shares his experience. This is our family's custom. (Case- 10)*

*As the first participator in this business, I understood the business nature. So, when my elder sister joined the business, I shared with her, other members did too. My younger brothers are experts in seeking outside information, so we shared at night during dinner. (Case-12)*

*Even my husband and I get different assignments at work, we note down on the whiteboard the activities that we need to do and also some customers order. This is the way, we communicate together. If some urgent case occurs, we communicate by phone. (Case- 13)*

#### 4.2.2 Family Unity

**Definition:** Family unity represents the collective behaviors of members derived from their homogenous mind-set. It is not only a result of physical behaviors but also seen as the mental commitment of the family members. Naturally, the unity is in tacit form and implicitly embedded in the members' mindset. Primarily, this unity comes from the attributes of the family structure and members' cognitive value that makes up their strength to be considered as one unit. Therefore, this mindset is valuable, it is difficult to duplicate and can't be substituted by outsiders, which is regarded as the resource by the RBV aspect (1991). This study found that all of the surveyed Myanmar families possesses the strength of unity.

**Importance of family unity:** Family unity is the members' statement that shows their retention of the two entities. In the simplest form, it is natural and seems less important than others, but it is a fundamental feature for all families, especially for working families. In fact, unity is necessary for any family and helps to overcome a variety of conflicts and un-healthy relationships. It is worth noting that this unity mindset cannot occur in an instance but from the members' cohesiveness which is based on respect, happiness, satisfaction and collaborative mindsets. This research found the family unity has four integral parts that provide this resource. Family structures, familial cognitive values, mutual relations and knowledge sharing, all those features shape the daily behaviors of the members. The four integral parts of the family unity are shown in figure 4.4.

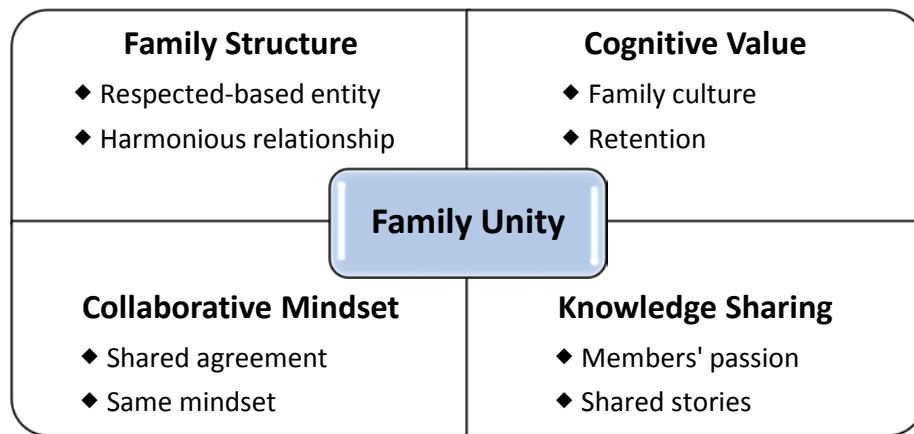


Figure 4.4 Family unity of Categories

### (1) Family Structure

While the family is seen as a system, the family structure holds as the framework of a respected age system, gender and ethnicity with members in harmony. Based on the existence customs, family articulates their structure which involve the hierarchical member level, relation and entity, for example, the parents-children (kids) relation in a nuclear family. Regarding the family type in Myanmar, the most common families are the nuclear and extended families, and their aging are respected which makes them a tie among members. Interestingly, the role of gender is equally treated in both male and female (e.g., son and daughter) and it allows freedom in all affairs of the family. Such kind of families seem to be harmonious in social behaviors.

*We love to follow the traditional norms and customs, and guide our sons as well. Although, we wish to have the openness and frank relationship between parents-children, we keep our respect system between the members. That is a good way in the family. (Case-1)*

*Now, all siblings are working for this business and preserve our father's brand name. Also, all nine siblings are still not married, and we live and work together, due to our father's guidance. Even we had some quarrel with each other, we can reconcile quickly. This to honor our father (Case-8)*

*We have seven kids and we couldn't cover all things at the same time. So, we guided the eldest one to take care of the younger siblings. This customs make the tie and bond system between them in family. Even, they are adults now having their own personal life, their emotional connections are the same as when they were younger (Case-10)*

### (2) Cognitive value

**Definition:** Cognitive value refers to the family's value system that is implicitly appreciated within a family. This value system is a group-oriented form and based on the family culture. Based on the

different cultures, the values appreciated may differ, for example, some families assume that hard working is the value, while some families want to be the well-known group in the social community. This research found that cognitive values of working families are related to their attitude and behavior that support healthy businesses. Besides, the cognitive value of working families are acquired by the members by retention and appreciated mindsets.

*In this region, our parents first established the weaving factory using manual processes. So, they are the first developers of textile products and then other firms followed. Due to their efforts, the business succeeds in the market. Thus, they always prefer to work hard in everything. (Case-2)*

*This family is based on our love, and we appreciate our relationship, kindness and fulfilment. Through this understanding, we can create and extend our efforts for business. (Case-3)*

*We consider children's openness and freedom. Thus we never push them but give the appropriate guidance. This habit makes them in touch with the real life and understand how to struggle with life in this century. This way, children learn how to make efforts to survive in life. (Case- 11)*

*Grandmother has taken care of us with her disciplines, and our parents also appreciated it. That made us have a good foundation to work systematically. For me, I even joined the business when I was young; I can make my own sense and efforts in doing business. (Case-12)*

### **(3) Collaborative mindset**

As for working families, their institutions form a network system that seems more density than normal families who do not join together in their own businesses. Therefore, the working environment of FOB families is more advanced in collaborative practices and led by their willingness or goals. The family members' collaborative mindset is a part of the family unity and it includes shared agreements and siblingship with the same mindset that strengthens the unity.

*Although I am a father and the decision maker, I always listen to other members, discuss ideas and opinions with them. In this knowledge age, the information flow is very fast and my son's spouse can know about it more than me, so we always get into group decision. We never make decisions unilaterally (Case-1)*

*My second daughter was interested in the gold shop and she wanted to help to her father. Thus, my husband taught her the business during summer time. In doing so, she become the business lady in our family (Case-9)*

*Even my father is getting old, he always helps us by his advice, suggestions and how to handle matters. Also, my mother facilitates for the other members. This way, my parents collaborate in both the family and business matters (Case-12)*

#### **(4) Knowledge sharing**

Knowledge sharing is one driver of family unity and it is embed in members' passion and family language. Since, family nature itself is heterogeneous and less bounded with openness in all matters. Thus, members' willingness and passion encourage establishing trust and sharing. In case of FOBs, family maintain relationship based on either parents-children interactions or sibling relationship that makes stronger family ties than other among other members not from the family. Besides, members have their own communication ways within the family entity (i.e., facial expression or signal) and it gives them tacit awareness and understanding. Such language is assumed as the family language and it partially makes the members work smoothly together.

*Even though my sons are somewhat familiar with cows, they still need practical understanding. Thus, I always give guidance and now the youngest son has become interested in cows and works with us. (Case 5)*

*Our family's aim is to live and work together without separating from each other. The main thing is we understand all members' behaviors without using words. This communicate easily, especially at work. In my opinion, the most important thing is agreement. (Case-6)*

*Due to my husband's willingness and his mother's encouragement, we decided to continue this business when it didn't make much. My nieces and nephews also work with us. Therefore, the success is due to all members. (Case 7)*

*As our family customs, the eldest child leads the younger child. The younger siblings follow the steps of the eldest and they always participate in every matter as a group. Through this relationship and followership, the family's tie and business bond are stronger. (Case-10)*

*Although both of us alternatively assign the duties at the shop and at home. I understand my husband's previous work, what he wants to focus on currently and in the near future, and him too. This way, we have the understanding links and it makes smooth business process. (Case-13)*

- This research finds two core-categories representing the integral behaviors of individuals in social, cognitive and working aspects. Since, this core-categories can explain the insights of the family members and its nature which could probably generate the unique resources of familiness.

According to the RBV aspect, family's engagement and the unity mindset are assumed of tacit nature in resources which couldn't duplicate and substitute from outsiders (Barney, 1991).

### 4.2.3 Internal governance system

**Definition:** Internal governance system means the governance framework of the family and organizational style whereby a family coheres as a unity. In other words, the family's context (parents-children relation and nurturing) and orientation patterns (leadership, ties and customs) are involved in an integral part of the governance system to illustrate the family nature. Besides, the internal governance system is naturally homogenous and couldn't be seen separately within a family system.

**Importance of internal family governance system:** While family is viewed as a system, the inside mechanism or institutional framework is important. In fact, the internal family system governs all members' affairs, such as the way of living, relationship, social, education and economic matters. Evidences described that all working families have a good internal governance system with their own ways and shapes. Evidences have shown that the family could not become a good family without having a good internal governance system. Indeed, four background features are implicit in working families in Myanmar; family nature, leadership, nurturing patterns and membership, as shown in Figure 4.5.

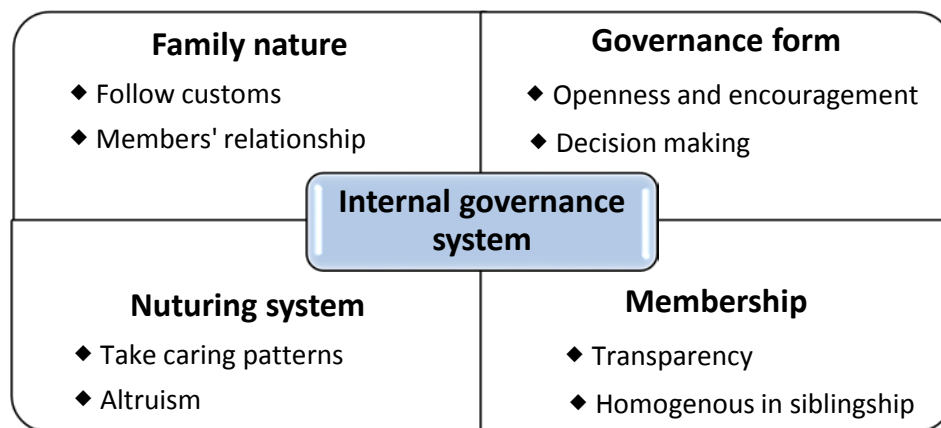


Figure 4.5 Internal family governance system of Resource Categories

This research revealed that the internal governance system has two forms in Myanmar's FOBs; *traditional* and *cooperative governance system*. Traditional dominant governance system is characterized by a hierarchical governance structure led by the household head, while cooperative system is characterized by a horizontal governance structure operated by all members based on consent. We also found that this two-governance system are silently embedded in their families and it shapes the family framework and attitudes explicitly, such as interaction and behaviors. This

research found five out of thirteen families using traditional governance and the other eight applying cooperative governance as shown in Table 4.3.

Table 4.3 Two types of Internal Governance Systems in Myanmar FOBs

Family governance system	Family's features and orientated patterns
Traditional internal governance system (cases 2, 4, 7, 12 and 13)	<i>Nature:</i> Follow the tradition and hierarchical relationships <i>Governance form:</i> Lead by parents or a spouse as a single decision <i>Nurturing system:</i> Set disciplines and influence children's lives <i>Membership:</i> Members are followers in the family
Cooperative internal governance system (cases 1, 3, 5, 6, 8, 9, 10 and 11)	<i>Nature:</i> Prefer the horizontal relationship between parents and children <i>Governance form:</i> Group-oriented / shared agreement <i>Nurturing system:</i> Give guidance and encourage members <i>Membership:</i> Members work together within the family

#### 4.2.3.1 Traditional internal governance system:

**Definition:** Traditional internal governance system means a family system is based on a patriarchal society and the father or husband or brother is the head of a family in front of the community. The other members are obliged to follow the leader's will in all matters according to the family customs. These traditional norms are important in the governance system which is anchored in the conformity and customs which are the main stems of the family system. This traditional family system is not similar to the conservative family form. In such families, the leader plays an important role to create the family bonds and an atmosphere of family unit. This further includes managing the family socio-economic affairs and generational phases. In business, these types of families prefer to do the work with discipline and take responsibilities that always keep their own capabilities for business. This research showed that some Myanmar families are still based on traditional internal governance system.

*My father is a traditional man and he is really concerned with each person's needs. We only had three new school uniforms every year when we were young. After graduation, we joined the business with his guidance. When he retired, all the siblings helped and collaborated with the third son, who is the current manager. (Case 2)*

*When I was a child, I was guided by my parents. We applied discipline to our children while taking care of them. We never forced them to work but gave them guidance to become aware of themselves. (Case 4)*

*My parents came from a city in northern Myanmar, so their habits are similar to those of people of the olden days. We couldn't go outside after 6 pm. It was a good foundation for us. When we set up the business, we could be independent. (Case 7)*

*My father is a decision maker and my mother managed all children's matters. She guided me to help my father 20 years ago. And I've learnt business techniques from the employees. Now, I can handle all kinds of business tasks and all the challenges. (Case-12)*

*We started this wood carving business with all our efforts and we used our own rules to keep the business. Even when the business become popular in the tourism market, we did not let go of our current routines and status. We all (employees and family members) follow it. (Case-13)*

#### **4.2.3.2 Cooperative internal governance system:**

**Definition:** Cooperative internal governance system refers to the family system organized by members who are working together for a common purpose or benefit. Such kind of families and the members are free from conformity and without boundaries. This internal governance system mainly emphasizes common agreement in a group behavior. Although, parents have one level to govern the family, the parents prefer homogenous relationships and persuade others to follow their way. Thus, most of the members of such families have cognitive and emotional frank relations leading to trust and transparency. While comparing with the traditional system, such kind of cooperative family system explicitly prefers to deal with the environment and to work flexibly. Example quotes are listed below.

*We have frank relationships in our family, there are no secrets between us. We always appreciate all members' opinions in every matter and consider the most appropriate approach that satisfies everyone. (Case 1)*

*We have never blamed each other in our marriage. We are understanding and sympathetic to each other within the family. This enables us to improve our business. (Case 3)*

*Our family has no rules and restrictions, but we do follow the customs with respect and with obedience. We love openness and share in all matters. Even if my kids make mistakes, we let them start again. (Case 6).*

*My father taught us to be honest and trusting in our personal life, as well as in business. He built the business with this soul and taught us to run the business well. The business is well-known and customers trust our business. (Case-8)*

*We do not force the children in any matter including their personal life, but encourage them to fulfil their will. But, we showed them the ways of life. When they grew up and thought for a career for themselves, they wanted to join to our business. Now, we extend our business with their cooperation. (Case-11)*

- These two family governance systems are the most common family systems in Myanmar FOBs, both are not associated to any residing areas (rural or urban). However, such kind of customs and behaviors are partially influenced by the experience of the previous generations, knowledge and skills. Furthermore, it has been found that this internal governance system affects the business features.

#### 4.2.4 Family Leading Patterns

**Definition:** The family leading patterns refers to the leader of managing, organizing and governing the skills with respect to both family and business matters. The leader mainly coordinates all family members' efforts by motivating and persuading them while keeping in mind points of strength and weakness. Such family leading patterns generate the family mechanism by integrating the members as embedded resources (unity and governance systems) and the leadership patterns.

**The differences of governing and leading patterns of FOB:** Overall, the family leading patterns is similar to the internal governance system but with a different perspective (individual/group level and leading). In fact, a family applying internal governance system usually focuses on the family as an entity while maintaining the orientation system. While a family leading patterns consider both the entities and also the shaping of the goal, however both aspects of the final goal are the same to maintain the family life along with the business. Therefore, both are equally important in such families and the business.

**Importance of family leading patterns:** When the family possesses their own resources for business but the leader's guidance is not suitable, then the business cannot survive on the long run. Thus, the role of family leading is important for both the family and the business. The leader's life experience, attitude, and concern about the future are all real triggers. Within the FOB, the leader mainly enforces two principals upon the member: *coordination* (performance) and *enthusiasm* (cognitive values). These two principals are interlinked to each other within the family group and it can't be provided by outsiders or other private businesses.

Furthermore, we found that the leader is not only managing the family coordination, but also handling the feedback (i.e., satisfaction or success or failure) to maintain the family unit. For example, the family invested their honesty in business and when the customers trusted it, the family made up their own business process on it (case-1). Comparing with RBV aspect, this coordination of family features are regarded as the resources of the RBV aspect (Barney, 1991). In Myanmar culture, the

family leading patterns are explicitly led by the family leader who is the father or husband in the family and he collaborates with all members' for both the family and the business. In working families, the leader's enthusiasm and willingness are vital and it drives other members of emotional and physical performance.

### **(1) Enthusiasm**

Generally, enthusiasm refers to the person's strong feeling or eagerness which drives the effort for some subject. In case of working families, all members have some degree of enthusiasm to participate in business, especially in the family leader. In fact, the leader's ways of heading can depict the ways of business performance. It was found that the leader's enthusiasm comes from his/her willingness and persistent mindsets. Without having enough of those of mindsets, the leader could not generate the successful business on the long-term.

*Although our parents were surviving in the past, they tried hard and used their passion, persistence and patience for the business. Therefore, the business is now open for over 58 years with branches and we will carry such mindset in our generation. (Case-2)*

*Until now, my father is always searching for an opportunity for business. Based on my mother's guidance, I joined the business 20 years ago (I was 16) and my siblings joined after their graduation. Under my father guidance we combined our efforts for the business and used modern time tools, e.g., Facebook pages (Case- 12)*

*My husband's aim is to have a big wood crafting business and he has been learning wood crafting techniques for many years. We set tasks with planning, sharing and linking with each other. Nowadays he understands all about the business nature and market condition. For me, I provide my opinions and ideas to him. (Case-13)*

### **(2) Coordination**

Coordination refers to the organizing the people in a process for the common goal. In FOB, the family members' efforts play in a central role in the business and it generates the business' capabilities. Here, the leader is important and his/her coordination abilities is essential in the FOB. This can be handled in two different ways: family (i.e., emotional orientation) and business (i.e., economic orientation). Both are complicated and need to be in harmony. The leader's knowledge, experience and decision making are drivers to generate the coordination process and events. It was found, that the leader's interconnecting skills and collaboration with the members are important for the business success.

*My father's aim is to extend the business's network, and his motto is "be honest and trust". He always practices his motto and guides us to be honest. In doing so, the customers and suppliers trust our business for many years till now. Both my mother's guidance and my father's teaching give us a good background. (Case-8)*

*Especially, I like to make gold accessories and father admired that. When we were young, we helped my father's work and learnt at the same time. We got the experience and now we can combine all our efforts for business. (Case- 9)*

*My husband's willingness is to operate the rice factory by investing all kinds of assets that we have (time, finance and patience). So we persuaded our children to follow my father's will. When the eldest brother joined the business, my husband was happy. According to the customs, the husband's willingness and my guidance shape the business's image. (Case-10)*

*This business (plum snack) started as my hobby, it took so many years to penetrate in the market. For the children, I never forced them and just give guidance in the way of thinking. But we appreciate openness. In doing so, my children understand our concern and they collaborate in business, even their spouses and our grandchildren. My wife and I are always sharing our experience and knowledge with them, they are doing the same. (Case-11)*

- It was found that two categories (internal governance system and family leading patterns) appear as the family nature. Both provide the fundamental orientation form of the family to handle business's tasks. According to the RBV perspective, such family features are both tangible and intangible resources with valuable and inimitable forms (Barney, 1991). Thus, this study assumes both as the *family resource dimension*.

#### **4.2.4.1 The Relationship between Family resources and Business Features**

Interestingly, this research found the two types of internal governance systems functioned differently depending on the business performance. Accordingly, families' business behaviors and performance outcomes differ, appearing to be aligned with their business capabilities regarding the KPI's (Key Performance Indicators) aspect. More specifically, the non-financial KPIs scales were used to measure the FOBs' capabilities or competency in the market (i.e., the business generating the products and the competition in the market). Analysis results and evidence found that Myanmar FOBs has two different performances regarding to the family nature background; ***product-oriented strategy*** (control the internal capabilities) and ***market-oriented strategy*** (create the external business opportunities). Two different types of resource natures and business features are described in Table 4.4.

Table 4.4 Relationship between Resources Dimensions and Business Behaviors

Family	Business's competitive advantages			
	Familial Resource Dimension	Individual Resource Dimension	Business behavior	Performance outcome
Case 2 Case 4 Case 7 Case 12 Case 13	▪ <b>Traditional governance system</b> + family leading patterns	▪ Family unity ▪ Member's engagement	<ul style="list-style-type: none"> <li>▪ Maintain product quality</li> <li>▪ Monitor customer feedback</li> <li>▪ Duties and responsibilities</li> <li>▪ Monitor the market's condition and create business strategy simultaneously</li> <li>▪ plan and schedule for keeping a business competency</li> </ul>	<b>Product-oriented strategy</b>  (Control internal business capabilities)
Case 1 Case 3 Case 5 Case 6 Case 8 Case 9 Case 10 Case 11	▪ <b>Cooperative governance system</b> + family leading patterns	▪ Family unity ▪ Member's engagement	<ul style="list-style-type: none"> <li>▪ Adjust business mechanisms per market need</li> <li>▪ Keep business flexible</li> <li>▪ Create strategy to respond to market/customers' needs</li> <li>▪ Produce products for customers flexibly</li> <li>▪ Think in parallel about customers and business</li> <li>▪ Based on customers' needs, flexibly create strategy</li> <li>▪ Used technological aids to compete in the market</li> <li>▪ Monitor the market's news and create strategy</li> </ul>	<b>Market-oriented strategy</b>  (Create external business opportunities)

Traditional families prefer a steady family governance system that purportedly maintains discipline in the family entity. This mindset appears to be a basic family capability that leads to business competence. Similarly, the interaction of the family members (e.g., engagement) and their collaborative mindset (i.e., unity) follow the discipline of family system. Businesses of such families always maintain product quality. Their competitive advantages are seen as a result of **controlling the internal business quality** rather than focusing on an outside strategy. This business behaviors was shown as an example in; cases 4, 7 and 13 from the following quotes.

*My wife and son are always trying to listen to the customers' voice and monitor our products. (Case 4)*

*My parents always maintain discipline, and this was a good foundation for us when we set up the business; which made us work very sharply (Case 7)*

*Due to my husband's management, we can handle business tasks systematically we even assign duties alternatively. (Case 13)*

FOBs following a cooperative family governance system prefer to deal with customers to create the business opportunities. The family members prefer to touch the outside environment and focus on the market according to their resources competencies. Therefore, their competitive advantages are considered to be the result of creating external opportunities with customers in market. Examples of such business behavior are obvious in the following quotes:

*Our main concern is creating flexible strategy for both the customers and our business.*  
(Case 3)

*We decided to move to the Yangon to extend our business network, and attract customers' attentions.* (Case 5)

*As you know, our customers are farmers, and we always try to create appropriate selling plans for them as instalment systems during rainy seasons.* (Case 6)

*As a rice factory, we have to consider both sides: the customers' and also the business. Our factory is built in an appropriate place (near both the harbor and the city), using high quality machines and trading with reasonable prices in the market.* (Case 10)

*We always think how to create our own style "plum snack" in the market after monitoring the market's conditions and customers' preference. This way, we can produce our own brand even with many competitors in Yangon market.* (Case 11)

- This research found that the embedded resources of families and individuals not only generate the family's internal capabilities, but also create competitive advantages for businesses. We synthetically analyzed each FOB case, and summarized our findings in Table 4.4. Based on those findings about the resource dimensions (i.e., family and individual), the table shows the resources of business, behaviors and the respective performance in market.

#### 4.2.5 Family attitude

**Definition:** Family attitude refers to the way of thinking of persons about subjects and also the manners that illustrates the person's disposition. Analysis shows that families' attitude exists in an intangible form and it manifests in the families culture and living styles. It was also found that the family attitude is framed by the family's cognitive values and leadership patterns of the family as a basic social unit and of group orientated form.

**Importance of family attitude:** Nowadays, researchers are emphasizing on emotional intelligence (EI) in many aspects. The root of intelligence is associated with personal attitude, and it has been neglected in most studies. Attitude can shape either the positive or negative image of a person, also of a group such as a family. This research found that the family unity and internal governance system are associated with the family attitude, heads the group level behavior. For example, the father

concern about his children' career, he persuades them to join the business to keep the family bond with the business. The role of leadership becomes essential for both family ties and business stability to shape the family future and generation.

The study found two types of family attitudes: *stable* (steadiness resulting from traditional governance family style) and *flexible* (adjustable resulting from corporative governance family style). These two types of attitudes are not only generated due to the family nature but also shaped by the business features. Scanning through the thirteen families, it was found that different family attitudes correspond to different business features. Cases 2, 4, 7, 12 and 13 (5 out of 13) can be categorized as stable families and cases-1, 3, 5, 6, 8, 9, 10 and 11 (8 out of 13) as flexible. The features of each are described below.

#### 4.2.5.1 Stable family attitude

As we found that stable attitude is correlated to strict and discipline behaviors and it was mostly found in traditional dominant internal governance systems. The family leader preferred rigid rules to keep in parallel both the family and business stable. Therefore, he set the motto or objectives to guide the members. Mostly, the leaders showed their efforts (i.e., persistence, patience and enthusiasm) to demonstrate and persuade other members. From the member perspective, they are guided by the family customs. Also, the internal governance patterns maintain such stable behavior among the members. This research found that these attitudes are not associated with the leaders' age, education or their living places, but probably with the previous generation who transferred their experience and customs. Each stable based family studied and its business behaviors are described in Table 4.5.

Table 4.5 Stable family attitude and its business features

Illustrative quotes of FOBs		
Family behaviors	Family attitude	Business features
<ul style="list-style-type: none"> <li>▪ After graduation, we participated in this business and my father taught us a lot about it. My father handed over the business to the third son as a leader. My father is still guiding us. (Case-2)</li> <li>▪ My motto is "sincerity first and work hard second". We handle our financial statement ourselves, and I always share my experience with my wife and son, and I want them to work hard for the business. (Case-4)</li> <li>▪ According to the business philosophy, we assign the duties and responsibilities to all the staff, including me and my husband. My husband is always willing</li> </ul>	<ul style="list-style-type: none"> <li>▪ The father leads and manages all business aspects</li> <li>▪ The leader manages all aspects of business with enthusiasm and guides other members</li> <li>▪ The couple applies discipline and planning to</li> </ul>	<ul style="list-style-type: none"> <li>▪ The business is completely managed by two generations</li> <li>▪ The business is managed enthusiastically by the leader who provides guidance</li> <li>▪ The business is generated by the</li> </ul>

to promote the education center, and we plan to connect with international universities (e.g., Singapore). (Case-7)	manage the education center	couple's efforts and planning
<ul style="list-style-type: none"> <li>▪ Grandmother took care of us with discipline, e.g., study the school lesson 1 hour after dinner. Such kind of foundation made us handle business with routine. Also, it guides us to go the steps of business. (Case-12)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The grandmother and parents systematically take care to the children</li> </ul>	<ul style="list-style-type: none"> <li>▪ The business is handled by the members' self-awareness</li> </ul>
<ul style="list-style-type: none"> <li>▪ My husband led all the things and he made a plan for every matter. In doing so, we can handle all customers' demand in the tourist area. I and other employees followed his guidance even when he is away from the business. (Case-13)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The husband prefers to handle the tasks with plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business process is systematically managed by the couple</li> </ul>

#### 4.2.5.2 Flexible Family Attitude

Such families prefer to behave freely and frankly in this modernized era. Thus, the leaders and members are homogenous in the family with no boundaries in all matters. Also, leaders allowed the members to choose by themselves and members are free and flexible in learning, working and other social matters, even the family business. It has been noticed that if the second generation is not willing to participate in the business, the leader motivated them to join to the business. For example, in case-5 the father (leader) preferred to follow his personal hobby and interest, therefore the children mindset paid less attention to preserve the business. Currently, the father persuaded his child to participate in business. Such kind of business conditions are flexibly moving and it is difficult to suggest the business future. The flexible families and its business behaviors are described in Table 4.6.

Table 4.6 Flexible family attitude and its business features

Illustrative quotes of FOBs	Family attitude	Business features
<b>Flexible manners of family attitude</b>		
<ul style="list-style-type: none"> <li>▪ We are working together for this business. Currently, I have another job in this community and I cannot operate this factory all the time. Therefore, I give guidance to my family members. (Case1)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The father aims to support his children's future</li> </ul>	<ul style="list-style-type: none"> <li>▪ The leader manages the business but does not regulate the members strictly</li> </ul>
<ul style="list-style-type: none"> <li>▪ We know the good and bad characteristics of business. Learning by doing is appropriate to get experience and is an important step in business. Therefore, we are flexible in thinking for our business and family. (Case-3)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The couple appreciate flexible learning</li> </ul>	<ul style="list-style-type: none"> <li>▪ The business is built on learning by doing</li> </ul>

<ul style="list-style-type: none"> <li>My second son told me to change the business type due to the milk production with cows. However, I love cows and spend all my effort in this work. Therefore, I persuaded my youngest son to participate and now he helps in many tasks with other employees (case-5)</li> </ul>	<ul style="list-style-type: none"> <li>The father invested his efforts and persuaded his children to join to business</li> </ul>	<ul style="list-style-type: none"> <li>The leader aims to keep the business by persuading the son to take over</li> </ul>
<ul style="list-style-type: none"> <li>We aim to do business for this family. Therefore, all members have responsibilities in all aspects of the business. My wife and I always give guidance to my son in an appropriate and flexible manner (case-6)</li> </ul>	<ul style="list-style-type: none"> <li>The parents provide the appropriate guidance to their son</li> </ul>	<ul style="list-style-type: none"> <li>The business is regularly and flexibly operated by parents and son</li> </ul>
<ul style="list-style-type: none"> <li>My parents prefer the simple life and keep honesty in their life. So, they operated business for customers' trust and believe. Thus, business is a well-known firm in our region. (Case-8)</li> </ul>	<ul style="list-style-type: none"> <li>The parents taught children to be honest and gain trust</li> </ul>	<ul style="list-style-type: none"> <li>Business is well-known in the market and</li> </ul>
<ul style="list-style-type: none"> <li>My husband tried hard and always gave guidance to other members. We have three daughters, so he built the business by collaborative strength and persuaded the 2nd daughter to join business. (Case-9)</li> </ul>	<ul style="list-style-type: none"> <li>Father didn't force others but guided others to follow his will</li> </ul>	<ul style="list-style-type: none"> <li>Children are persuaded and guided to operate the business</li> </ul>
<ul style="list-style-type: none"> <li>Our couple alternatively governed to the children. My husband gave guidance to the eldest sons, while I've cared for the daughters. So, we guided and fulfilled the children's wills, and allowed them to join to business. Also extend our own business outside (Case-10)</li> </ul>	<ul style="list-style-type: none"> <li>The couple governed the child flexibly and business as well</li> </ul>	<ul style="list-style-type: none"> <li>The business is operated by self-awareness</li> </ul>
<ul style="list-style-type: none"> <li>Father preferred the children to choose their career by their own decision and never pushed them to do things. All children are aware of this concept and they wanted to join the business with their own efforts (Case-11).</li> </ul>	<ul style="list-style-type: none"> <li>The parents give the appropriate guidance to the children</li> </ul>	<ul style="list-style-type: none"> <li>Children are persuaded and guided to make their own efforts</li> </ul>

- Evidence and analysis found that the attitude may not only shape the family's way of life, but also the way of business operation on the long-term. Therefore, the study suggested that the family attitude is a resource contributing to the business in multiple perspectives. Besides, this tacit shape of resource can't imitate and substitute from others resources (Barney, 1991).

#### 4.2.5.3 Relationship among Family Resources and Business Features

Under the guidance of the research purposed and the research questions, this section illustrates the resource dimensions and its associated business features. As shown in the table, the resource core-categories are grouped according to the familiness. The table explains the relation between the categories and the business performance. The table shows that five out of thirteen FOBs are traditional based and use the discipline form due in their family attitude. Based on this, the members' engagement, family unity and their performance would be different. Mainly, they aim to preserve

the business for the family, thus their FOBs' behavior is of *inward-orientation form* to *control the internal business capabilities* for keeping the products' quality. Such kind of FOBs seems to be stable in the market because the members understand and follow the family leader's will. On the long run, traditional based FOBs would preserve the business over generations.

Eight out of thirteen FOBs are modern based families and they prefer to behave with openness due to their family attitude. Based on this, the leadership system, member's engagement and family unity are different. In particular, to touch real life, the family leader does not force others. Consequently, these families prefer to deal with the environment and create the *external business opportunities* in an *outward-orientation form*. Such kind of businesses seems to be flexible in the market because of the leadership, attitude and members' flexible cooperative behavior. Such kind of FOBs are not surely predictable on the long run. However, if the next generation family members are enthusiastic and interested to make effort, the businesses' future would be brighter. Thus, it has been suggested that the successor role is important for business' continuity. The detailed features of each business is shown in Table 4.7.

Table 4.7 Relation between Resources Dimensions and its Business Features

Business's Competitive Advantages				
Family	Familianness			Business features
	Individual resource	Family resource	Business resource	
Case 2 Case 4 Case 7 Case 12 Case 13	<ul style="list-style-type: none"> <li>Family unity</li> <li>+ Member's engagement</li> </ul>	<ul style="list-style-type: none"> <li><b>Traditional internal governance</b> system</li> <li>+ Family leading patterns</li> </ul>	<b>Stable family attitude</b> <ul style="list-style-type: none"> <li>Leader motivates other members</li> <li>Concerned with the objective and future</li> </ul>	<ul style="list-style-type: none"> <li>Business seems to be <b>stable</b></li> <li>Family members understand and follow the leader's will</li> </ul>
Case 1 Case 3 Case 5 Case 6 Case 8 Case 9 Case 10 Case 11	<ul style="list-style-type: none"> <li>Family unity</li> <li>+ Member's engagement</li> </ul>	<ul style="list-style-type: none"> <li><b>Cooperative internal governance</b> system</li> <li>+ Family leading patterns</li> </ul>	<b>Flexible family attitude</b> <ul style="list-style-type: none"> <li>Leader prefers that the children handle their life themselves</li> <li>Concerned with the flexible way</li> </ul>	<ul style="list-style-type: none"> <li>Business seems to be <b>flexible</b></li> <li>Family members are persuaded to join the business</li> </ul>

#### 4.2.6 Next Generation Family Member of Participating Role

According to the grounded theory, the analysis steps iteratively cycle until nothing new is found. Based on the grounded theory analysis steps and understanding of the participated, this section illustrated some significant findings about Myanmar FOBs. Based on thirteen cases, we clarified

business's explicit features, such as the succession process between the participating family members and their purposes in the business. According to the cultural background, Myanmar FOBs has two distinct features. The First is that Myanmar families do not separate based on gender or birth order. The second is choosing the business's successor does not rely on the members' birth order but on the leader. The detailed features are described below.

#### 4.2.6.1 Succession Process of Myanmar FOBs

**Definition:** The succession process means the leadership transferring process from the old generation to the new generation according to the customs, law and family agreements. Since, the succession process is a critical one based on the business's management, heritage system and soft legal form of the family. Mainly, the current leader and successor are both important in the succession process. Not only are the physical assets transferred, but also the intangible assets (i.e., business's brand, knowledge, experience, family customs and attitude). Two way interaction is very important for the business future.

Interestingly, the study found that Myanmar FOBs during the generation shifting process is distinct from other countries' FOBs. In common family customs, the leader always transfers the business straight to the eldest son. However, sometimes the eldest does not fit for the leadership position (e.g., not interested in working or cannot lead the business),

The research found that the succession customs of Myanmar families are different from other common customs that is the family leader does not apply birth order preference. Accordingly, the leader can choose the appropriate person from among the members. When choosing, the new leader is identified with three features: personal interest, talent and capabilities. This research found that in most FOBs, the next generation is nominated by the leader, while in some FOBs the next leaders are chosen according to their own willingness. Those chosen members are newly participating as the business manager when the business is still thriving in the market. The leader's managing ways regarding the second generation are described as follow.

*We couldn't handle this factory by ourselves, and we **persuaded** our **3rd son's spouse** to join in business. Even our daughter-in-law wanted to handle governance, but I **motivated** her to participate with us. Now, they can operate outside the market and factory. (Case-1)*

*Under the guidance of our father, **the 3rd son** is now managing the firm with **father's advice**. As for me, I operate one sales center, and the other siblings assist, for example in management and with technology. (Case-2)*

*Now, I trained my **3<sup>rd</sup> and 4<sup>th</sup> sons** in this milk production process. Even they were familiar with the nature of cows, but the **practical work** is somehow different. I think, they*

*participated in this business three years ago and they handle most of the business nowadays. (Case-5)*

*My **second daughter** is **clever and talented** in making gold accessories. My husband knew that about her, and he allowed her to work in the shop even that she was in high school at that time. When my husband passed away, the second daughter is now managing this business (Case-10)*

*When I was 16, I joined this watch business. In fact, my **mother made** me join the business due to employees' conflicts. My **father guided** me during that time. I learnt the business techniques from all, even from customers and employees because they treated me in various ways. Although I was tired at that time, I can handle anything even challenges. (Case-12)*

- The example quotes addressed the harmonious relation between the founder and the new generation family members. It has been noticed that the leader's concerns with their handling ways in both family and business matters is a form of objective thinking. The study found that the leader didn't discriminate based upon gender or birth order between the children which is a good trend to preserve the business on the long-run.

#### 4.2.6.2 The Participating Purpose of the Next-Generation Family Members

**Definition:** The participating purpose of the next-generation family members means the reason why they joined the business. Since, most FOBs have struggled in their business life with the generation shifting stage and some businesses have been terminated as a result. Thus, the participating role of the next-generation members is important for the business longevity. This research found that the next generation members have different purposes based on their preference but it can be mainly categorized into two reasons: willingness to handle the business (self-interest), and a willingness to follow the leader's steps (life safeguard). The intended goals are a little different for the two categories, the first wanted to make effort while the second wanted to secure themselves in life. Both had the common purpose influenced by the economic preferences. Thus, the different purposes partially are to continue the businesses.

To understand the members' purposes clearly, the study observed the succession process in eight businesses which are currently in the interim stage from one generation to the next. The studied business cases are described in Table 4.8 below.

Table 4.8 Profiles and Purpose of Next-Generational Family Members

Family	Current leader		Next generation of family member			
	Family's positioning	Age (years)	Family's positioning	Age (years)	Working years (years)	Purpose of participating
Weaving factory	Father	62	3 <sup>rd</sup> son	30	8	<ul style="list-style-type: none"> <li>▪ Father's persuaded +</li> <li>▪ Not interested to work at outside</li> </ul>
Green tea & fried tea production	Father	57	2 <sup>nd</sup> son	37	11	<ul style="list-style-type: none"> <li>▪ Father managed +</li> <li>▪ Work with parents</li> </ul>
Milk production	Father	58	3 <sup>rd</sup> & 4 <sup>th</sup> son	24	3	<ul style="list-style-type: none"> <li>▪ Father persuaded +</li> <li>▪ Do not have a job outside</li> </ul>
Gold and Jewelry production-1	Father	49	The eldest son	26	5	<ul style="list-style-type: none"> <li>▪ Self-interest +</li> <li>▪ To earn money</li> </ul>
Gold and Jewelry production-2	Mother	59	2 <sup>nd</sup> daughter	28	5	<ul style="list-style-type: none"> <li>▪ Self-interest +</li> <li>▪ Help mother and family</li> </ul>
Rice factory	Mother	73	Youngest daughter	40	15	<ul style="list-style-type: none"> <li>▪ To help mother</li> </ul>
Snack (plum) food production	Father	68	2 <sup>nd</sup> son	38	12	<ul style="list-style-type: none"> <li>▪ To operate the business +</li> <li>▪ To secure his family's life</li> </ul>
Watch wholesale and distribution center	Father	74	2 <sup>nd</sup> daughter	40	23	<ul style="list-style-type: none"> <li>▪ Self-interest +</li> <li>▪ To operate a successful business in the market</li> </ul>

### 4.3 Family-Owned Business's Performance

From the RBV perspective, the FOB's performance is indicated by the business competitiveness or strength in market against other businesses that is reflected from the resources advantages. Each business has its own competitiveness based on its different background, resources and capabilities (Barney, 1991). To understand the business's non-KIPs performance, we clarified the activities of the thirteen FOBs based on the timeline and generation phases as described in Table 4.9. Scanning through the non-KPIs concept, FOBs' performance appeared to have one of two shapes: business competency (strength), influence network of the business in the market (products, service or quality).

Table 4.9 Performance Summary of FOB according to generations and time segments.

FOB (Industrial Type)	Business's age (year)	Business's Performance		
		Founder's business activities	Current generation business activities	Business Competitiveness
Case-1  Weaving Factory	36  (1 <sup>st</sup> -2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Established in 1980</li> <li>Produced own logo</li> <li>Changed into wholesale distributor in late 2000</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> son couple joined in 2008</li> <li>Used technology, weaving machine</li> <li>Cooperated with creative ideas</li> <li>Created own textile design</li> </ul>	<ul style="list-style-type: none"> <li>Improve business capabilities</li> <li>Integrated with technology and creative thinking</li> </ul>
Case-2  Weaving factory and distribution center	58  (2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Started in 1958</li> <li>Operated with traditional ways</li> <li>Involved with loyal employees</li> <li>Managed the business by discipline</li> </ul>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> son joined in 2008</li> <li>Changed business management system</li> <li>Imported raw material from India</li> <li>Extended one more branch</li> </ul>	<ul style="list-style-type: none"> <li>Developed business management</li> <li>Upgraded resources</li> <li>Technology usage</li> </ul>
Case-4  Green-tea and fried pea production	37  (1 <sup>st</sup> -2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Founded in 1979</li> <li>Upgraded the product type in 1989</li> <li>Distributed to the whole country</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> son spouse joined in 2006</li> <li>Used machines and upgraded the product types</li> <li>Contracted with supermarkets and extend markets over the country</li> </ul>	<ul style="list-style-type: none"> <li>Upgraded products' quality</li> <li>Enlarge the business network</li> <li>Technology usage</li> </ul>
Case-5  TM milk production	33  (1 <sup>st</sup> -2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Established in 1983</li> <li>Produced milk distributed within one day</li> <li>Tried to penetrate Yangon market</li> </ul>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> and 4<sup>th</sup> son joined in 2013</li> <li>Upgraded the readymade product</li> <li>Give 2 days' warranty</li> <li>Contracted with Supermarkets</li> </ul>	<ul style="list-style-type: none"> <li>Upgraded the product level</li> <li>Extended the market</li> </ul>
Case-6  Gold and Jewelry shop	25  (1 <sup>st</sup> -2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Established in 1991</li> <li>Managed by traditional ways</li> <li>Extend 1 new branch in 2011</li> <li>Created the seasoning strategies</li> </ul>	<ul style="list-style-type: none"> <li>Eldest son joined in 2011</li> <li>Managed employees with flexible rules</li> <li>Opened 1 more branch</li> </ul>	<ul style="list-style-type: none"> <li>Managed systematically</li> <li>Extend the business network</li> </ul>
Case-8  Wheat Wholesale Center	40  (2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Established in 1976</li> <li>Business is operated by trust and honesty</li> </ul>	<ul style="list-style-type: none"> <li>All the children operate business in 2000</li> <li>Think of both sides (customers and business)</li> <li>Extend 2 more branches</li> </ul>	<ul style="list-style-type: none"> <li>Keep customers' trust</li> <li>Extend the market network</li> </ul>
Case-9	33	<ul style="list-style-type: none"> <li>Established in 1983</li> <li>Mother led the business in 2008</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> daughter joined in 2011</li> </ul>	<ul style="list-style-type: none"> <li>Polished business tasks</li> </ul>

Gold and Jewelry	(1 <sup>st</sup> -2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Keep the products quality</li> </ul>	<ul style="list-style-type: none"> <li>Combined the traditional concept with creative thinking</li> <li>Created the appropriate strategy depending on customers</li> </ul>	<ul style="list-style-type: none"> <li>Create the strategy</li> </ul>
Case-10 Rice Factory	50 (1 <sup>st</sup> -2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Established in 1966</li> <li>Operated by traditional ways</li> <li>Applied the strategies by adjusting time, place and products' quality</li> </ul>	<ul style="list-style-type: none"> <li>Youngest daughter managed in 2005</li> <li>Used new machines and tools for upgrading the quality</li> <li>Planned the financial part</li> </ul>	<ul style="list-style-type: none"> <li>Upgraded the product quality with technology</li> <li>Used assets</li> </ul>
Case-11 Snack (plum) Production	40 (1 <sup>st</sup> -2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Business is built in 1977</li> <li>Managed with traditional ways</li> <li>Produced many kinds of products in a readymade form</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> son spouse joined in 2005</li> <li>Designed new product and penetrated Yangon market</li> <li>Opened 2 more branches</li> </ul>	<ul style="list-style-type: none"> <li>Improve business's capabilities</li> <li>Extended business's network</li> </ul>
Case-12 Watch Distribution and Wholesale center	52 (1 <sup>st</sup> -2 <sup>nd</sup> gen:)	<ul style="list-style-type: none"> <li>Established in 1964</li> <li>Operated by traditional ways</li> <li>Extended two more branches</li> <li>Upgraded to the wholesales center</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> daughter joined in 1994</li> <li>Created the strategy to compete in the market</li> <li>Extend one more branch</li> <li>Create the business own trend</li> </ul>	<ul style="list-style-type: none"> <li>Stronger business capabilities</li> <li>Enlarge the business network</li> <li>Compete in the market</li> </ul>
1 <sup>st</sup> Generation Stage of FOB				
FOB (Industrial Type)	Business's age (year)	Business's Performance		
		Early Business activities	Current Business activities	Competitive advantages
Case-3 Weaving factory and sale center	12	<ul style="list-style-type: none"> <li>Established in 2004</li> <li>Started with 30 machines</li> <li>Distributed to the wholesale center</li> </ul>	<ul style="list-style-type: none"> <li>Late 2008, produce their own logo</li> <li>Used technological aids (e.g., CCTV, advertisement)</li> </ul>	<ul style="list-style-type: none"> <li>Improve business capabilities</li> <li>Run systematically</li> </ul>
Case-7 Private Education Center	14	<ul style="list-style-type: none"> <li>Established in 2002</li> <li>Operated business by planning</li> <li>Set duties and responsibilities</li> <li>No profits in the first 4 years</li> </ul>	<ul style="list-style-type: none"> <li>Gained benefits after 5 years</li> <li>Collaborate and acknowledge others' efforts</li> <li>Operated systematically</li> </ul>	<ul style="list-style-type: none"> <li>Well-known in the education sector</li> <li>Stable and stronger business capabilities</li> </ul>
Case-13 Wood Crafting wholesale center	21	<ul style="list-style-type: none"> <li>Established in 1995</li> <li>Managed by husband</li> <li>Set schedule and disciplines</li> <li>Set duties and responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Extended consultant service in 2005</li> <li>advertisements and attracted tourists</li> <li>Enlarge the regional trading system</li> </ul>	<ul style="list-style-type: none"> <li>Improve business capabilities</li> <li>Compete in the market</li> </ul>

As shown in Table 4.9, the businesses' competitiveness (i.e., capabilities and performance) are significantly improved over generations and timeline segments. This research noticed that the involvement of the family members makes better businesses' capabilities nowadays than in the previous decades. This can be attributed to the capabilities of the next generation family members; education, knowledge and creative thinking. This study found that the improved performance can be identified with non-KPIs according to the two viewpoints below:

- (1) Business Capacity (i.e., creative strategies and upgrade products' quality)
- (2) Business's Influence Network (i.e., extend products/service in the market)

Due to combining two generations (i.e., founder and second generation), the current business capacity and network are significantly improved in resources or capabilities or strategies. For example, the production process is upgraded by computerization/mechanization, the products' quality are improved, extend the market's network and compete with others. This study noticed that such kind of business advantages persuade this generation stage and couldn't suggest the next generation (e.g., 3<sup>rd</sup> generation).

The usual business life cycle, the first 20 years is to stabilize in the market, after 30 years is the growing stage. Such businesses have sufficiency of knowledge, experience and skills to handle the business, competitiveness and urgent problems. The longtime familiarity of the new members makes them keen to move to the next steps for improvement. The founders' background support is the cornerstone of those next steps. It has been found that such kind of effective activities are associated with the family's appreciation of values (e.g., satisfaction or happiness or well-knowing) and socio-economic goals that are shaped by the family's attitude. Through various background resources, performance varies. This study found that different family's capabilities help the performance. Another finding is that the capabilities of business with female leaders (as mothers) perform less than those with male leaders (as fathers).

In addition, three FOBs are currently in the first generation stage and their performance activities are identified on the timeline. This research found that the FOBs' early years were struggling for unity using experience and knowledge. In this technology and knowledge age, the FOB reinforced with machines and tools to keep the business. It is clear that current Myanmar FOBs are in the growing stages of the business life-cycle and need to maintain their capabilities and family resources.

### **4.3.1 Technology usage**

Observation showed that all FOBs of families prefer to use technology in the business process (e.g., CCTV, production machines and packing tools), even in rural area firms, they used technology. All business members accepted that technology can help to improve activities, example quotes of some businesses are shown below.

*For many reasons, we use CCTV in the weaving factory for security and to monitor the employees. That provides a good business process. (Case-3)*

*In the gold and jewelry shop, we mostly emphasized security and safeguard. Technology helped us to smooth the business process and services day and night. (Case-9).*

*Technology has no boundaries, even in rural areas, here we can use the latest machines in the rice factory, a computerized machine to clean rice well. This makes products of great quality. (Case-11)*

### 4.3.2 Relationship among Core-Categories

To observe the formation of familiness, the study focused on the family's background and nature for observing the FOBs. Drawing from the literature, our primary assumption is that the family itself possesses its own resources which are implicitly embedded in people, customs and institution. All this helps generate the business (Habbershon and William, 1999; Dyer, 2003). From the RBV perspective, we categorized the *fundamental resources* into **five core-categories** over three **dimensions**; individual, family and business as described in the previous sections. This study found that the five core-categories are relying on and reinforcing each other within both the family and business units. Relations of resources core-categories are described in figure 4.6 as follows.

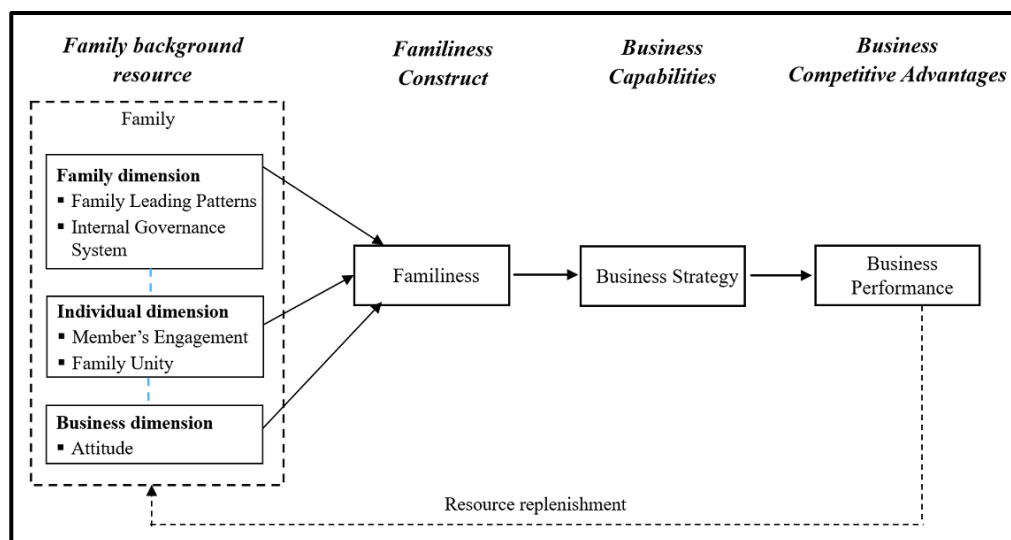


Figure 4.6 Relationship of familial resources, familiness and business performance

The role of family involvement (i.e., tangible and intangible) is critical in business due to un-measurable effects. However, if a family is seen as an institution, the basic system appears as the framework with a *governance system and leadership patterns*. This system and pattern may form the internal mechanism and functions, such as individuals' attitude and social interaction. The

fundamental categories represent the family dimension and assist developing the individual dimension. For individuals, *each member's engagement and unity* is the basic resource feature for essential capabilities and performance of business. Without having adequate individuals' resources, the family mechanism and business process couldn't perform well. The family customs and institution influence over members mandates the orientation. Inside this orientation, people of interaction, cognitive ties and social matters are the integral parts governed by the family leadership system. From the business aspect, the *family attitude provides* the ways of operating the business, and if this attitudes is not proper, the business might not survive. Based on those relations, this study found the five categories correlated. Even though, the study used the terms categories, but actually the features (emotional, cognitive and physical) are inseparable in the real sense.

During the whole mechanism, familiness may influence in shaping of business strategy and performance aligned with their family strength, such as financial, knowledge, creative thinking. Figure 4.6 represents the relationship of family resource, familiness, business strategy and its performance by depicting with five core-resources. This figure partially illustrates the resource relations and its mechanism at FOBs.

#### 4.4 Chapter summary

This chapter has presented case-based studies in an analytical processes with the results. By following the grounded theory analysis steps, the study has observed the unique resources of FOB: familiness. During the data interpreting process (i.e., develop the concept from the codes), the study repeatedly analyzed and added the understanding of the participated. This way, the core-categories represented the actual sense of the business. This chapter also has presented the definition of the core-categories and interrelations by showing representative phrases part of the interviewees. Based on these findings, we will discuss the familiness concept in the next chapter.

## **Chapter 5**

### **Emergence of Familiness in Family-Owned Business**

This chapter discusses familiness and its associated resources by answering the question how familiness emerges from the involvement of family members of in FOB. From the findings of this study, the relation between resources, familiness, capabilities and the business performance are explained according to RBV aspects. Also, this study argues that the nature of family background articulates the role of FOB's familiness in business. Finally the familiness model is proposed with figures and the facts from the evidence.

This chapter is organized as follows: section 5.1 depicts the working definition and concept of familiness. Section 5.2 discusses the familiness model, facts and figure comprehensively and section 5.3 demonstrates the theoretical contribution of study. Finally, section 5.4 concludes with a summary.

#### **5.1 Working Definition and Concept of Familiness**

The study of the concept is demonstrated by thirteen cases concerning the MRQ “how does the familiness emerge from the involvement of family members” is deeply discussed. The term familiness comes from “family + ness” and it is originally used to refer to the family members who deployed their resources for achieving success. A working definition of familiness is “*a sense of awareness based on the collective mindset while making effort for the business*”. Here, the definition highlights *two perspectives: the shape of resource* (tacit and explicit features), and *the resource conversion* (using the resource to perform) that is transformed from the family's input to improve the business performance according to Grant's concept (1991) and Habbershon and Williams (1999).

First, the definition depicts the *shape of resource*. Since familiness starts initially in a tacit form and drives to appear as an ability to improve the performance, and these two resource forms are inseparable and alternatively rely on each other. It consists of both tacit and explicit resource features that is invisibly embedded in an individual. Such kind of resources appear in the form of the family's custom, learning, information, and efforts. All this supports to occurrence of familiness. If these resources are not provided in the background, the business might not be last long.

Second, the definition explains the *resource conversion*. Since, the emergence of familiness is regarded as *a process* which does not terminate as a one-ended statement. It means that the integration of resources (i.e., knowledge of the people, thinking, experience and efforts) does not end at any time and that influence reflects back as feedback in various shapes, such as satisfaction or revenue or pride. This process may appear iteratively in the working environment without space or time boundaries. In this case, the role of the resource owner in attribution is important to shape familiness. Furthermore, the family system and business goal give guidance and motivation to think in creative ways. The concept of this study as mentioned by Dawson (2012) of recommendation the familial human resource 2Hs: hand (ability to do) and heart (willingness to do) which elaborates the individual's knowledge and self-awareness in collaborative work. Therefore, it has been suggested that familiness is *a kind of strategic resource* which adopts in any shape to exploit resources, rather than a purely fixed resource. Besides, this study illustrates the significance of resources replenishing and reloading in the FOB context. Finally, the overall concept of familiness is presented to extend the original concept given by Habbershon and William (1999).

## 5.2 Familiness in Family-owned Business

### 5.2.1 Familiness model

Our research proposes the familiness model for family-owned business as shown in Figure 5.1. This research found five resources via three dimensions developing the resources features and business performance. This model follows the concept of Grant (1991) and, Habbershon and William (1999) of the resource conversion process from a strategic assessment perspective. Therefore, our model is based on the loop shape of the continuum process. The model is mainly comprised of two parts with replenishment. The two parts are the *family resource profile and familiness and its associated behaviors* as shown in Figure 5.1.

#### 5.2.1.1 Familiness Resource Profile

Resource profile refers to the *family of background resource* that causes familiness. As shown in Figure 5.1, the five core-categories or the three dimensions appear as the resource profile. The resources have both tacit and explicit features based upon the family culture. It is easy to notice that the importance of resources in the integration of the three dimensions: family, individual and business. If one dimension is less capable in integration, the outcome may not cause good performance. Thus, the resource profiles of three dimensions are the primary resources help to develop further business performance.

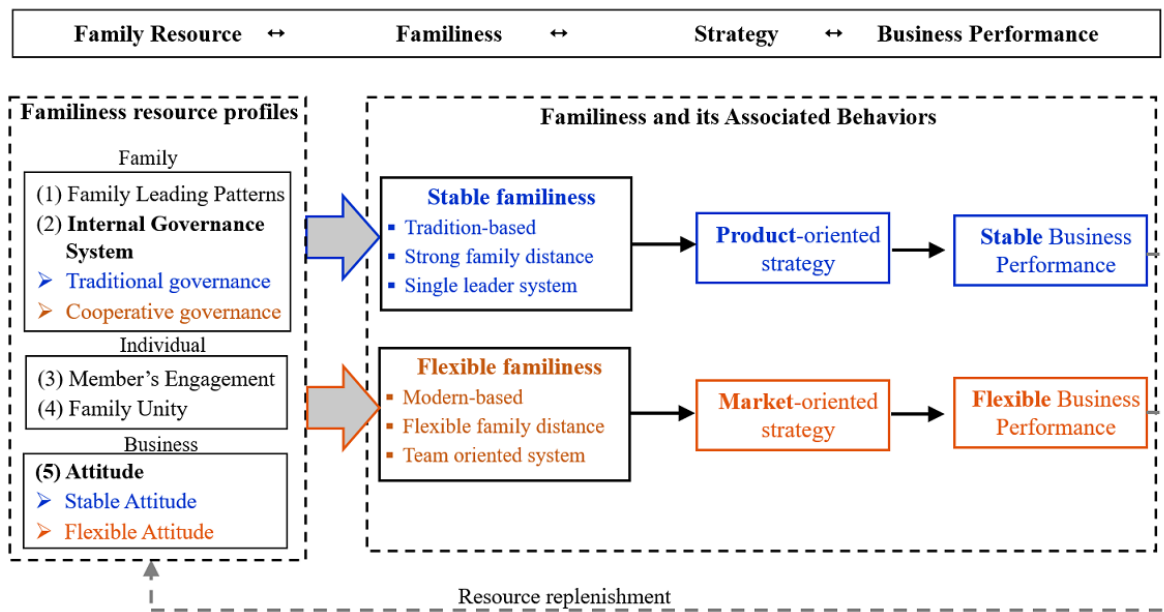


Figure 5.1 Familiness model

**Family dimension:** The family dimension refers to the embedded nature that is intended to highlight the family institution form. Both the *family's internal governance system* and *leadership patterns* in that kind of family institutions facilitate two kinds of family natures: the *family context* (relations, nurturing and parents-children interactions) and *orientation form* (governing and leading patterns). Both are sometimes unseen and intangible, but the integrating values and effects on each other are not predictable in a natural sense. In fact, the internal governance system **governs** the members' growth patterns, attitude and behaviors within a family unit, while the family leader **leads and guides** the members to behave in certain ways deemed proper. According to these governing forms, the parent-child relationship, siblingship, discipline and background customs are evolving as a mechanism, meanwhile, members' followership and collective behaviors are integrated into the family unit. Often it can be seen that both the family culture and the role of family leader become an essential. In fact, members cannot organize their efforts or efficiently operate the business tasks without having appropriate leading patterns and then the family unit cannot progress. Occasionally, those family leaders' life experience, leading attitude and knowledge are all involved as an integral background.

Significantly, this study of family governance considers the internal disciplines of family affairs rather than the governing the members' activities in business. Because most prior studies figured out that the top management teams or board members govern activities in business by their cohesiveness. However, this study has suggested that governing a business entity is not enough to cover all cognitive, economic and social affairs, thus, the family orientation is being emphasized in this study. Interestingly, evidences found by this research reveal that Myanmar families have two

internal governance forms: *traditional* and *cooperative system*. The two forms differ in nurturing, leading nature and membership (see Table 4.3). All this shape the business behaviors and the regulating performance outcome differs. By this internal mechanism, the family nature appears as a resource feature and it implicitly causes the formation of “familiness”.

**Individual dimension:** The individual dimension refers to the family members on a micro-level behaviors and it is the most essential dimension. It addresses the individual’s emotional and physical involvement and plays the central role in business. It mainly consists of family unity and engagement to digest conflicts, members’ selfishness (invisible or visible) and competitiveness. Although unity seems to be simple in a normal sense, it can facilitate other member’s affairs with collective manners. From an economic point of view, this unity is not directly associated to the economic outcomes of FOB, but it can provide non-economic outcomes, such as retention. Also, member’s engagement facilitates the link between members concerned in the relation, cognitive and performance. Based on the family members’ ties, other emotional behaviors would be facilitated within the entity. Members’ learning, sharing, self-adjusting and paying attention are the fuel of the engagement, without that, the individuals would be individualist. This is significant because the FOB’s working force are not compensated with salaries as regular employees in non-FOBs. Thus, it includes the individuals’ added value as an intrinsic resource.

Accordingly, new generation family members themselves appear as merely the agents or stewards of the business managing the business while in parallel working under a leader driven by economic preferences. While the stewards are also involved in the business as followers to scarify their own personal life and non-economic preferences. Both features unify the working family in the industry. Therefore, the unity and engagement of the members are of cognitive and physical attributes, shaping the family bond system. This is one suggested dimension of the resources to cause familiness.

**Business dimension:** Business dimension refers to the intended business goal with ways of operating, performing and managing practice in the business that is driven by the family attitude. In fact, the business is holistically managed by the family, thus the business culture is covered by the family attitude. This research found that each working family has the same mission and motto, to raise up their life by establishing the business. Therefore, both the business and family are equally important and the family always tries to keep up. The study found that the studied Myanmar working families have two different attitudes: flexibility and stable which reflects on different ways of doing the business. The family who prefers the traditional internal governance system used to operate the business steadily and their business performance becomes in stable. Meanwhile, the family which ascribes to cooperate governance prefers flexible behaviors that kind of business seems to be a

flexible business. Based on the different family attitudes, the business behaviors and performance could differ. Thus, such business dimension is added as the resources which contributes to familiness.

Naturally, the three resources dimensions are homogenous and dependent each other in real sense. Although, the study illustrated the resources of a particular form, the real shape of those resources are implicitly and explicitly integrated in daily and business manners, and that cannot be viewed separately from the outside. Therefore, it has been suggested that the combination of all background resources may lead to occurrence of familiness.

### 5.2.1.2 Familiness

In prior studies, familiness was defined as the intrinsic form and fundamental mindset that enable the generation of the individual's abilities in business (Habbershon and William, 1999; Dawson, 2012). This phenomenon appears in family-owned business which is unique bundled with resources of competitive advantages. Specifically, familiness to some degree is based on the bounded or unbounded family influence which might have positive or negative effects (Habbershon, 2006). Therefore, this study combines the previous literature and the evidences resulting from extending the familiness phenomenon by adding a new concept. It has been suggested that the family's invisible factors might influence in shaping different familiness (e.g., family internal governance system). Also, it may suggest the *relation* between the familial integral parts and the business' performance. As discovered by this research, Myanmar FOBs have two types of familiness: *stable* and *flexible*, which delineate the inner mechanism of the FOBs, such as in family orientation, emotional and familial distance in business. Table 5.1 illustrates the resources details and the associated business behaviors.

#### (1) Stable Familiness and its Business Behaviors

Stable familiness refers to a business's unique resource bound by the family tradition and stable attitudes. These resources are supposed to behave steadily, follow customs and take into consideration the objective goals of the business. The family is willing to hold on the inside capacity rather than creating an outside strategy. Notice that such kind of familial distance is strong as a unit. Although these working families use technology and strategies, members are not willing to share with other businesses in the market and they are seen as a prudent family businesses. Such kinds of FOBs may be involved in controlling the product-oriented strategies while keeping the internal quality. This behaviors is of a *defender* nature as described by Miles and Snows (1978).

As shown in Table 5.1, *five out of the thirteen* FOBs seemed to be performing as stable businesses. In Myanmar culture context, these FOBs may maintain the stability of businesses because the members must follow the leader's will and behave in a communal way. Even when a

new leader takes the helm, it is inevitable to follow into the previous leader's steps. In this case, the FOBs future seems to be stable and the new leader will also follow the customs in the new generation.

## (2) Flexible Familiness and its Business Behaviors

Flexible familiness refers to the unique resources conceptualized by the modern family and flexible attitudes. These resource demonstrate flexible behaviors and prefer to treat real-life contexts. Thus, the perceived values of the family are freedom, the environment and the social community. Such kinds of FOBs prefer to work based on their own interests, shared agreements and undertake cooperative works to create flexible strategies. Notice that such familial distance is flexible in the entity. These FOBs have been suggested to conduct *market-oriented strategies to create external business opportunities* similar to the analyser type of Miles and Snows (1978).

This study found that **eight out of thirteen** FOBs seemed to be flexible business with outward-orientation patterns. The strategy of such kind of FOBs vary based on their background capacity. The findings of this research suggest that there is little cooperative flexibility governing the FOBs. Even if the old leaders share their experience with other family members, there is no guarantee that the younger family members will consider these experiences. Therefore, these FOBs tend to fluctuate performance on the long run. However, if a new member is inclined to participate fully in the business, these FOBs will have a brighter future.

Thus, it has been suggested that the business performance of the FOB is partially associated with the background of the family culture, as suggested by Colli and Rose (2008). Table 5.1 shows the detailed features of each business resource, behaviors and performance.

Table 5.1 Relationship of familiness and business performance

Family	Business Competitive Advantages				
	Familiness			Business Strategy	Business Performance
	Family Dimension	Individual Dimension	Business Dimension		
Case-2 Case-4 Case-7 Case-12 Case-13	<ul style="list-style-type: none"> <li>▪ <b>Traditional</b> governance system</li> <li>+</li> <li>▪ Family leading patterns</li> </ul>	<ul style="list-style-type: none"> <li>▪ Family unity</li> <li>+</li> <li>▪ Member's engagement</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Stable</b> family attitude</li> </ul>	<b>Product-oriented strategy</b>  (control internal quality)	<ul style="list-style-type: none"> <li>▪ Business seems to be <b>stable</b></li> <li>▪ New generation members follow the old leader's will</li> <li>▪ Joined by personal socio-economic preference</li> </ul>
Case-1 Case-3 Case-5 Case-6 Case-8	<ul style="list-style-type: none"> <li>▪ <b>Cooperative</b> governance system</li> <li>+</li> </ul>	<ul style="list-style-type: none"> <li>▪ Family unity</li> <li>+</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Flexible</b> family attitude</li> </ul>	<b>Market-oriented strategy</b>	<ul style="list-style-type: none"> <li>▪ Business seems to be a <b>flexible</b></li> <li>▪ New generation is persuaded by old leaders</li> </ul>

Case-9 Case-10 Case-11	▪ Family leading patterns	▪ Member's Engagement		(create flexible strategy)	▪ Joined by personal socio-economic preference
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### 5.2.1.3 Attributes of Familiness in Performance Phase

The study has suggested that the unique resources of familiness may affect the FOB' business performance. The evidences show that the current FOB performance has significantly improved in business capacity, experience and strategy spanning over the timelines and generational phases by non-financial performance indicators. This study noticed that the performances of all the businesses are not exactly the same in different aspects; the business's ages, degree of familiness and family's abilities. All this may influence the performance. In Myanmar FOBs, the performance can be seen in two forms: **business capacity** (i.e., creative strategies and abilities of the product and process) and **business's network** (i.e., extending the products or services in market). This non-financial performance indicators appear as the new measurements, it opens a new window for clarifying the FOB's performance, rather than the traditional evaluation forms which assess the succession stage, human resource practices and financial results.

As mentioned in section 4.3 (page-75), thirteen FOBs are studied, the founding stage, the current stage and the improved business performance, all explained in Table 4.9. Out of those 13, the experienced businesses are more competent than those still earlier generations. For example, thirty years to fifty years businesses have strength in handling the challenges. Such business are considered in a *growing stage* of the organization life-cycle and already gained the advantages from the collaboration of both the founder and new leader generations. Interestingly, three out of the thirteen FOBs are under twenty years businesses, so still in the establishing stage of the organization life-cycle, and they can't extend new business branches currently. Meanwhile, when in the first-second generation interim stage, the business is still trying to grow in the market and new generation family members are participating in business. Therefore, it has been suggested that the cooperative work between the founder and the second generation in that stage is stronger than businesses in other stages.

By clarifying non-KPIs, we grouped the FOB's business performance by two familiness and generation phase as described in Table 5.2. In particular, all businesses are able to maintain their products/services at the basic performance level. However, the ways of business operating system are different based on their perceived value of family and attitudes that shaped the different types of familiness.

In case of the stable familiness, the families carefully consider their business activities with members' efforts. Individual of perceived value and intentions are willing to do the best for the business regarding to the family's socio-economic welfare. Although, such kind of businesses do not use the formal business body, they remind their works with informal way as a motivation to the

awareness of the person. Through this background resources, the 1<sup>st</sup> generation stage businesses are trying to keep the products quality and services as the stable businesses. The 1<sup>st</sup> – 2<sup>nd</sup> generation stage businesses are able to handle the business's abilities by using their own strength, for example, create the own business trend or extend the branches. It seems that the businesses start use their abilities in their market/network. Respectively, the 2<sup>nd</sup> generation stage business seems to be stable in their industry and it can compete by using their strength and experiences.

Respectively, the flexible familiness of families concern the current businesses condition with wider sense to react in the market based on their collaborative strength. According to their familiness, the members implicitly prefer to align on their intended goal and involve their efforts in business for the economic welfare. Such kind of mindset probably prefer to the external preferences, such as a well-known person. It has been suggested that such businesses might be quickly changeable in their business processes and products through environment. Through this background nature, the 1<sup>st</sup> generation stage business try to improve their capabilities by using the external stuffs, such as information technology and social influence at environment. The 1<sup>st</sup> – 2<sup>nd</sup> generation stage businesses are able to generate the appropriate creative works in market because they want to attract to the customers. Similar as the stable familiness FOBs, those businesses are able to create the business strategies and extend the business influence network. Also, the 2<sup>nd</sup> generation stage businesses can handle the abilities of business by using their own collaborative strength.

This two types of familiness and business performance are not much different in the short term, but their businesses' life-cycle in the long-run are different in reality. As business ages, over 30 years of stable familiness FOBs are able to extend more branches, while flexible familiness FOBs are able to create the strategies in markets. By comparing with Non-FOBs, FOBs are seen as less innovative business in the common sense but they can create proper strategies in market. Also, the transfer of previous generations' experience is vital to continue the current business process that is totally compatible with Klein et al., (2005) *experience scale of F-PEC*. Overall, the collaborative performance driven from the interaction between the family, individuals and business is considered as familiness. Table 5.2 shows each business' performance.

Table 5. 2 Relationship between familiness and its business performance

Familiness	Generation	FOB Case No.	Business Performance (Measured by Non-Financial Performance Indicators)	
			Business Capacity and/or Extend network	Competitive advantages
Stable familiness	1 <sup>st</sup>	7 13	<ul style="list-style-type: none"> <li>• Business <u>starts to be stable</u></li> <li>• <u>Operated with schedule</u>, Extend the business work</li> </ul>	<ul style="list-style-type: none"> <li>• Can <b>keep</b> the product/ service of business</li> </ul>
	1 <sup>st</sup> – 2 <sup>nd</sup>	4 12	<ul style="list-style-type: none"> <li>• <u>Upgraded product's type</u> in 1989, distribute the whole country</li> <li>• <u>Stronger business capabilities</u> (design own business trend), extend two more branches</li> </ul>	<ul style="list-style-type: none"> <li>• Can <b>handle</b> business' abilities</li> <li>• Can <b>extend</b> business network</li> </ul>
	2 <sup>nd</sup>	2	<ul style="list-style-type: none"> <li>• Changed leader in 2008, <u>changed business management system</u>, extended one more branch, upgraded product's quality</li> </ul>	<ul style="list-style-type: none"> <li>• Can <b>compete</b> in the market</li> </ul>
Flexible familiness	1 <sup>st</sup>	3	<ul style="list-style-type: none"> <li>• <u>Produced own logo in 2008</u>, used Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Can <b>maintain</b> products and process</li> </ul>
	1 <sup>st</sup> – 2 <sup>nd</sup>	1 5 6 9 10 11	<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> son joined in 2008 and <u>create own textile design</u> and cooperative</li> <li>• <u>Upgraded to ready-made product type</u>, contracted with supermarket</li> <li>• Eldest son joined in 2011, <u>opened and managed one more branch</u></li> <li>• Create the strategy to attract customers</li> <li>• Planned <u>financial part and polished product's quality</u></li> <li>• Created new products and open two more branches</li> </ul>	<ul style="list-style-type: none"> <li>• Can <b>generate the appropriate</b> creative works</li> <li>• Can <b>extend</b> business network</li> <li>• Upgrade the products</li> </ul>
	2 <sup>nd</sup>	8	<ul style="list-style-type: none"> <li>• Keep customers' trust and <u>extend the market network</u> with branches</li> </ul>	<ul style="list-style-type: none"> <li>• Can <b>control</b> the abilities of business</li> </ul>

In short, each family possess different strengths abilities and usage the strategies. Still the basic occurrence of familiness is similar in nature over family-owned businesses. This study has suggested that if a family and its members have enough familiness, they would be able to manage the business by themselves over generations; if not, the business will be ruined. This finding is similar to Basco's (2013) suggestion about the traditional form of family business which prefers to operate the firm in their own ways rather than hiring outside professionals.

#### 5.2.1.4 Familiness and Generational Shifting Process

The main purpose of clarifying the familiness resource is to find ways for business continuity. Even if the average lifespan of a business is not so long, this study suggests that the familiness resources may help prolong that life. Here, the generation shift plays the central role of business life and most FOBs are easily liquidated due to the lack of desire to continue the business by next generation family members (Dyer, 1988). However, this study argues that if the family has sound background, family culture, good governance, leadership, unity and engagement. Such families may posse the resources and capabilities to survive in the market and prolong their business lifespan.

Moreover, this study highlights the importance of the family managing system in Myanmar. In Myanmar tradition, the family does not discriminate between children based on the birth order or gender. This is why, the family leader prefers to choose the appropriate child rather than choosing the eldest. So the eldest may not be involved in the initiation stages of the FOBs, if he/she is not willing to participate in the business. Accordingly, the leader chooses the next leader based on three factors (talent, interest and capabilities) to preserve the business continuity. Studies found that this custom is based on tradition. This study found that in the 1<sup>st</sup> – 2<sup>nd</sup> generation stage FOBs, most of

the next generation family members are the younger one rather than the elder. In some of the cases the chosen child is the daughter due to interest as shown in Table 4.8 (Next generation family members' profiles and purpose). This custom may be a good management system for the durability of FOBs in Myanmar.

#### **5.2.1.5 Next-Generational Family Members of Contributions**

Prior studies suggest that FOBs' life-cycle somehow might be mapped as the organizational life cycle (founding stage, growth stage, maturity stage and decline stage) over the different generations. Thus, the next generation members' role is important in the business life cycle. When the family size is larger with extra members, this may contribute to the loss of face to face ties and conflicts within the family. However, this study assumes that the good internal governance, leadership patterns and unity resources preserve the family affairs and avoids disunion between the family generations in business.

As this research found, the new-generation family members provide the business with strength and capabilities derived from their education, knowledge, technology usage and self-interest. This study found that the next generation family members get involved in business due to various purposes (self-interest - safeguard for their life). Although, they have different purposes for participating in the business, a common goal is a socio-economic preference for personal life. As suggested by Habbershon and William (1999), those members can reduce the cost of hiring outside managers to create the family business ecosystem, this is also supported by Habbershon (2006). In addition, family ties and guilty is among the reasons to participate in the family business, which might be a custom in Myanmar traditions. Therefore, this study suggests that such mindset and intention make them the family bond system between the business and individual participant.

#### **5.2.1.6 Resource Evolving Process and Replenishment**

In order to operate the business smoothly, the environment (market nature, customers' preference, regional customs) and technology are important components in the business aspects. Nowadays, both the modernized and traditional based families prefer to use technology (machines and tools) for the business process, advertisement or services. For example, all businesses used CCTV; weaving factories, gold workshop and warehouse in both rural and urban areas. They have recognized the advantages of technology and knowledge. As this research found, technology can speed up the business process, products and as well as the membership ties without time and space limitation. Thus, technology usage may partially facilitate the occurrence of familiness.

As the environment, information and market news are all considered generators in implementation of the strategy, they are able to shape the business abilities. It is suggested that each FOB's capabilities might vary depending on the resources degree (i.e., handling ways or capabilities).

As the nature of the resource conversion, the business performance may reflect back on the family (i.e., satisfaction or proud or revenue). It is notable that such kind of reflections are considered as resource replenishment for the family. For example, the more capable in business tasks, the better reflections received from the family (Habbershon and William, 1999). This way, resources, capabilities and performance are evolving in FOB. From these integral parts, the whole business mechanism can be considered as the ecosystem of the family-owned business (Habbershon, 2006) relying less on others professions.

### 5.3 Theoretical Framework

This dissertation offers the insights into FOB's resource mechanism by combining the real business context and theoretical perspective. Based on the discussion above about familiness and the associated performance, the study was able to propose the theoretical framework. In general, every business has both advantages and disadvantages, however, fostering the source of advantages is a way of encouraging to promote the quality of business (Habbershon and William, 1999). Therefore, the aim of a proposing theoretical framework is to boost the FOB's inner capacity by raising the awareness of the types of familiness resources to preserve the business.

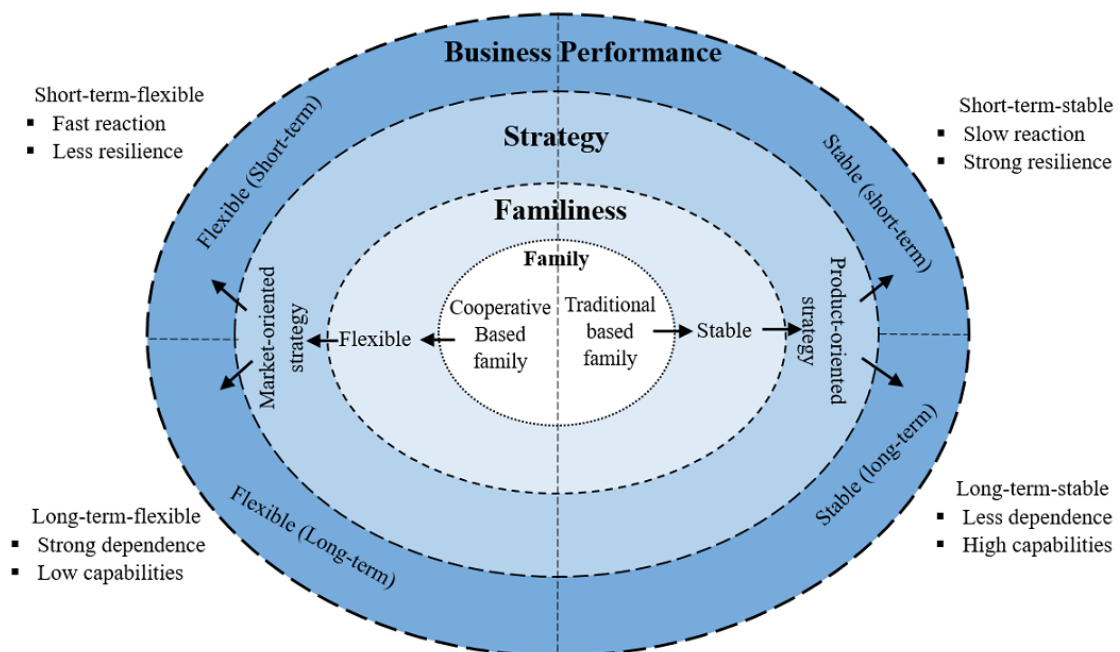


Figure 5.2 Theoretical framework of family-owned business performance

Mainly, this study extends the resource features of RBV with knowledge aspect, because RBV does not only help to clarify the resources but it can also delineate the strategic behaviors of the resources. However, the relation between resources and the associated degree is still necessary to be regulated

in the FOB study, thus this theoretical framework fills this gap with the evidences found by this research.

As mention in section 5.2.1.3, stable familiness would prefer to use the product-oriented strategy in the market, and it might adopt the stable performance through their strength. For the short-term of business performance, it may take time for settling down in one position of the market, and they have to struggle the challenges. Thus, it may be considered as the *slow reaction* in the market, however, it seems to be the *strong resilience* behaviors for establishing the business stronger. Based on their familiness strength, their business could not be much fluctuated from the outside effects. Even if, the outside challenges would be influenced to business, they might be overcome by their familial capacity, strength and persistent. Thus, it is suggested that stable familiness of FOB is *less dependence* and *enough capabilities* in the long-terms business process, even the short-term process would not be fluid with challenges.

Respectively, flexible familiness used to create the market-oriented strategy in their industry, and they might adopt the flexible performance aligned through the family strength. This would be better for the market demand with on-time productions and it would be considered as the *fast reaction* of business. Such a kind of businesses might have a position in the market within a short-time; however, they might not be able to run the business with the same strategy in all the time, and it would be become the *less resilience* than others due to their reflection on a single movement of the market. Thus, it is suggested that flexible familiness of FOBs are *high dependence* on the outsiders, regarding their seeking the external opportunities. Moreover, if these businesses would face the economic crises or competitions in market, they might have difficulties in the long-term with *fewer capabilities*, rather than stable familiness of business's performance.

In the context of Myanmar culture, both businesses types are necessary for the market and different level of customers' preference in terms of the quality based and market-based products. Since, some local people used to rely on the attractive products with reasonable price rather than the expensive goods with durability in the market. Meanwhile, some high-income level of customers prefer to choose the qualified products in the market. For the continuity of FOB, the generation shifting and succession is important in their business nature. Like the suggestions of prior studies, around 40 percent only can continue to the second generation (Marshall et al., 2006) due to the next family members of unwillingness or unbounded family system. Thus, this study aims to highlight the embedded family nature that enable to reboot the familiness and business behaviors, so that it might have the adequate knowledge to maintain the continuity of business.

## 5.4 Chapter Summary

This chapter has discussed the unique resource of family-owned business: “familiness” by explaining its definition, relations and the related business performance. Non-financial performance

indicators also help to depict detailing features of FOBs. Based on the evidences found by this research, this chapter proposed the familiness model with three components: familiness resource profile - three resource dimensions - business path following the original concept mentioned “...the systems interaction between the family, its individuals and the business” (Habbershon and William, 1999, p.11). Therefore, this study of the familiness model is attributed to multiple aspects (i.e., resources nature, resource owner, leading and business opportunities). This way, the illustration of the occurrence of the familiness image is enriched.

## **Chapter 6**

### **Conclusion and Implications**

The objective of this study was to observe the unique resource of FOB viz., familiness concerning with the family influence of cognitive and emotional effects. Using the case-based method and resource-based view aspect, this study has attempted to articulate the tacit and explicit features of familiness.

This study used grounded theory analysis concept to clarify the new facts as suggestions of research method by Klein et al., (2005). Five core-categories has been found to regulate the occurrence of familiness. It shows resource conversion process from embedded family nature to business's behavioral performance. Based on findings, the study proposed the familiness model with three dimensions that followed to the concept of Habbershon (2006). These familiness model may explain the insight into FOB of resource mechanism.

In this chapter, we provides the main features of study as the conclusion. The first section reviews the summary of whole study. Secondly, the practical implication is discussed based on finding facts, after that further contribution is illustrated. Research limitation is expressed through difficulties and then future research direction is discussed on this study. Finally, the conclusion part is explained in this chapter.

#### **6.1 Summary of Study**

This review part connects the current study and the previous studies by addressing the finding facts. Therefore, findings and their significant facts are illustrated as the bridge in family business study.

Nowadays, the family-owned businesses play the central role in developing countries, as well as in developed countries. Similar to other private businesses, the FOBs contribute the countries' economies in employment rate, GDP contribution and local community development. Besides, such business type seems to be stable than other international enterprises in terms of the global economics crises (e.g., Brexit). However, the longevity of FOBs is not guaranteed in the long-term in terms of their multiple background weakness. In studies, some pointed out the weakness of business by family influencing effects, such as business are less growth oriented with conservative in strategic thinking than other types of business (Donckels and Frohlich, 1991), while some observed that family members of self-serving make business to be stronger than others (Anderson and Reeb, 2003). Thus, studies on FOBs have both positive and negative characteristics aligned on their standing point.

Among the multiple aspects, the focusing on the resources become a key player in FOBs, because the resources are essential and cornerstone of the business life.

Regarding this, Habbershon and William (1999) firstly identified the unique resource as familiness which refers to the fundamental quality of working efforts (Dawson, 2014) that interaction result from members' working together. Although, many of studies have identified it with multiple aspects, such as human capital, social capital (Pearson et al. 2008), managing patterns at top level (Ensely et al., 2005). However, those studies have much emphasized on the overlapping values of the family business as familiness, the family nature or their background resources have less attention in the research.

From our perspective, this study assume that the family's embedded nature might be based on the tacit feature which provide as the sources of resource to operate the business. Since, the context and content of family is a dynamic and emotional based, such as the relationship and, cognitive ties that make their business the distinct one than others. To clarify that, the study employed the knowledge conversion (i.e., tacit and explicit features are inseparable and interact each other), resource conversion process (i.e., a kind of transforming mechanism from the family resource to business performance). Through this phenomena, the study can capture the tacit nature and explicit feature of resource that exist in the family, individual and business dimensions. Based on the combination of three resource dimensions, the proper resource outcome is emerged that is regarded as familiness.

The most significant fact of study is a discussing about the shape of familiness which has two forms: *stable and flexible*. This two familiness are different in family features and it reflected to behave different business performance aligned on the background family nature. Therefore, it has been noticed that the culture background is important. Besides, the study also identified the business performance by familiness effect with timeline and generation segments. In summary, the study has suggested that the familiness is considered as a kind of strategic resource and it can adopt the proper way of using resource on certain task, in case of FOBs.

## 6.2 Practical implication

Although this study examined the cases of Myanmar, the results are valid for other South East Asian countries' small and medium sized businesses. In fact, the family culture and business nature might be similar in those countries, especially the developing countries (e.g., Thailand and Laos). Through our findings, we offer the following recommendations for the practical and knowledge fields:

- The most struggling part of FOB is the business longevity through their generations. Indeed, shifting the business from the founder stage to sibling partnership and cousin confederation are more difficult due to the family size and involvement of non-kinship members. Thus, most studies mentioned that one-third of business only could continue in their second

generation stage. However, we posit that taking care of the family's internal governance system and leading patterns can assist to adjust the members of embedded mind-set in the collective ways, and that can strengthen the family bond system and thus the succession process.

- Familiness is one essential resource for FOBs and its' degree and level cannot always be constant but it depends on the person's background mind-set. Consequently, their business's life cycle could be fluctuated through growth and decline. To prevent such kind of conditions, this study suggests that the preserving of the family' resources: unity and engagement for gaining the business' competency.
- Mostly, the FOBs are relying on their family holistically and can be assumed that they have enough in the human resources for business. However, it might not be the case in the longer term, especially in cases when the family unit is isolated and if the business grows beyond the family capacity. Thus, this study offers them to step out from that limited boundary of members with using the strategies, for example- hiring the professions or change management that could help to keep the business in the longer.

### **6.3 Contribution**

By guiding of objective, this study aimed to contribute our knowledge into three communities: the academic, knowledge science and family business communities.

#### **6.3.1 Contribution to Academic Community:**

- (1) Firstly, the study offers a new perspective of study which clarifies familiness from the family-center approach. Indeed, our findings of familiness construct can delineate the micro level behaviors, such as family orientation, bond system and members' climate, which can probably extend the detail phenomenon of familiness. So that this new perspective offers to extend the knowledge of family-owned business studies.
- (2) Secondly, this empirical study can explain the shape of familiness into two forms: stable and flexible in which other studies have not done this before yet, in case of family-owned business. This two types of familiness give message to take care the background family culture of effect into business. So that proposed three dimensions of family, individual and business of detail resource constructs are the significant fact of this study and that contribute the original concept of Habbershon and William (1999). Through this significant facts, the study aims to extend our knowledge as the bridge between the current academic literature and new findings.

### **6.3.2 Contribution to Knowledge Science**

The theme of this dissertation is “Emergence of Familiness in Family-Owned Business: The Case of Myanmar”, which is a kind of social science topic in a wide sense. Although this study focuses on the business that investigated tacit resources, such as knowledge, experience, commitment and reputation which help to grow every community of competency and strength. Indeed, this study of resources aspect does not only help to the organizations capabilities but also provide ways of dealing with a tacit and explicit feature of human resources and their awareness in the organization. Therefore, this dissertation theme is partially involved in contributing to the knowledge science.

### **6.3.3 Contribution to Business Community**

This dissertation of the main goal to share back the knowledge to the actual businesses as feedback. Since, the current Myanmar FOBs are not mature in emergence economy of country. Besides, they did not have the community group to assist and share with leading in the proper way. Thus, this study of family-centered approach may reflect as the guidance to keep the family’s cohesiveness as a practical aspect so that the family might be preserved their businesses.

## **6.4 Research Limitations**

As the empirical study, there has several limitations in this study. Firstly, our study was able to capture the image of FOBs with the internal and external perspective. However, it was not able to observe the full framework of business’s resource practices with deep focus that may reflect to think the superficial concept. Secondly, the conducted survey was aligned on Myanmar businesses and it is necessary to validate the results in other countries, particularly in other developing countries (e.g., Lao). Thirdly, the data was collected through a self-participating process and thus may lead to occur the subjectivity assumption of the focus cases. Finally, focusing on the FOBs in emerging economy probably can give the one specific feature and that may lead to assume the limited boundary of business nature. Above these facts occur as limitations and it leads the study to do the further research.

## **6.5 Future Research Direction**

This study mainly focuses on the FOB of resources and its related business performance. As findings, we have known about how FOB has generated their unique resources in the business process, rather than observing the FOBs of pure performance. In case of FOBs, the possessing resources only are not adequate to run the business efficiently (Sirmon and Hitt, 2007), because the values of resources might not be the same in all condition and managing their resources in relevant ways is necessary.

Regarding this, Sirmon and Hitt (2007) introduced a resource management model for family business. The purpose of managing resources in a family business is to create the value in the processing mechanism by extending resource viewpoint of RBV aspect (Barney, 1991). Besides, Habbershon and William (1991) call for the study which emphasize on the resources as a process rather than the content and context. Based on these two aspects, the study aims to emphasize more cases to define the factors that validated and verify our findings regarding the FOBs. In parallel, we will focus on different background culture via. another Asian countries for clarifying the common factors of familiness resource that might help to get the concept of resource occurrence process. In fact that the real driver of socio-economic development of developing countries are the family-owned businesses.

## 6.6 Conclusion

It is not doubtful that the familiness is a valuable and essential resource for the business. Also, it encourages the emergence of business capabilities, and competitive advantages, even the generational process. However, familiness is an implicit nature and difficult to capture; thus it is assumed that all family firms have some degree of family involvement and somehow it will generate the familiness over time. Familiness might not be noticeable while it occurs, thus capturing the positive aspects of familiness can assist to improve the business performance which is a reason for the study. Therefore, this study deeply observed the familiness attributes with RBV's lens to capture the internal resources of properties and values.

Employing thirteen cases in the study, we clarified three main resources dimensions: family, individual and business that fully construct the familiness. Indeed, the study found that the family attitudes also shape familiness and, different attitudes generate different familiness. Regarding this, traditional family attitude results to stable familiness, while the collective family attitude results to flexible familiness, but their working qualities and members' resources may not be different. These empirical findings are aligned to Habbershon (2006) who mentioned the degree of familiness: (positive and negative effect on business) that caused by the members' mindset. Similarly, this study presents new finding which illustrate the relationship phases of family attitudes and shape of familiness. Accordingly, the FOBs' strategy and performance are shaped based on the emergence of familiness. Thus, of significance is that this study did not only clarify the familiness resources but also explicitly figured out their related performance behaviors of business.

Although the family-owned business is the oldest type of business form, they are still a well-known firm in the business sector and the world. In fact, such firms have survived through the families' enthusiasm and unique resources which drove their persistence and patience. Even though some businesses do not get the encouragement from the government; they persevere using their own strength. That makes them to be a resilient form of firms in the study. This significant feature is one

uniqueness of the family-owned business. Overall, this study of achievement findings will support them to preserve the business capacity and continuity.

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## Appendices

### Appendix 1: Interview Guide

This interview guide is a summary of interview questions: case study (1) and case study (2) which conducted the survey under the same research roof of purpose and research questions.


Research focus phenomenon	Interview Questions
<p><b><i>Family-owned business profiles</i></b></p> <p>(Aim to capture the background family and business's nature)</p>	<p><b>Family's nature</b></p> <ul style="list-style-type: none"> <li>• How would you describe your family's living style?</li> <li>• Does your family prefer to follow the customs? If so, can you describe your family customs fully?</li> <li>• How did you (your parents) take care of the family members?</li> <li>• Could you explain your family/ members <b>concerns about their life</b>?</li> <li>• What is the average length of working hours per day/week?</li> <li>• How about the involvement of relatives. (Did they get involved or not in the business)?</li> <li>• Could you explain about why do you work in this business? (Reason and their intended goal)</li> </ul> <p><b>Leading</b></p> <ul style="list-style-type: none"> <li>• Who is the family leader (age, gender, education, experience)?</li> <li>• Could you describe the ways of his/her leading patterns?</li> <li>• As members, how did they follow the leaders' steps?</li> <li>• How did the family members interact at business? (membership patterns, trust and understanding)</li> </ul> <p><b>Business's background</b></p> <ul style="list-style-type: none"> <li>• Would you explain about business brand name? Is this a family name?</li> <li>• How did you establish this business? (when, with whom, why)</li> <li>• How many members are working for this business? Did you persuade them to work?</li> <li>• How many years did you try to be successful in the current condition?</li> <li>• How many branches do you operate currently?</li> <li>• Could you tell me the monthly revenue of your business?</li> </ul>
<p><b><i>Familiness</i></b></p> <p>(Aims to focus on cognitive, relationship, structure of family and,</p>	<p><b>Family Members of involvement at business</b></p> <ul style="list-style-type: none"> <li>• Would you describe about your family <b>goal</b> as your understanding?</li> <li>• If the family has an intended goal, how did you try to get there?</li> <li>• Could you describe the relationship of your family members at the business?</li> <li>• What kind of relationship do you (members) prefer to? (e.g., equal, social, authority, community and mixed type relationship)</li> </ul>

Research focus phenomenon	Interview Questions
<p>Seek how the members drive their effort for business)</p>	<ul style="list-style-type: none"> <li>• How do you share among the family members?</li> <li>• Based on sharing manners, what kind of <i>values</i> are developed among the family members and business? (i.e., trust, transparency, knowledge)</li> <li>• Do you have the family meeting? If yes, what do you discuss?</li> <li>• If no, how do you organize with others for working?</li> <li>• Do you set the rules or disciplines in business?</li> <li>• For business, how do you collaborate your efforts with others?</li> <li>• Do you need to negotiate with other activities? Why?</li> <li>• Would you describe about your siblingship (conflict, cognitive and relationship among them)</li> <li>• Do you use the shareholder system?</li> <li>• Regarding the financial part, how did you manage the business revenue and profits with members?</li> </ul> <p><b>Knowledge and capabilities</b></p> <ul style="list-style-type: none"> <li>• What specific knowledge and capabilities are crucial for competing in the industry?</li> <li>• How do you acquire knowledge and utilize this knowledge for business?</li> <li>• What makes you trust others?</li> <li>• During work time, do you make decisions by yourself? Could you describe, which and what kind of decisions you make?</li> </ul> <p><b>Role of leader or parents</b></p> <ul style="list-style-type: none"> <li>• How about your (your parents) nurturing pattern upon the family member?</li> <li>• Do the members follow your will?</li> <li>• If you (the leader) make a decision, did you consider others' opinions/agreements?</li> <li>• How do you (the leader) give guidance to the members?</li> </ul>
<p>Business performance</p> <p>(Aim to seek how the members and leader compile their efforts for business, usage strategy and performance)</p>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• How do you think about the environment? Is it important for business?</li> <li>• Please describe about your business of customer dealing patterns?</li> <li>• Do you prefer to deal with people around the environment?</li> <li>• Do you prefer to follow the technology and knowledge ages? How do you follow?</li> </ul> <p><b>Business strategy/performance</b></p> <ul style="list-style-type: none"> <li>• How do you handle the challenges in the market?</li> <li>• Would you like to share your previous experience of surviving patterns or risk?</li> </ul>

Research focus phenomenon	Interview Questions
	<ul style="list-style-type: none"> <li>• How do you consider and make an urgent decision about a problem?</li> <li>• In order to keep business stability, do you create the new things your business (i.e., process, products and services)</li> <li>• If you create a new thing in business, what resources are necessary to compile for the whole business process? (and how to create?)</li> <li>• How do you keep the business balance between the success and failure?</li> <li>• Describe about the ways of making efforts by family members?</li> <li>• Would you describe the managing way upon the employees? Who handle this employees' management?</li> </ul> <p><b>Generation</b></p> <ul style="list-style-type: none"> <li>• Would you describe about your generation?</li> <li>• How about the next generation for business, have you (the leader) prepared for that?</li> <li>• Would you like to explain about your opinion of the next generation of business?</li> <li>• What is your preference characteristics of a business leader?</li> </ul>

## Appendix 2: Invitation Letter to Participants

**Re: Invitation to participate in the Research**



From: Tin Maung Htwe Geology

To: NAY Zar

February 1, 2016 4:36 PM

Dear Nay Zar Aung ,

Thank you for your mailing and invitation about doing the research in our country, Myanmar. I will help you to conduct the research that related with the family business. When you are conducting the survey, my business and me will provide to your study.

Tin Maung Htwe  
 Shwe Thit Sar Traditional Weaving Production.  
 Seik Kun , Shwe Bo Township,  
 MYANMAR.

On Feb 1, 2016 11:05 AM, "NAY Zar" <nayzar@jaist.ac.jp> wrote:

Dear Mr. Tin Maung Htwe  
 Golden Royal Traditional Weaving Production  
 Sate Khon City, Mandalay, MYANMAR

My name is Nay Zar Aung and I am a doctoral candidate at School of Knowledge Science, Japan Advanced Institute of Science and Technology (JAIST), JAPAN. I am doing my studies under the supervision of Professor Youji Kohda (Professor, School of Knowledge Science). Currently, I am working on the study of Family Business, especially focus on the behaviors and features of family members who are performing for their business with socioeconomic goals. Therefore, I am now exploring such kind of phenomenon with the case studies that regarded as your family business which is becoming a part of my study.


We would like to invite you to participate in my contribution of the family business research and we will keep all information about you and your business with confidentially that according to the research ethic. During the surveying process, we will come and conduct the questionnaires and interview surveys to your business and that could be a part of your contribution.


I am looking forward to hearing from you for participating in this contribution.

Sincerely,

Nay Zar Aung  
 Ph.D Student, School of Knowledge Science  
 Japan Advanced Institute of Science and Technology, JAPAN.  
 Email: [nayzar@jaist.ac.jp](mailto:nayzar@jaist.ac.jp)  
 Tel: +81 080 4763 8911

## Appendix 2: Invitation Letter to Participants


**Invitation to participate in our research**



From: Ei Ei Khin

To: NAY Zar

Cc: Sensei

February 4, 2016 8:30 PM

Dear Nay Zar Aung,

I received your mail and understand about your study of family business. We are operating our business as the Private Education Center with our family members since 2002. You can learn from our business and share our ideas during your visiting time.

The best,  
Ei Ei Khin.

On Thursday, 4 February 2016, NAY Zar <[nayzar@jaist.ac.jp](mailto:nayzar@jaist.ac.jp)> wrote:

Dear Mrs. Ei Ei Khin  
Director, Our Inspiration Academic Center (OIAC)  
National Private School, Yangon, MYANMAR

My name is Nay Zar Aung and I am a doctoral candidate at School of Knowledge Science, Japan Advanced Institute of Science and Technology (JAIST), Japan. I am doing my studies under the supervision of Professor Youji Kohda, Professor (School of Knowledge Science). Currently, I am working on the study of Family Business, especially focus on the behaviors and features of family members who are performing for their business with socioeconomic goals. And, I would like to explore such kind of phenomenon with the case studies that regarded as your family business which is becoming a part of my study.

We would like to invite you to participate in my contribution of the family business research and we will keep all information about you and your business with confidentiality that according to the research ethic. During the exploring process, we will come and conduct to your business with the questionnaires and interview surveys and that could be a part of your contribution.

I am looking forward to hearing from you for participating in this contribution.

Sincerely,

Nay Zar Aung  
Ph.D Student, School of Knowledge Science  
Japan Advanced Institute of Science and Technology  
Email: [nayzar@jaist.ac.jp](mailto:nayzar@jaist.ac.jp)  
Tel: +81 080 4763 8911

## Appendix 3: Approval Letter

### 1. University Recommendation Letter




To Whom It May Concern

Date: February 12, 2016

This is to certify that Nay Zar Aung is a doctoral student of School of Knowledge Science, Japan Advanced Institute of Science, Japan. She is conducting the research entitle "The Family Business" domain under the supervision of me, Professor Youji Kohda, School of Knowledge Science (JAIST). She is highly interested in contributing the family business studies to your country (Myanmar) also to the academic research body. Therefore she completely needs your business' information regarding her research projects.

The outcome of the study will be useful to universities, research scholars, supervisors, etc. Therefore, I would like to recommend kindly you provide the information that she needed. All of the information that you gave us will be used for academic or research purpose only.

Your kind cooperation will contribute to the research.

神田 陽治 

**Professor Youji Kohda**

School of Knowledge Science,  
Japan Advanced Institute of Science and Technology,  
Ishikawa, Japan

## 2. Participant Consent Letter

### Informed consent form

#### INTRODUCTION

You are invited to take part in a research project that supervised by Professor Youji Kohda, School of Knowledge Science, Japan Advanced Institute of Science and Technology (JAIST). The research will be conducted by the doctoral candidate referenced below:

Nay Zar Aung  
School of Knowledge Science,  
Japan Advanced Institute of Science and Technology  
[nayzar@jaist.ac.jp](mailto:nayzar@jaist.ac.jp), Tel: +81 080 4763 8911

You are being asked to participate in this study because you have contacted with this student either directly or indirectly. At first, please read this form, and you may ask any questions before proceeding the interviews. You may address your quires to the supervisor: Professor Youji Khoda, [kohda@jaist.ac.jp](mailto:kohda@jaist.ac.jp). If you wish to speak to someone outside of this research team, please call to the university's office of JAIST at +81 751 51. For this research, your participation is valuable and it is strictly voluntary. On other hand, you may refuse to participate in the study, or you may stop interviews at any time during surveying, without any effect on your involvement with the company.

#### PURPOSE

The aim of study is to seek the unique resource of family and its operating value at family-owned business which is supposed to contribute and enhance the regional development of Myanmar businesses. According to this purpose, we will explore the familiness and its related business performance of the family leader and family members. Based on this empirical facts, we will build the theoretical model of the familiness.

#### PROCEDURES

You are being asked to participate in an individual interview which probably takes about 30-90 minutes, and the interview will be conducted by the doctoral candidate that is convenient to you. The interview will be recorded and transcribed. We will give a copy of the transcription to you, and at that time you may change some modifications of the talks what you meant to say.

#### RISK AND CONFIDENTIALITY

As far as we are able to determine, there is no more risk to you for participation in this study. You will be asked questions about the family behaviors, nature and their concerns about the family business level and your answers are purely voluntary and highly confidential. Your identity will be strictly protected. We do not mention any information about the family affairs and matters in any reports, documents, and records, despite our intended focal study point with the research aspect and all quotes

will be attributed to a fictional name. To further enhance the confidentiality of your contribution, we ask that you do not discuss your interview with others in the business.

Access to the raw materials is restricted to the three-member dissertation committee, faculty and doctoral students who may assist in the quality review process. At no time will your real name be revealed to any of the people who will read the transcript or the final dissertation, even if direct quotes are included in that document, and complete transcript of interviews will not be published. This transcript will be kept in the researcher with a high-security password with software on the computer. This will be securely safe for an indefinite time with access to no one but the researcher.

## **BENEFITS AND COMPENSATION**

There are no known benefits to you that would result from your participation in this research. In fact, this research may help us to understand the resources and performance results of the family in family business. And we hope that this results of this study help others understand more about the family business fields of academic research. You will receive no compensation for your role in this research. Your consent on this form, as evidenced by your signature, means that you agree that should this research result in the development of any remarkable outcome, you will have no ownership interest in that right in any profit from it.

## **COSTS**

There are no costs to you of participation in this study beyond your time.

## **QUESTIONS**

Should you have any questions, please direct them as per the persons and numbers listed in the introduction above.

**SIGNATURE:** By signing this form, you signify that you agree to participate in this research. Except as stated in this section of benefits and compensation above, you do not give up any legal rights. You will receive a copy of this form for your records.

.....	.....	.....
Participant (Print Name)	Signature	Date

---

## **RESEARCH STATEMENT**

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I certify that the process has been explained to the individual as per the sections in this document and I have answered to the participant's satisfaction any questions raised.

Nay Zar Aung

Signature and Date

### 3. Approval Letter from Surveyed Business

#### Verification Letter

##### To whom it may concern

I am pleased to inform that we (Ms. Nay Zar Aung and I are making the conversation, discussion about the family business that I support to participate in the studies of Nay Zar Aung, in our firm in Myanmar. Therefore, I verify that Ms. Nay Zar Aung is already come and conducted her survey with me today.

Name: .....

Business Name: .....

.....

Address: .....

.....

.....

Telephone: .....

Email: .....

### Appendix 3: The Summary of Categories and Core Categories-1

Open Coding	Axial Coding	Selective Coding	Construct
Conceptual Codes	Conceptual Categories	Core Categories	
Practical drive working	Learning	Member's Engagement	Familianness
Enjoyed in knowing			
Awareness	Self-adjustment		
Understanding			
Fulfilling to others	Reciprocal Relation		
Member's ties			
Followed to previous generation	Familial Customs		
Trust			
Respected-based entity	Family Structure	Family Unity	
Harmonious relation			
Retention	Cognitive Value		
Family Culture			
Shared agreement	Collaborative Mindset		
Same mindset			
Members' passion	Knowledge Sharing		
Share stories			
Willingness	Enthusiasm	Family Leading Patterns	
Persistence			
Interlinking with others	Coordinating		
Collaborating			
Follow Customs	Family Nature	Traditional internal governance system Cooperative internal governance system	Internal Governance System
Members' Relationship			
Openness and encouragement	Governance Form		
Decision Making			
Take caring patterns	Nurturing System		
Altruism			
Transparency	Membership		
Homogenous in siblingship			

### Appendix 3: The Summary of Categories and Core Categories-2

Open coding	Axial coding	Selective coding		
Conceptual codes	Conceptual categories	Sub-core categories		Core category
<ul style="list-style-type: none"><li>• Concern the children’ future</li><li>• Do not force to others without interesting</li></ul>	Unstrict family framework	Flexible family attitude	<ul style="list-style-type: none"><li>• Family’s Perceived Value<ul style="list-style-type: none"><li>• Managing Ways</li><li>• Utilizing Experience</li></ul></li></ul>	Family attitude
<ul style="list-style-type: none"><li>• Appreciate to learn flexibly</li></ul>	Learning is appreciated			
<ul style="list-style-type: none"><li>• Invest efforts by self-interest</li></ul>	Devoted skills and experiences			
<ul style="list-style-type: none"><li>• Persuade to the members</li></ul>	Persuade to other members			
<ul style="list-style-type: none"><li>•</li></ul>				
<ul style="list-style-type: none"><li>• Keep business task themselves</li><li>• Share mutual efforts</li></ul>	Planning	Stable family attitude		
<ul style="list-style-type: none"><li>• Follow generational working mind-set</li><li>• Invest all personal life (time, youth and social)</li></ul>	Managing			
<ul style="list-style-type: none"><li>• Drive business by enthusiasm</li><li>• Push to work hard</li></ul>	Enthusiasm			

## Appendix 4: Case Profiles

### Case Study (1)

<b>Business Name:</b> Myo-Myanmar Weaving Factory	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 36 years	<b>Leader:</b> Founder (Father)
<b>Total working family members:</b> 4	<b>Next-generation family member:</b> Youngest son's couple
<p>This weaving factory is operated by an extended family and produce the textile for men wear. This factory is situated in Won-Twin Township, Mandalay Division in Myanmar. The family has currently four members in total as the extended family. This business come from their previous generation of the household-firm. The family has three sons who have their own family at another cities except the third son couple. Thus, the parents and the third son's couple are working together for the weaving factory. It seems that the family is going to handover the business to the youngest son's couple because other members are not interested to work at this business.</p> <p>According to the resource scarcity and lack of experiences, the factory was not operated from 1980 to 1988, later they could manage the tools and spare parts of the machines. Thus, the business process and operating system seems to be slow in the market without taking the loans from the government. However, all family members try to handle the business well with their persistence. Currently, the factory has 30 weaving machines with 30 employees, and the business size is small according to the SME criteria (OECD, 2013).</p>	

### Case Study (2)

<b>Business Name:</b> Kein-Na-Yi Weaving Factory	
<b>Generation:</b> 2 <sup>nd</sup> generation <b>Business year:</b> 58 years	<b>Leader:</b> 3 <sup>rd</sup> son <b>Working years:</b> 5 years
<b>Total working numbers:</b> 8	<b>Next-generation family member:</b> Not set yet
<p>This weaving factory was built in 1958 in Won-Dwin Township, Mandalay Division in Myanmar. This region is a famous place for traditional textile production in Myanmar. The parents built the business with their traditional weaving style. When the established time, the parents worked very hard to maintain the business due to the lack of assets. By trying with persistence, they can extend the business size with multiple productions. Then, the business can substitute with electronic machines, tools and spare parts by themselves. Nowadays, they import the raw materials and tools from the foreign country directly. Their products are male and female textile wear and well-known products at the national level. The total employees are around 150 and medium business size and pure family owned business.</p> <p>The parents have four children, and all have their own family now. However, the leader of guidance and rigid family system provide to keep the business with firmly. As the leader's will, the 3<sup>rd</sup> son became the leader five years ago, and father is retired from business but still give a guide to business.</p>	

During the 3rd son of management, the business of organization system is improved, such as business management system, technology usage (CCTV, machine and chemical usages) and employees' management. Other three siblings and their spouses also participate in the business. Based on this, the business has become more substantial, and the father is still guiding to all members.

### Case Study (3)

<b>Business Name:</b> Shwe-Thit-Sar Weaving Factory	
<b>Generation:</b> 1 <sup>st</sup> generation <b>Business year:</b> 12 years	<b>Leader:</b> Founder (Husband)
<b>Total working family members:</b> 2	<b>Next-generation family member:</b> Not set yet
<p>This weaving factory is situated in Sagaing division, Myanmar. This factory produces women and men textile products and distributes to the different cities. Young couple established this business without having the background knowledge of textile and weaving machine. After 3 to 4 years, they could generate the normal business flow in the textile industry. Now, a business can operate 40 weaving machines by combining some technology parts.</p> <p>Mainly, the couple works the business tasks with planning and making a schedule based on their financial, land, labours and machines. Without using the loan from the governance, they can handle the business by themselves. Based on their love, they understand each other, so as the business process. However, they found some difficulties during the production due to the lack of transportation and communication problem, such as raw materials and machines scarcity.</p> <p>By using the own rules and disciplines on business, the relationship between employees and employers have a good interaction that leads to producing the target production. Due to the husband of yearly plan, the business progress regularly.</p>	

### Case Study (4)

<b>Business Name:</b> Pho-Htaung Green-tea and Fried Pea Manufacturing	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 37 years	<b>Leader:</b> Founder (Father)
<b>Total working family members:</b> 4	<b>Next-generation family member:</b> Second son's couple
<p>This food production business was built in 1979 and produce the traditional food for Myanmar people. This business was early introduced from grandparents work as the household-firm but well-known in their local region at that time. After handover from the previous generation, the father upgraded the business with a purpose for family future. So, the father learnt the food technique with practical ways by himself and later, the products' quality and packing system were improved. Currently, they operated four branches with around 200 employees in this business.</p> <p>In the family, the parents preferred the traditional customs and governed to the children with traditional ways, the business as well. Thus, they nurtured the children with the rigid system until</p>	

<b>Business Name:</b> Pho-Htaung Green-tea and Fried Pea Manufacturing	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 37 years	<b>Leader:</b> Founder (Father)
<b>Total working family members:</b> 4	<b>Next-generation family member:</b> Second son's couple
<p>the graduation time, while the employees have some difficulties in accommodation, they allowed the employees to stay with them. Through this ways, they can build the mutual understanding between employees and employers that enhance to go the smooth business process. Moreover, the business has more loyal employees and more secure than the regular business.</p> <p>Mainly, father motto is “sincerely is the first, hardworking is the second” and his passion and enthusiasm made the children work hard. Currently, the second son's couple help in the business (employee management, raw materials saving and production). Mother and daughter-in-law also provide their efforts, such as customer dealing and seeking the business opportunities in the market. By combining through each person of enthusiasm, the business can fully operate at the regional and national level.</p> <p>As the traditional system, the family members do not separate with legal form in ownership, management system, and their main purpose is live and works together at family and business.</p>	

### Case Study (5)

<b>Business Name:</b> TM Milk Production	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 33 years	<b>Leader:</b> Founder (Father)
<b>Total working family members:</b> 4	<b>Next-generation family member:</b> The 3 <sup>rd</sup> and 4 <sup>th</sup> son
<p>TM milk production is a pure family owned business and it was established in 1983 by the family leader. Mainly, the father wanted to possess the cows' farm for any productions, such dairy milk, cheese, yoghurt, cream, butter and so on. When he was 14, he started to breed on heifer (cow) as his one. Later he can extend 87 cows on his farm when he was 26 years old. Based on this, he produced dairy milk and distributed to the local area as much as he can. However, the main problem is a technique how to produce the milk freshly and durability for the customer, and he learnt a lot from that process. Also, he upgraded the production machines and technique to produce the dairy milk.</p> <p>Basically, the father made with the plan and objective for every task also gave guidance to his sons and family. So, the TM milk farm is operating with 120 cows which are Netherland type of Friesian with large size and they can produce a large amount of milk. Based on this, they can distribute to the city customers.</p> <p>According to the father aspiration and enthusiasm, the business name is also given by his name. Father's opinion is making an effort by aspiration is the best way to possess the success. Thus, he supported them to work as their hoppy and interest and all children understand about a father of the younger life's hardworking and experiences. Currently, the first and second sons have their own</p>	

businesses and the father needs a help for this business. So, father persuaded and motivated to 3rd and 4th son to join the business.

Based on the father of enthusiasm, the milk production has 80 employees, and the business is a medium-sized business. Two sons were working on this farm for over three years, and they understood the business technique. Based on their efforts, they can produce their own design and products with good quality. Through this all members of collaborative efforts, the business can handle the milk production in the market. They did all of the breeding tasks of cattle cows by themselves without hiring the professions from outside. Currently, the TM milk production is situated in Yangon City and distribute all of the supermarkets and food stores of the city.

### Case Study (6)

<b>Business Name:</b> Myat-Ya-Da-Na Gold and Jewelry shop	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation	<b>Leader:</b> Founder (Father)
<b>Business year:</b> 25 years	
<b>Total working family members:</b> 3	<b>Next-generation family member:</b> The eldest son
<p>Myat-Ya-Da-Na gold and jewelry shop is situated in Meik-Hti Lar Township, Mandalay Division in Myanmar. The couple started the gold shop in 1991, even they didn't have background experience about gold knowledge. Thus, they learnt gold technique and market conditions by themselves. Although the gold technique, employees' management and market competition are difficult, the couple gave attention, persistence and took time for the business. Also, they took care of the accuracy, correctness and trustiness in the customers' relationship that makes them build the good relations at the market.</p> <p>In a family, they have two sons and the eldest son joined the shop 6 years ago. Based on the father's guidance, personal interest, and practical work, the eldest son can deal and handle the shop smoothly. Even if, the son made a mistake, the parents allowed him to restart again. In this way, son had a lot of experience and learnt from it. Now, the son is emphasizing the market conditions and outside matters. Thus, he monitored other shops' information and talked back with discussion, based on this the business can create new designs and selling technique in the market. For example, they created one instalment selling plan for the customers, especially for farmers in the rural area for taking the customers' attention. This strategy was successful in the market and keep going well.</p> <p>They recognized that most family businesses are weak in the financial part and some fail due to the lack of this financial management. So, they make a strong budget plan for the business. Through this way, three family members collaborate their efforts for the successful business.</p>	

### Case Study (7)

<b>Business Name:</b> Our Inspiration Academic Center Private Education Center	
<b>Generation:</b> 1 <sup>st</sup> generation <b>Business year:</b> 14 years	<b>Leader:</b> Founder (Husband)
<b>Total working family members:</b> 2	<b>Next-generation family member:</b> Not set yet
<p>Our Inspiration Academic Center (OiAC) private education center is established in 2002 with two partnership system. The husband has been encouraged supported by his mother since his childhood. Thus, he has been guiding a small number of student and giving a teaching service in his student life. Even though the private education center is built on the personal interest, there was no profit and no cash due to lack of skills and linkage. Thus, the share partner has resigned from the venture work after two years ages of business.</p> <p>In 2004, another six members of family members had engaged as the working partners, and the business has some working strength from that. Beginning 2005-2006, 2006-2007, the education center has been able to produce outstanding students, and subject diction winners and people have known about this business. Later the business has on the gradual increase a slice profit has started to earn in 2005-2006. Thus, the business has been reinforced by management, training and teaching in services and now about 40 employees in total properly.</p> <p>In the business, the husband set the rules and discipline for all members without separating the relatives and non-relatives. He also follows to his rules. He also encourages to be honest and make own efforts for the business. Thus, members have understood each other without considering more or less work done absolutely and have accomplished their work as much as their capability. So, interfaith is the key and follow with mutual relation has a critical in the education business. Through this way, the husband established the long-term objective and prepared the business system for gaining the sustainable advantages. The wife also supports her opinions and management to business. Therefore, each of giving understanding is the key and the essence of the education work.</p>	

### Case Study (8)

<b>Business Name:</b> Wheat wholesale center	
<b>Generation:</b> 2nd generation <b>Business year:</b> 40 years	<b>Leader:</b> All sibling equally manage the business <b>Working years:</b> around 10 years
<b>Total working family members:</b> 9	<b>Next-generation family member:</b> Not set yet
<p>The wheat wholesale center is established in 1976 by the parents as their career. The parents preferred to follow the Myanmar customs, living style and ways of communication. Thus their nurturing system is neither free nor strict. Since father taught us to be honest and share agreement, and he also followed this guidance. The father considered both sides in every business transactions (business and customer), and he never decides from the one-sided. Thus all customers become to believe in the father's work and mindset. Through this way, my father operated the business with his own benchmark. Even the father passed away; the loyal customers always come to this business.</p>	

This family has nine children who are an adult, live and work together at business. In the family, ageing respect is a key, and the eldest children have to help to parents and other siblings. Also, mother's governance and guidance make them have one unit. This custom is a good foundation for the sibling, and it makes them have a bond system.

Currently, this wholesale business has four branches, and all siblings operate those branches together without separating the duties and responsibilities. Because, they know and understand others' good and weak points that make to fulfil the other side, based on the reciprocal relationship. Therefore, all siblings work on their skills and preference parts. Often the siblings have some arguments in business matters; they can digest quickly after a short time. Through the family bond system, all siblings make their efforts for business.

### Case Study (9)

<b>Business Name:</b> Taing-Chit Gold and Jewelry Shop	
<b>Generation:</b> 1 <sup>st</sup> -2 <sup>nd</sup> generation <b>Business year:</b> 33 years	<b>Leader:</b> Mother
<b>Total working family members:</b> 3	<b>Next-generation family member:</b> - Second daughter
<p>Taing-Chit gold and jewelry shop is established in 1983, and this business come from the grandmother's generation. Thus, the mother had a lot of experience in gold technique and market condition. The family has three daughters and they have their own families. Even, all daughters have their kids, they live with their mother and operate the business together. In fact, the family system is an open type and didn't set the boundary and rules. Therefore, mother and son-in-law have a good relationship and mutual understanding each other.</p> <p>In Myanmar tradition, the father is a leader of business and mother is a manager of a family. When father considered about the business and family future, mother nurtured and guided to the daughters. Mostly, the father and mother governed to the daughters with flexible ways; thus, all daughters are clever and take care back to the parents. Among three daughters, the second daughter is interested in the gold technique and making the accessories. Thus father allowed her to learn in the business when she was a school girl. Therefore, the second daughter understood the business nature and formally joined to the business at 23 years old. By combining with talent girl, the business process was more active and speedy.</p> <p>At the same time, the second daughter shared her experience with other sisters and also learnt the current market condition for evaluating back her business. She also listened to the customers' voice and their preference for seeking the business opportunities, even she is a new in the market. She considered from the customers' side and thought their conditions. Through this technique, she handle their gold shop in the market even there have many competitors. Even the father died three years ago, mother and second daughter can manage the business well.</p>	

**Case Study (10)**

<b>Business Name:</b> Aung Thein Ka Rice Factory	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 50 years	<b>Leader:</b> Mother
<b>Total working family members:</b> 4	<b>Next-generation family member:</b> -Youngest daughter
<p>Aung Thein Ka Rice factory is established in 1967 by the couple. The main purpose of establishing this rice factory is to help some production steps for farmers, as well as the life-career. Thus, the couple has handled the varieties of machines and tools in a plant; even employees help to finalize the products. Before setting the factory, the husband considered the place, factory type and price which are main factors to operate the business. After that, the factory is set down in the east part of Mandalay city near the harbour. Through this way, the husband set up the business.</p> <p>As the family, they followed the customs and traditional ways. The family has seven children, and the parents hired the nanny for taking care of the kids. The father allowed the children to do the hobby works and guided the ways of thinking upon life. But, the father never pushes to the children to do the works. But, mother guided the children, to be honest, and work hard based on the interest. This family guidance style made the children take care back to the parents. So, the eldest son joined and helped to the father in the business, however when the sons were married, the father allowed them to build their own business. Daughter also helped to business, such as in accounting, customer dealing, selling and buying parts.</p> <p>As business system, the father kept the quality of products and the price that aimed to possess the fairness between the customers and business. This image is one well-known factor of our business. Even the father was passed away, some loyal customers or farmer come here to produce their products. Currently, the youngest daughter and mother operate to the factory by reinforcing with high-quality machines. Like the female, the youngest daughter consider the environmental conditions and its information. As well as the technology and customers' favorite are necessary facts to operate the business. Through this technique, the youngest daughter and mother handle their factory in Mandalay city.</p>	

**Case Study (11)**

<b>Business Name:</b> Maung Snack (plum) Food Production	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 40 years	<b>Leader:</b> Father
<b>Total working family members:</b> 5	<b>Next-generation family member:</b> The eldest son
<p>'Maung' snack (plum) food production was built by father's enthusiasm in 1962. This family type is open type and father preferred his children as the independent guys with talent and own opinions. Therefore, parents do not force the children in every matter, except the education. But the father guided the children to touch the real life at outside, rather than stay at home. His concern is a kind of window to see the actual world. Therefore, the children understand and can handle their life by themselves.</p>	

<b>Business Name:</b> Maung Snack (plum) Food Production	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 40 years	<b>Leader:</b> Father
<b>Total working family members:</b> 5	<b>Next-generation family member:</b> The eldest son
<p>Father built this business in many years and failed many times, but he overcame the challenges of the snack production business. Since so many competitors in the city and it is necessary to keep the quality of products. So, father always makes two steps: planning and implementing. Based on experience and knowledge, father handles the business strategy in the market.</p> <p>Normally, plum is very cheap, and it is a seasonal fruit, and it needs to save for a whole year. Based on a different kind of plum size and taste, the production process and products would be changed. Based on the customers of common favorite products, they recreated the design and taste with freshness.</p> <p>As the members, two sons are joining the business based on their purpose of life career. Father enjoy their participating in business because the business can extend more processes. Based on the joining, they can recreate the products. As the duties, the younger son run the outside activities and elder son work for the inside activities. After that, they share the common knowledge. Father always listen and share discussion upon the business, in this way, the family collaborate their efforts for business.</p>	

## Case Study (12)

<b>Business Name:</b> Thein Aung Watch Wholesale center	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 52 years	<b>Leader:</b> Father
<b>Total working family members:</b> 9	<b>Next-generation family member:</b> The second daughter
<p>Thein Aung watch wholesale center is situated in Yangon city area and the market competitions are more varieties than a rural area. Among the different kind of shops, this business operates four branches, due to their background capacity (family, financial and abilities). Founding by father's efforts, the business is now 52 years.</p> <p>The family has four children, and they became the adult under the grandmother's taking care system. In fact, the father always works at outside and mother support as the worker, thus, the children grew up with the grandmother. Thus, the home has basic rules and disciplines for school child, also the parents agree with the grandmother' opinions. This discipline helped them to understand the life and the parents illustrated that how to earn the money for life.</p> <p>All children are familiar with the watch and its accessories because they always help to father at summer. Mother also manage the inside mechanism of business, such as employees' affairs. When the second daughter was 16 years, the mother pushed her to join the business due to the lack of business management. So, she learnt business technique from employees and customers' interactions. Other sibling joined after their graduation, so the second daughter shared back and guided them. As the business type, the owner should monitor the market news in the environment,</p>	

<b>Business Name:</b> Thein Aung Watch Wholesale center	
<b>Generation:</b> 1 <sup>st</sup> – 2 <sup>nd</sup> generation <b>Business year:</b> 52 years	<b>Leader:</b> Father
<b>Total working family members:</b> 9	<b>Next-generation family member:</b> The second daughter
<p>without knowing about this, the business would be old-dated. Therefore, the second daughter always listens to the market news and reflect the strategy as the way of market penetrating.</p> <p>Even, the family involved with spouses, their relations and understanding would not change among the sibling. As the information ages, they combine some new technique to extend the market. The sibling of sharing and father's guidance are the real engine of business and based on this, their family create the working capabilities for the market.</p>	

### Case Study (13)

<b>Business Name:</b> Pauk-Kan Wood crafting shop	
<b>Generation:</b> 1 <sup>st</sup> generation <b>Business year:</b> 21 years	<b>Leader:</b> Husband
<b>Total working family members:</b> 2	<b>Next-generation family member:</b> Not set yet
<p>Pauk-Kan wood crafting shop is now 21 years old business, and it was established by the husband who is eager to create the wood crafting. Based on his hobby, this shop has emerged. After married, the wife joined the business and managed the selling parts of the wooden craft. Based on the husband's plan, schedule and managing, the shop is regularly operated.</p> <p>Currently, the shop is situated in the famous tourist place of Myanmar "Bagan" by operating with ten employees. Even though the shop has no more branches at other locations, they can give the services to outsides training class and, construction work. Thus, the husband is always busy, and he can guide the business process with wife management.</p> <p>As the family life, the couple has the same mindset in every way, for example, take care of the children with disciplines and, household managing system. They have two young kids and manage them with customs and rules, example- do not allow to go outside at 6 pm.</p> <p>In business, the couple has a mutual relation and engagement each other. Also, fill up the other weak point with understanding is the key to operating business. For example, the wife can speak the English language, and she can deal with the tourist customers, while the husband manages the employees' affairs and outsources suppliers. Through this engagement, their wood crafting shop can operate regularly in the famous tourist place.</p>	