

Family Owner's and Social Responsibility in Small and Medium Family Firms

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Introduction

In general terms, socially responsible management refers to a set of voluntary company activities that demonstrate the inclusion of social and environmental concerns in business operations and in interactions with stakeholders (Maclagan, 1999; Van Marrewijk, 2003; Hammann *et al.*, 2009). Some authors state that socially responsible firms cannot exist without socially responsible managers who are occasionally willing to sacrifice the objectives, interests and needs of their firms in favour of socially responsible actions (Hunt *et al.*, 1990; Wood *et al.*, 1986). This balance between financial and non-financial goals is relevant in the context of family firms, because one of the fundamental premises in family business literature is the priority for nonfinancial goals (Berrone *et al.*, 2010; Chua, Chisman and Sharma, 1999; Zellweger and Nason, 2008).

In family firms, reputation (Dyer and Whetten, 2006), family involvement (Bingham *et al.*, 2011; O'Boyle *et al.*, 2009), and stakeholder identity orientation (Bingham *et al.*, 2011) have been considered as drivers for social responsible behaviours. At the goals level, Zellweger *et al.* (2011) demonstrate theoretically that “depending on the family’s preference for firm identity fit and the corresponding family concern for corporate reputation, family firm will pursue firm-level nonfinancial goal to the benefit of nonfamily stakeholders” (p.4). Therefore, the social identity of the family firm plays a relevant role in seeking corporate reputation and the SR behaviour and the driver for the development of this social identity are the family owners and their responsible behaviour. However, at the behavioural level, how this social identity is developed, and consequently, how social responsible behaviour in family firms is motivated by family owners has not been yet analysed.

Following Scott and Lane, (2000) and Zellweger *et al.* (2011) social responsibility goal in family firm will be enhanced whether the family seeks identity fit between family and firm.

The family and firm identity fit is a result of the integration of the stakeholders' interest by the family owners and managers in the government and management decisions. In this sense, social responsibility is a manifestation of a stewardship attitude (Deniz and Cabrera, 2005; Ward, 1999) where stewards defend the welfare of all stakeholders rather than merely that of shareholders; consequently, the primary means of satisfying stakeholders with competing interests is to maximise the long-term value of firms (Hernández, 2008). Stewardship theory (Davis *et al.*, 1997) adopts a psycho-sociological view of corporate governance that depicts managers as stewards of firms. Their behaviour is such that pro-organisational or collectivist conduct yields higher utility than individualistic or selfish conduct (Chrisman *et al.*, 2007).

Our contention is that this unique identity is motivated by the fair behavior of family owners and we focus on how, at the behavioural level, social responsible behaviour in family firms is motivated by family owners. The family owner role can develop stewardship attitude and, thus, assuming that social responsibility is a manifestation of a stewardship attitude (Deniz and Cabrera, 2005; Ward, 1999) where stewards defend the welfare of all stakeholders rather than merely that of shareholders (Hernández, 2008), it enhances SR behavior in family SMEs.

Therefore, we focus on the interest of owners, as dominant family coalition, in promoting unique identity and motivating stewardship attitude, and thus enhancing the social responsibility in family firms. Social responsibility considers and integrates the interest of the stakeholders of the firm and the main stakeholder has to behave responsibly with regard to the other stakeholders in order this perspective to be shared by the members of the organization. To capture this process, we measure how responsible family ownership (RFO) (Iturrioz and Aragón, 2013) influence on the socially responsible behaviour of family firm through the application of an empirical testing of an integrative model whose dependent construct, the SR behaviour of firms, comprises a wide set of firm behaviours in the three main areas of SR: environmental, economic and social issues.

In this working paper, we contribute to the literature contrasting what is the family owners' role in order to motivate SR behaviour, and thus, contributing to explain how SR can be enhanced in family firms and to understand the heterogeneity of SR in family firms (Deniz and Cabrera, 2005). This perspective integrates the previous results that pointed at the family reputation (Dyer and Whetten, 2006) and social identification with stakeholders as drivers of SR in family firms.

Our paper is organized as follows. First, we analyse the social responsibility's driver in family firms. Second we focus on family owners' role in motivating SR behaviour. Third, we present the research methodology. Fourth, the data that is used in this exploratory study was collected through an ad-hoc survey; in particular, we used a representative sample of 84 family SMEs to test our hypothesis. Finally, we conclude by discussing the contributions, limitations and implications for research and practice.

Social responsibility's driver in family firms

Corporate social responsibility, which is broadly defined as the extent to which firms voluntarily integrate social and environmental concerns into their on-going operations and interactions with stakeholders, is becoming a mainstream issue as both researchers and managers realise its importance (Godos-Diez *et al.*, 2011). In this context, several authors have applied different approaches to analyse SR in family firms.

Initial studies, which primarily focused on the differences between family and non-family firms, employed different approaches and obtained diverse conclusions. Some studies, such as those of Dyer and Whetten (2006) and Morck and Yeung (2003), concluded that family firms are less ethical than non-family firms. Other studies, such as those of Aronoff (2004), Guzzo and Abbot (1990), Post (1993) and Sharma *et al.* (1997), presented family firms as more ethical institutions than non-family firms. Finally, certain other scholars, such as Adams *et al.*

(1996), concluded that family firms are as ethical as non-family firms. Clearly, consensus on this issue has not yet been reached.

In family firms, “a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families” (Chua *et al.*, 1999), many scholars maintain that the uniqueness of family firms arises from the integration of family and business (Gersick *et al.*, 1997; Habbershon and Williams, 1999; Sirmon and Hitt, 2003; Tagiuri and Davis, 1996; Wortman, 1994). This overlap is seen as a required tendency due to the coincidence of people as members of the family and the firm, the integral role of the business for the family’s biography, and the inability of the family to leave the firm entirely (Distelberg and Sorenson, 2009; Dyer and Whetten, 2006).

In fact, in family SMEs, manager and owner overlap, but it does not guarantee the internal alignment of the values of both groups. If both groups’ values are aligned, stewardship theory applies and they are more oriented to the social wealth and to the stakeholders. In these cases, owners trust on their managers and SR activities are easier developed (Davis *et al.*, 1997; Godos-Diez *et al.*, 2011). From an ethical point of view, family leaders have been advised to behave as stewards committed to using their power for the good of the company and all those involved with it, and not only for their own personal interests (Deniz and Cabrera, 2005; Ward, 1999). Stewardship theory (Davis *et al.*, 1997) adopts a psycho-sociological view of corporate governance that depicts managers as stewards of firms. Their behaviour is such that pro-organisational or collectivist conduct yields higher utility than individualistic or selfish conduct (Chrisman *et al.*, 2007).

However, if they don't coincide, agency cost arise (Jensen y Meckling, 1976), due to the conflict between owners and managers interests (Davis et al., 1997). However, the concentration of ownership and management in the hands of a family can enhance or not the steward attitude in the manager. Focused on the SR of family firms, Deniz and Cabrera (2005) demonstrate family firm's heterogeneity in terms of its orientation towards SR, but they do not verify the antecedents of this heterogeneity. Clearly, consensus on this issue has not yet been reached.

Social responsibility and responsible family ownership

In this context, several authors have applied different approaches to analyse SR in SMEs and its major antecedents. Among them, one of the most relevant factors in the literature is the owner manager's values (Longenecker et al., 1989 y 2006, Vyakarnam et al., 1997, Lepoutre y Heene, 2006, Kusyk y Lozano, 2007 y Preuss y Perschke, 2010).

In SMEs, owner-managers control the management of the firm and the resources allocation in different activities, such as SR activities (Spence, 1999 y 2007, Jenkins, 2004, Lepoutre y Heene, 2006, Perrini y Minoja, 2008, Jamali et al., 2009, among others). This influence has been theoretically argued but also empirically tested (Dawson et al., 2002, Jenkins, 2006 y 2009, Longenecker et al., 2006, Murillo y Lozano, 2006, Hammann et al., 2009, Jamali et al., 2009, Russo y Tencati, 2009, Harms et al., 2010 y Mababu, 2010).

In the case of family SMEs, the family is a specific stakeholder with a significant influence on the firm. The asymmetry between the family and other stakeholders highlights the importance of balancing the family and firm systems to assure the survival of the firm (Sorenson *et al.* 2009). In FSMEs, the issues may not be between managers and owners (Huse 1993; Uhlaner *et al.* 2007b). Instead, conflicts of interest and asymmetric information in FSMEs may negatively affect the relationships between the family and other stakeholders because this type

of ownership structure can “adopt policies that benefit the family at the expense of the other stakeholders” (Won 2011: 287) and can expropriate value from other shareholders to increase the wealth of the controlling owners (Chang 2003; Won 2011). An owner-manager may prioritise the interests of the firm over those of family members or *vice versa*. In both cases, the system is imbalanced.

Second, ownership is central to the influence of a family on a business (Sundaramurthy & Kreiner 2008). The family is interested in keeping the firm in the hands of the family and in ensuring its survival (Sirmon & Hitt, 2003), and these concerns generate a series of responsibilities in the form of the owner family’s duties and rights in relation to the firm. The owner family’s duties and rights affect the family as it is understood most broadly, i.e., they affect family owners, but they also affect other family members with direct or indirect influence on the FSME, even if they are not current owners or managers.

Third, in FSMEs, the owner and manager roles overlap extensively or even completely. As a consequence, the family develops direct and informal governance mechanisms based on asymmetric information. In FSMEs, the family member or group governs the firm directly and often relies on informal social controls that frequently have no formal mechanisms (Huse 1993; Mustakallio *et al.* 2002; Uhlaner *et al.* 2007a). In this case, no monitoring system needs to be implemented to ensure that the manager does not act as a free rider. For example, these firms may not need boards of directors (Filatochev 2006; Minichilli *et al.* 2009; Berent-Braun & Uhlaner 2012).

This is the reason why we propose the RFO as antecedent of SR in FSMEs. RFO is an active and long-term commitment of the family owners to the other stakeholders of the family firm, including non-owner family members and other non-family owners, that implies a balancing of the rights and privileges of family ownership with the associated duties and risks of

ownership, including a proper concern for the welfare of the firm and the firm's success. The specific term "RFO" recognises the relevance of the family as a specific FSME stakeholder; therefore, it focuses on family governance and corporate governance (Aragón and Iturrioz, 2013).

In sum, our contention is that in the case where family owners have succeeded to motivate a unique identity based on the commitment of society and stakeholders, stewardship attitude will be developed and social responsibility will be enhanced in family SMEs. In particular, as identity affirmation is based on behaviour confirmation, our hypothesis states that responsible family ownership behaviours will enhance SR in family SMEs, understood as environmental, social and economic responsible behaviours.

Research methods

Sample and Data

The data used in this exploratory study was collected through a specific survey. The questionnaire addressed a variety of issues related to family practices, SR visions and SR behaviour in family firms. The survey included a broad cross-section of family firms that represent most industries in the Basque Country. The total sample size of family-owned SMEs exceeded 145, but we excluded cases with extensive missing data on hypothesis-relevant variables. In the current study, we focus on family SMEs that have between 20 and 250 employees and whose CEO is a family member. Our final sample of 84 family SMEs from an estimated population of 932 SMEs is a representative sample. The sampling method that was used was simple random sampling, and the CEOs of these family SMEs participated in the survey between October 2007 and January 2008.

In order to minimize the potential effects of common method bias, as social desirability that refers to the need for social approval and acceptance (Crowne and Marlowe, 1964) and item

social desirability, where items or constructs on a questionnaire that possess more (as opposed to less) social desirability may be observed to relate more (or less) to each other as much because of their social desirability as they do because of the underlying constructs that they are intended to measure (Thomas and Kilmann, 1975), the two primary ways to control for method biases have been developed in this study. On the one hand, the design of the study procedures has considered first, protecting respondent anonymity and reducing evaluation apprehension; second, counterbalancing question order to control for priming effects, item-context induced mood states, and other biases related to the question context or item embeddedness; and third, eliminating item social desirability and demand characteristics and focusing on behavioural responses. On the other hand, to control the effect of the common method bias, we employed the Harman's single-factor test as one of the statistical remedies proposed by Podsakoff et al. (2003) and we tested that a single factor explains 23% of the variance, thus more than a factor emerges from the factor analysis and accounts for the majority of the covariance among the measures. Therefore the common method bias is not relevant in this study.

Measures

To test for hypothesised relationships, we obtained data from the previously mentioned survey. We used structural equation modelling to test for possible relationships within and between the constructs. Following the refinement of the initial 50 items that were considered in the first stage of the model, a few items were removed. A complete explanation of the tests of the interrelationships among the items that were used to measure each construct is provided in the Results section.

We have defined the items in each of the previously described constructs.

Family identity includes specific types of interpersonal relationships and internalised sets of behavioural expectations associated with these relationships (Shepherd and Haynie, 2009;

Stryder 1968; Stryker and Burke). In a previous study, within a multi-theoretic approach, we have attempt to capture the balance between family and firm systems though a new construct, responsible family ownership (RFO). Based on the responsible ownership behaviour, concept coined by Uhlaner *et al.* (2007a) as “those acts that serve the collective good of owners and the firm”, RFO has been developed to approach the behaviour and the vision of family owners required to balance family and firm systems. This balance can be considered as a result of the family firm identity it.

This 16-item scale of RFO for FSMEs focuses on behaviours rather than perceptions or desires, as recommended by Thompson and Smith (1991). The psychometric properties of this final scale were verified, and we concluded that the reliability and validity of the final scale were more than acceptable and could explain 64.3% of the total variance. This scale is used to measure the five constructs concerning the FRO behaviour: family commitment to stakeholders, responsible family *vs* non-family decisions, responsible planning of the firm succession, responsible financial processes and practices, and family long term vision (for further detail, see Iturrioz and Aragon, 2013).

To measure the SR of FSMEs following various authors (Xertatu, 2005; Igalens and Gond, 2005; ESADE, 2007), we have considered the main stakeholders of SMEs (i.e., employees, owners, value chain agents and the local community) and have obtained a 39-item scale of SR for SMEs (for further detail, see Narvaiza *et al.*, 2009). The scale is intended to capture socially responsible behaviour rather than perceptions or desires, as recommended by Thompson and Smith (1991). The psychometric properties of this final scale were verified, and we concluded that the reliability and validity of the final scale were more than acceptable and could explain 64.2% of the total variance. This scale is used to measure the three constructs concerning the SR behaviour detailed in Table 1: Responsible environmental

behaviour (REB), Responsible social behaviour (RSB) and Responsible economic behaviour (REcB).

Table 1. Items and factors of Social Responsibility

RESPONSIBLE ENVIRONMENTAL BEHAVIOUR (REB)	
REB1	The firm is concerned about environmental issues despite the lack of risk of economic penalties.
REB2	The firm has an environmental certificate or is currently obtaining such a certificate.
REB3	The firm assigns resources to processes that aim to minimise waste and recycle beyond the legally established minimum.
REB4	The firm assigns resources to processes that aim to reduce atmospheric emissions and/or acoustic contamination beyond the legally established minimum.
REB5	The firm assigns resources above the legally established minimum to projects that aim to optimise the use of energy and water.
RESPONSIBLE SOCIAL BEHAVIOUR (RSB)	
RSB1	The firm aims to guarantee job stability to its employees, and the firm has achieved rotation rates that are lower than the industry average.
RSB2	The firm invests in improving employee satisfaction and has reduced absenteeism to a greater extent than the industry average.
RSB3	The firm evaluates the effects of its activity on the local community and participates in the identification of solutions to community problems.
RSB4	When hiring new personnel, the firm avoids discrimination based on factors that include gender, age, friendship or family relationships.
RSB5	The firm wage increases based on professional performance.
RESPONSIBLE ECONOMIC BEHAVIOUR (REcB)	
REcB1	The firm has a public ethical commitment that it communicates to its customers.
REcB2	The firm's decisions do not always account for market criteria.
REcB3	The firm prioritises working with suppliers that ensure the quality, security and environmental friendliness of their products.
REcB4	The firm obtains high customer satisfaction rates with regard to its quality, security and environmental friendliness.
REcB5	The firm is actively committed to networks and programmes for service and products, promoting collaboration, joint promotional actions, and communication

Results

A PLS model is analysed and interpreted in two stages: first, the reliability and validity of the measurement model are assessed; second, the structural model is assessed. This sequence ensures that the measures that constitute the constructs are valid and reliable before attempting to draw conclusions regarding the relationships among the constructs (Barclay *et al.*, 1995).

6. Results

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6.1. Measurement model evaluation

The evaluation of a measurement model differs depending on the nature of the construct being analysed (reflective or formative). For constructs that comprise reflective indicators (as is the constructs in this research), individual item reliability, construct reliability, convergent validity, and discriminant validity should be determined.

Item loadings should be equal to or greater than 0.707 to ensure the appropriate level of individual item reliability. In our context, 17 items were correct, and 3 out of 20 indicators showed a loading value lower than 0.707 and higher than 0.6. We decided to retain all of the items, as their loading values were close to the limit of 0.707. We ultimately employed 10 items to measure RFO and 10 items to measure FFSR, as shown in Table 2.

Table 2. Measurement model evaluation

Constructs and measures	Loading	Composite reliability	Average variance extracted (AVE)
RFO			
FCTS		0.713	0.555
	0.8066		
	0.6782		
RFND		0.811	0.682
	0.8267		
	0.8249		
RFDM		0.754	0.613
	0.6334		
	0.9078		

RPFS		0.730	0.577
	0.6752		
	0.8356		
FLTV		0.851	0.740
	0.8846		
	0.8356		
FFSR			
REB		0.931	0.729
REB1	0.8683		
REB2	0.7212		
REB3	0.9152		
REB4	0.8893		
REB5	0.8830		
SRB		0.826	0.614
RSB1	0.7282		
RSB2	0.8515		
RSB3	0.7655		
REcB		0.936	0.880
REcB1	0.9262		
REcB2	0.9500		

The composite reliability is strong. The lowest value obtained was 0.713 for “Family commitment towards society”, and the highest value obtained was 0.936 for “Responsible Economic Behaviour”. The AVE is also strong for all of the analysed constructs; these values ranged from 0.555 for “Family commitment towards society” to 0.880 for “Responsible Economic Behaviour” (Table 2)

Finally, the discriminant validity must be determined. The results are shown in Table 3. All of the constructs share more variance with their own indicators than they share with the other constructs in the model. Therefore, discriminant validity is confirmed.

Table 3. Measurement model evaluation: discriminant validity

	FCTS	RFND	RFDM	RPFS	FLTV	REB	RSB	REcB
FCTS	0.745							

RFND	0.227	0.826						
RFDM	0.183	0.464	0.783					
RPFS	-0.031	0.330	-0.064	0.760				
FLTV	0.439	0.225	0.119	-0.030	0.860			
REB	0.226	0.355	0.124	0.363	0.104	0.854		
RSB	0.367	0.546	0.417	-0.003	0.303	0.326	0.784	
REcB	-0.190	0.398	0.329	0.171	0.092	0.083	0.190	0.938

Notes: The diagonal elements (the values in parentheses) are the square root of the variance shared between the constructs and their measures relative to the amount that results from measurement error (AVE). The off-diagonal elements are the correlations among the constructs. For discriminant validity, the diagonal elements should be larger than the off-diagonal elements.

6.2. Structural model evaluation

After the quality of the measurement model has been guaranteed, the quality of the structural model, which refers to the strength of the research hypotheses and the predictive power of the model, must be assessed.

A bootstrap method of analysis is used in this research. Bootstrapping provides a T-value for each relationship of the model, and the R² value of the endogenous construct provided by the PLS model is the measure of the predictive power of the model. This value indicates the amount of variance in the construct that is explained by the model. According to the amount of variance that is explained (R²) for an endogenous construct should be equal to or greater than 0.10. Falk and Miller (1992) argue that although lower values of R² could be statistically significant, such values provide little information; therefore, the predictive power of the hypotheses that were formulated with respect to the latent variable under analysis is low.

Influence of SRFO on FFSR

Table 4 shows the path coefficients that were obtained, their degree of significance (which has been tested by means of bootstrapping techniques), and the contribution of each independent variable to the amount of variance explained for each endogenous construct. This contribution was calculated by multiplying the path coefficient linking the independent variable to the dependent variable by the correlation between the two constructs.

Table 4. Structural model evaluation: the influence of RFO on FFSR

Endogenous construct	Parameter	RFO	Total amount of variance explained (R2)
FFSR	Path	0.658***	
	Correlation	0.658	
	Contribution to R2	0.433	0.433

***p<0.001 (based on t499, one-tailed test)

The quality of the structural equation is measured by the cross-validated redundancy index (Stone–Geisser’s Q2). Using the blindfolding cross-validation method in PLS-Graf the cross validated redundancy index was computed. In our model the endogenous construct has an acceptable cross validated redundancy index, 0.1057. Due to blindfolding, the cross validated redundancy measures may be negative, which implies that the corresponding latent variable is badly estimated.

PLS path modeling proposes a global criterion of goodness-of-fit (GoF). The GoF represents an operational solution to the problem as it may be meant as an index for validating the PLS model globally. GoF for our model is 0.433, meaning that the model is able to take into account 33.5% of the achievable fit. The obtained results are shown to be statistically significant. The results indicate that RFO exerts a significant effect on SR. The total amount of variance that is explained by responsible family behaviour is high and represents 43% of the variance of the endogenous construct.

Discussion

Our paper focuses on the contrast of the relationship between RFO and social responsible behaviours in family SMEs. Applying this perspective moves the discussion away from whether or not family firms are more or less social responsible than non family firms and gather and integrate previous results while answers the question of what causes such behaviour.

We contrast that the social responsibility in family SMEs is motivated by the responsible family ownership. The RFO motivation's impact on SR has been evaluated in 43%. Therefore, the family ownership responsibility influences a 43% of the SR in family firms.

This paper contributes to the contrast of the family owners' role in order to motivate SR behaviour. This contributes to explain how SR can be enhanced in family firms. In particular, shared family commitment through society, the responsible consideration of family and nonfamily balance, responsible financial decisions and family succession formalization developed by the family owners motivate stewardship attitude of the firm and develop social responsibility behaviour towards the stakeholders of the firm.

Limitations

Besides the specific limitations assumed by the authors of the theoretical model employed (for example, to have a too managerial or family-centered approach), we acknowledge limitations of our empirical contributions. Although the use of existing data enabled us to reveal the presence of hypothesised relationships, further empirical inquiry is needed. First, the employ of RFO construct to capture the fit between family and firm identity can be argued. It is assumed that the elements integrated in this construct (family commitment to stakeholders, responsible family vs non-family decisions, responsible planning of the firm succession, responsible financial decisions and management, and family long term vision) are

a result of the family firm identity fit. In a similar way, in this paper we assume to be intrinsic characteristics of the family SMEs but we do not examine the factors behind this family-firm identity fit: visibility of the family, transgenerational sustainability intentions and self enhancement capability of firm for family (Zellweger et al, 2011).

Second, the sample covered family businesses only in a Spanish region. There could be substantial differences within any given national and/or cultural context in the relationships between RFO and SR (O'Boyle *et al.*, 2010; Suchman, 1995). Between Eastern (e.g., Confucian) and Western (e.g., European and North American) views of certain topics, such as families; indeed, social systems may vary in terms of behavioural norms.

Third, although confidentiality and anonymity were ensured in the survey, social desirability and perceptual inaccuracy may have affected the responses of the participants. For this reason, the survey items that were considered should be answered by different types of stakeholders. For example, the RFO construct can be enriched if it is evaluated by different family members, including those who are included or and those who are not included in the family firm. In the case of SR, various stakeholders should respond to the survey to assess the coherence of the survey answers.

Guidance for future research

Our paper focuses on the responsible family owners' role as a stimulator of the social responsible behaviour in family SMEs. The succession formalization-environmental responsibility trade-off is an unexpected result of this study. Even if some hypotheses have been proposed, further research contrasting the relationship between both dimensions will be welcomed.

The social responsibility is a multidimensional construct that is differently understood and applied in SMEs (Iturrioz et al, 2011) and in family firms (Deniz and Cabrera, 2005). Similarly, RFO depends on the characteristics of the family owners and can change in

different steps of the life cycle of the family and the firm. A deeper review of the different firm and family context could light the variety of family owner roles and the impact on heterogeneous SR behaviour.

The responsible family owners' role, as a stimulator of the social responsible behaviour in family SMEs and, has been proxied by RFO construct (Iturrioz and Aragón, 2013). It is supposed that this responsibility is based on the desire to family-firm identity fit. More accurate measurement of this fitness would be welcomed. In a similar way, the factors behind this family-firm identity fit: visibility of the family, transgenerational sustainability intentions and self enhancement capability of firm for family should be measured and examined. It would allow estimating the importance of the family-firm identity fit and the family's concern for corporate reputation. Finally, following Zellweger et al. (2011) model, whether SR behaviour influences in the long term family's concerns for organizational reputation could be tested.

Implications for practice

From the theoretical point of view, the model employed, first, offers support to the socially responsible behaviour because it links the results of these activities with the family owners role.

Conclusion

In sum, integrating previous studies results, our paper states that the RFO motivates SR in family SMEs. This empirical result consolidates offers additional evidence or the relevance of the family in the SR in family firms.

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