Rodrigo Basco*, Ana Isabel Rodríguez-Escudero,
Natalia Martin Cruz and Ismael Barros-Contreras

The Combinations of Market and Non-Market Strategies That Facilitates Family Firm Survival

Abstract: Even though family firms are characterized by an overlap between the family and business systems, family business research has focused separately on how family firms compete (i. e., strategic behavior) and how families are involved their firms (i. e., types of family orientation). With the aim of closing this research gap, we draw on the heterogeneity principle of family firms and the equifinality principle of the configurative approach to conjecture that family firms can successfully adjust their strategic behavior and family business orientation in a variety of ways to enhance their likelihood of survival. We follow a sample of Spanish family firms over an 11-year period (2004–2015) to test our model. Based on the Kaplan–Meier survival estimator and the Cox proportional hazard model, we find that survival likelihood is higher when firms combine a differentiation strategy with a business-first or a family-enterprise-first orientation or when firms follow a low-cost strategy with a family-first orientation.

*Corresponding authors: Rodrigo Basco, Sheikh Saoud bin Khalid bin Khalid Al-Qassimi Chair in Family Business, American University of Sharjah, PO Box 26666, Sharjah, United Arab Emirates, E-mail: bascorodrigo@gmail.com. https://orcid.org/0000-0002-0168-2272
Ana Isabel Rodríguez-Escudero: Business and Management, University of Valladolid, Valladolid, Castilla y León, Spain
Natalia Martin Cruz: University of Valladolid, Valladolid, Castilla y León, Spain
Ismael Barros-Contreras: Instituto de Gestión e Industrias, Universidad Austral de Chile Sede Puerto Montt, Puerto Montt, Chile. https://orcid.org/0000-0003-4355-9050

1 Introduction

Any firm that strives to survive has to define its strategy by considering its market domain and non-market domain. In the market domain, firms compete to position their products and services in a particular sector, whereas in the non-market domain, firms establish their social, political, and familial actions toward supporting their overall strategy. In this sense, firm survival depends on firms' ability to find their competitive position in relationship to their competitors (Porter 1979) while managing their social, cultural, political, and legal contexts (Baron 1995) to achieve their overall goals. The market and non-market domains have to be aligned to develop firm competitive advantages in the long term. Although both domains are important in any firm strategy, to our knowledge, no previous studies have analyzed firm survival by considering how firms combine market and non-market domains in their overall strategic behavior.

To address the aforementioned research gap, we focus our investigation on family firms, which are a unique type of firm due to the family specificities related to the non-market domain. Family firms have to integrate economic aspects linked to the market and emotional aspects linked to the family. Therefore, the family itself represents a specific non-market arena that family firms have to take into consideration when formulating their strategies to the type of family–business relationship. For instance, owners and managers in family firms have to deal with market issues (i. e., how to position the firm in the market in which it competes) and non-market issues, such as family emotions, interest, expectations, and intentions (i. e., how to position the firm within the family context) (James et al. 2020). Stemming from the market (Porter 1985) and non-market (Mellahi et al. 2016) strategy literature and following Rau's (2013) debate about emotions preventing family firms survival, we propose that family firms' likelihood of survival depends on how they strategically adjust the market and non-market domains to exploit competitive advantages and survive longer.

Specifically, we position our hypotheses using the configurative approach (Meyer, Tsui, and Hinings 1993), particularly the equifinality principle, which suggests that there are multiple unique configurations that can result in maximum performance. We propose that family firms increase their likelihood of survival by pursuing a differentiation or a low-cost strategy without being stuck in the middle and by developing a family-enterprise-first orientation instead of a more extreme position (i. e., family-first orientation or business-first orientation). Drawing on the resource-based approach, we theorize that family firms can exploit the benefits of having a generic strategic orientation by leveraging it with specific competitive advantages embedded in the family–business relationship (e. g., emotional capital,

patient capital, family social network, and human capital, among others) to balance the emotions that bind the business and family systems (Labaki, Michael-Tsabari, and Zachary 2013b). The importance of the family domain lies in the fact that the family's footprint in the firm guarantees certain characteristics, such as a long-term perspective (Lumpkin and Brigham 2011), the intention to transfer the firm from one generation to another (Aparicio et al. 2017), and a strong non-economic meaning of the firm (Williams et al. 2019), all of which strengthen family firms' resilience capacity to support one of Porter's generic competitive strategies.

To test our model, we follow a Spanish sample of family firms over an 11-year period (2004–2015). The case of Spain is particularly important because the Spanish economy relies on small and medium family firms (Corona 2018), and during the period under analysis, the country suffered severe economic turmoil due to the international financial crisis and the collapse of the construction sector resulting from a speculative bubble after several years of extreme growth. We use the Kaplan–Meier survival estimator and the Cox proportional hazard model in our empirical analyses and find that survival likelihood is higher when firms combine a differentiation strategy with a business-first or a family-enterprise-first orientation. Additionally, we find evidence that if firms follow a low-cost strategy, their likelihood of survival is higher when they combine it with a family-first orientation. Any other combination leads to a lower survival rate.

Our article makes several contributions. First, by using the configurative approach, our article contributes to understanding family firm heterogeneity by addressing two existing limitations. On the one hand, while most of the family business studies have focused separately on family aspects, such emotions (Labaki, Michael-Tsabari, and Zachary 2013b), or business aspects, such as corporate governance, to approach family heterogeneity, we holistically combine both the market and non-market domains to create a taxonomy of family firms from the strategic point of view. On the other hand, current research on family firm heterogeneity has focused on classification without considering its consequences for performance (with the exception of Basco and Pérez Rodríguez 2011). However, our study relates heterogeneity and firm survival, thereby addressing the called made by Rau (2013) to better understand the consequences of emotions in family firm survival. In this sense, our article moves the current debate beyond traditional objective and subjective financial performance measures by providing new evidence about firm survival (as a specific measure of firm performance), which is a central topic in business research (e. g., Ferragina, Pittiglio, and Reganati 2014; Littunen 2000) but has hardly been studied in the family business field (Colli 2012).

Second, our article also makes an inverse contribution (Perez Rodriguez and Basco 2011) to the strategic management research field by addressing the existing call for further integration of both the market and non-market strategic approaches

(Baron 1995) to better understand overall firm strategy and its effect on firm survival. In this sense, from the theoretical point of view, our article leverages the family–business relationship as a non-market strategic domain that family firms have to consider and combine with the market domain when tailoring their strategic behavior. This provides another lens to interpret and analyze family's role in business from the strategic management perspective.

2 Theoretical Framework

2.1 Firm Strategy in the Family Firm Context

Firm strategy is formed by two different domains: the market domain and the non-market domain. First, for the market domain, for the market domain, firms establish a position in the market for their products and services by determining their competitive advantages (Porter 1980). Second, for the non-market domain, firms establish their social, political, and familial actions to connect their firms with the environment (Baron 1995) to support firm competitiveness. Firm performance and survival depend on how firms tailor both the market and non-market domains to create firm value. However, both domains are highly dependent on the nature of the firm, which varies depending on the types of affiliations among the individuals who form the dominant coalition in a firm (Cyert and March 1963). In family firms, these affiliations are made of family ties, thereby distinguishing family and non-family firms' and influencing the approach each needs to take to the market and non-market domains.

In family firms, emotions bind the family and business systems (Labaki, Michael-Tsabari, and Zachary 2013b), and family involvement in business ownership, governance, and management shapes these firms' strategic behavior (Astrachan 2010) because family participation introduces new values, preferences, and expectations that are transferred into a combination of family-oriented and business-oriented goals (Basco 2017). That is, family firms make strategic decisions that have to satisfy not only economic goals but also family aspirations and social/community aspirations, which have a strong emotional component (Labaki, Michael-Tsabari, and Zachary 2013a). Therefore, in the family firm context, firm strategy has to take into account the market domain and the specific non-market domain related to the family. While a market strategy is necessary to position firms within an industry in relation to competitors, a non-market strategy is necessary to position firms within their main stakeholder group. In the family firm context, this main stakeholder group is the family. Next, we theorize about both strategic domains in the context of family business and their relationship with firm survival.

2.2 Market Domain (Market Strategic Orientation) and Family Firm Survival

In the field of strategy management, Hall (1980) and Porter (1980) identified generic strategies that any firm can follow to succeed by creating a profitable and sustainable position within the sector in which the firm competes. While a low-cost strategy is characterized by firms competing on cost advantages (i. e., when a firm's cost of production or service is lower than its competitors), a differentiation orientation is characterized by firms competing on delivering a unique product or service. The importance of each of these generic strategies lies in firms' ability to exploit their competitive advantages while defining their position in relation to five forces driving industry competition: threat of new entrants, supplier power, rivalry among existing firms, buyer power, and threat of substitute products (Porter 1980). Traditionally, generic strategic orientations have been related to firm performance (Leitner and Güldenberg 2010) and survival.

Porter (1985, 1990) argued that the combination of low cost and differentiation is unlikely to produce a sustainable competitive advantage in the long term. A firm's likelihood of failure, defined as a cease in business operations, from being stuck in between a low-cost and a differentiation strategy is high because of "the blurred corporate culture and a conflicting set of organizational arrangements and motivation systems" (Porter 1980, 41). As such, firms should decide between one of the two generic strategies to build their competitive advantages, be profitable, and survive (Hall 1980) (there are only a few circumstances under which firms could pursue both strategies simultaneously [Hill, 1988]). The assumption of equifinality incorporated into the configurative approach (Doty and Glick 1994; Meyer, Tsui, and Hinings 1993) implies there are multiple strategic configurations that can result in maximum performance and survival (see Figure 1). Therefore, considering that Porter's generic competitive strategic principles can be applied to any firm, and specifically to family firms, our first hypothesis is as follows:

Hypothesis 1. While firms following a differentiation strategy or a low-cost strategy have a higher likelihood of survival, firms that are stuck in between these two strategies have a higher likelihood of failure.

2.3 Non-Market Domain (Family Business Orientation) and Family Firm Survival

In firm strategy studies, the non-market domain refers to a firm's pattern of actions to improve its performance and survival by managing its social, cultural, political,
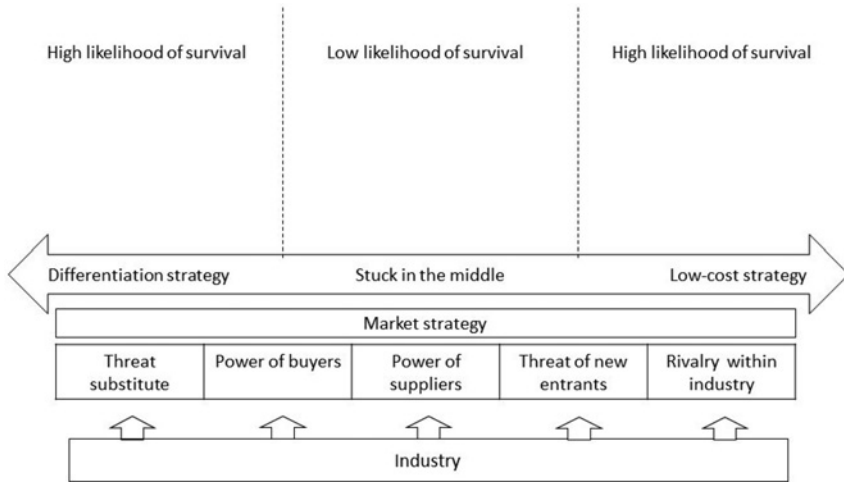
| | High likelihood of survival | | Low likelihood of survival | | High likelihood of survival | |

Figure 1: The market domain and family firm survival.

and legal contexts (Baron 1995; Lux, Crook, and Woehr 2010). Traditionally, academics have suggested that the non-market domain approach has two main aspects: corporate social responsibility and corporate political activities (Mellahi et al. 2016). The former refers to social actions that are not directly related to the competitive firm environment but benefit society in general or a particular group of stakeholders. The latter refers to those actions needed to manage and influence institutions and political actors (Hillman, Keim, and Schuler 2004; Lux, Crook, and Woehr 2010). That is, the non-market domain focuses on those contexts that are not directly related to the market itself (i. e., where firms compete) but are directly or indirectly connected to the market and can boost or hinder firm performance and the likelihood of firm survival. However, there is one missing societal institution that the institutional logic approach (Thornton and Ocasio 2008) claims is important but has hardly been studied in non-market strategy research: the family (Feinberg, Hill, and Darendel 2015).

The family is a particular firm stakeholder and actually comprises the economic context for the vast majority of firms worldwide (Basco 2018). Family firms—those firms with family members involved in firm ownership, governance, or management—have to develop links with their respective family because the family is the source of their competitive advantages (Barros, Hernangómez, and Martin-Cruz 2016). These competitive advantages materialize though family emotional capital (Labaki, Michael-Tsabari, and Zachary 2013b), family social capital (Huybrechts et al. 2011), and patient financial capital (Sirmon and Hitt 2003) which affect firm performance (Mazzi 2011) by creating firm value. The

relationship between the firm and family systems depends on the family's influence in the firm and on the firm's orientation toward the family. That is, this relationship depends on the extent to which the firm adapts to family demands; adheres to family institutional logics, which are rooted in emotions; secures critical resources for and from the family; and handles market, community, and family institutional contradictions (Basco 2019).

How the firm is positioned toward the family has implication for firm performance (Dyer 2018) but may also have implications for firm survival (Rau 2013). We argue that family firm survival may vary with different types of orientations (i. e., the non-market domain) toward the family because the dominant coalition controlling the firm has specific goals and expectations (Basco 2017; Kotlar and De Massis 2013). The family's influence on the firm can be seen as a continuum between high family influence and weak family influence in decision making related to succession, human resources, and governance where emotions define the association between the family and business systems.

On the one hand, when the family's influence is high, the family firm is more focused on family aspects related to satisfying family demands, needs, and expectations than on business aspects related to customers, technology, and competition (Basco 2019). Family firms with high family influence correlate to the enmeshed family business archetype proposed by Labaki et al. (2013b). In these firms, the boundaries between the family and business systems are blurred, allowing a high transference of resources and emotions that in turn affect decision making. In addition, these firms' human resource practices, such as entry, promotion, compensation, and succession activities, are often based on nepotism and different treatment among employees (Daspit, Tim Barnett, and Long 2018; Jennings, Dempsey, and James 2017), which creates a management entrenchment (Randolph, Wang, and Memili 2018) philosophy. Further, such firms' boards of director are subjugated by the family's influence (Poza 2010). In this context, firm survival is threatened because such firms lack the necessary business orientation in their decision making.

On the other hand, in family firms with low family influence, the firm becomes an economic investment with less social and emotional attachment (Björnberg and Nicholson 2012; Pieper 2010). In terms of Labaki, Michael-Tsabari, and Zachary's (2013b) archetypes, family firms with low family influence correlate to the disengaged family business. Economic rationality dominates these firms' decision making, and skill, ability, and experience are important aspects for both family and non-family members in defining entry, promotion, compensation, and succession policies. Further, these firms' boards of directors perform traditional board tasks related to control, services, and networking while avoiding family interference (Lohe and Calabrò 2017). In this context, the family is less committed to firm

continuity (i. e., less likely to survive) if its economic investment goal is no longer to produce expected profits.

Therefore, based on the aforementioned arguments, we propose that the likelihood of firm survival is lower when family firms have an extreme family orientation—namely, either a family-first orientation or a business-first orientation (see Figure 2). In sum, when family firms follow a family-first orientation, the importance of family issues may put the focus of the firm on family dynamics, causing the firm to business-related decision making. On the contrary but with the same expected effect, when family firms follow a business-first orientation, family attachment to the firm is low, which jeopardizes the resources and capabilities that the family may create or leverage for the firm, thereby undermining family firms' competitive advantages.

However, between these extremes (business-first and family-first orientations), there are family firms that attempt to balance the family and business orientations (Poza 2010). Family firms with an intertwined relationship between the family and business systems are likely to force family owners and managers to
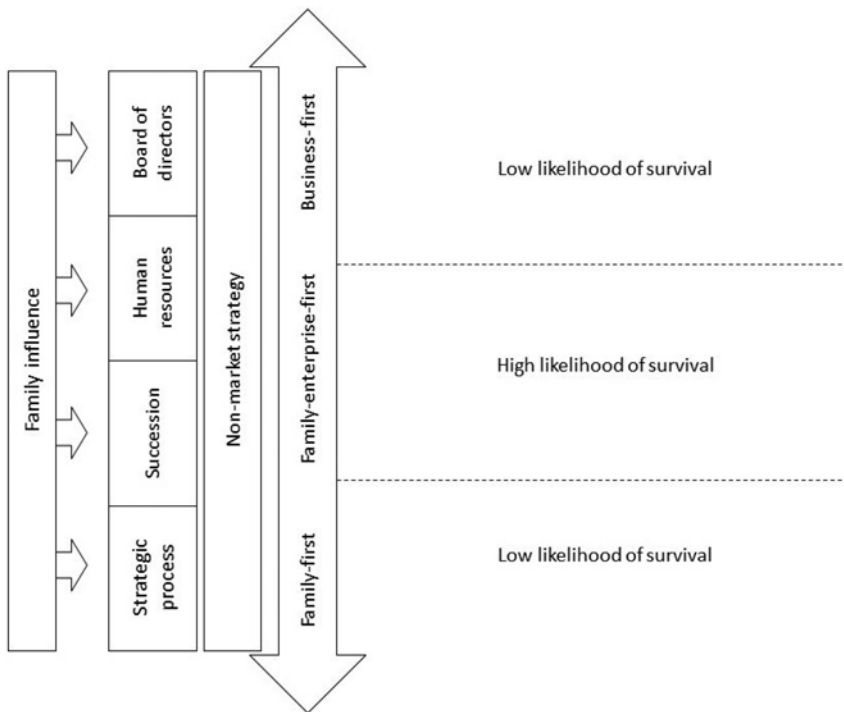

Figure 2: The non-market domain and family firm survival.

maintain the firm as a living entity due to the large amount of economic, social, and emotional endowments the family has invested in the firm (Morgan and Gomez-Mejia 2014). In the context of a balanced family business orientation, which correlates to a balanced family business archetype (Labaki, Michael-Tsabari, and Zachary 2013b), the family may be more willing to develop survival capital (Sirmon and Hitt 2003) to commit to a long-term orientation. While the firm provides the family cashflow to meet family members' needs (Aparicio et al. 2017), helps connect the family with the community (Reay, Jaskiewicz, and Hinings 2015), and develops the family's identity by strengthening family traditions (Gurrieri 2008), the family creates unique resources that are not easy to imitate (Habbershon and Williams 1999). Therefore, the firm itself is not only an economic investment but also an emotional and social investment (Astrachan and Jaskiewicz 2008). In this sense, the economic link between family and business and the social connection between family, firm, and community create the ideal conditions to increase the likelihood of long-term survival (see Figure 2) because of the family's commitment toward the firm. Therefore, we posit the following:

Hypothesis 2. While firms following a family-enterprise-first orientation have a higher likelihood of survival, firms positioned in one of the extremes (i. e., a family-first or a business-first orientation) have a higher likelihood of failure.

2.4 Market Domain, Non-market Domain, and Family Firm Survival

Applying the configurative approach—that is, the "multidimensional constellation of conceptually distinct characteristics that commonly occurs together" (Meyer, Tsui, and Hinings 1993, 1175)—we argue that family firm survival depends on firms' ability to adjust their strategic market and non-market domains to generate competitive advantages. Following the arguments developed in the aforementioned sections regarding survival by considering the strategic behavior and family business orientation independently, when combining market and non-market domain the competitive advantages for survival lie in pursuing either differentiation or low-cost strategic behavior and a family-enterprise-first orientation at the same time (see Figure 3).

In the context of family firms, the main debate about strategic orientation has focused on the need to find a link between idiosyncratic family characteristics and different forms of generic strategic behavior (e. g., Daily and Thompson 1994; Gudmundson, Hartman, and Tower 1999). Existing research has found that the most common dimension characterizing family firms with both differentiation and
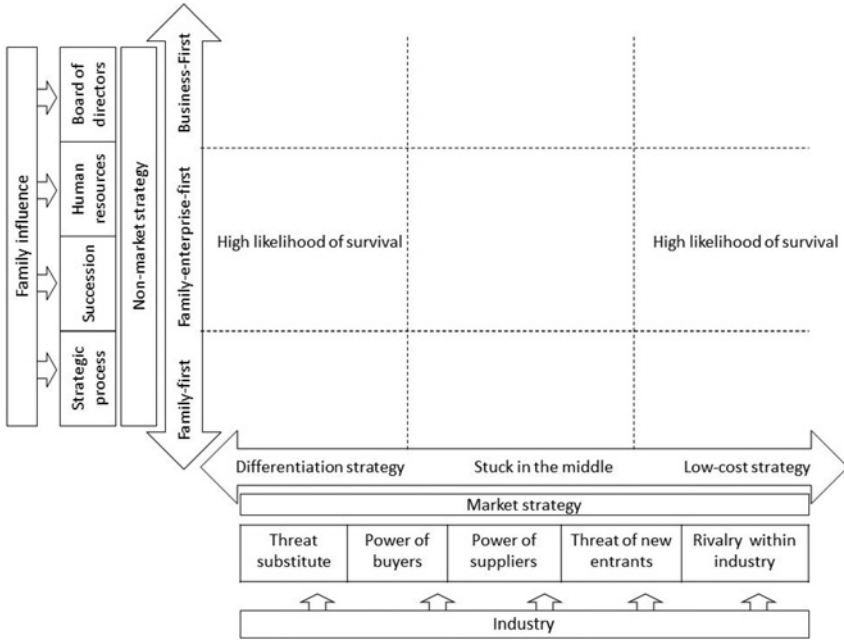
Figure 3: Adjustments to the market and non-market domains and family firm survival.

low-cost strategies is the reputation orientation (Basco 2014). This orientation emerges from the family's influence on the firm and reflects the family firm's competitive advantages, such as the family's image in the industry and the family's close relationships with customers and suppliers (e. g., Pongelli, Calabrò, and Basco 2018). Regardless of whether family firms follow a differentiation strategy or a low-cost strategy, their reputation in their industry and with customers is an important issue for their strategic position. The association between the family and business systems makes it difficult to separate the identities of both systems. For instance, the family name linked to the firm and the involvement of the family and the firm in their geographical context often causes family firms to persist at any cost because the cost of exiting is not only economic but also emotional and social (Binz Astrachan and Botero 2017).

The aforementioned empirical studies have shown that family influence may help firms support their generic market strategies. Firms that combine a differentiation strategy or a low-cost strategy with a family-enterprise-first orientation may survive longer because of two conditions. First, they have a dominant strategy (i. e., a low-cost or a differentiation strategy) and are thus not stuck in the middle between both generic strategies, which is the first premise in Porter's generic

competitive strategic model (Porter 1985). Second, a balanced orientation between the family and the business helps firms leverage specific family resources and capabilities (Sirmon, Hitt, and Ireland 2007) in parsimonious, personalized, and particular ways (Carney 2005), thereby supporting their generic market strategies.

There are three important mechanisms for leveraging resources: mobilization, coordination (Sirmon and Hitt 2003), and learning (Barros, Hernangómez, and Martin-Cruz 2016). In terms of mobilization, family firms with a family-enterprise-first orientation tend to create strong steward-type relationships among stakeholders (Corbetta and Salvato 2004). Their decisions are based on either what the family needs and feels (i. e., emotions) (Labaki, Michael-Tsabari, and Zachary 2013b) or on what the family and the firm bring to each other as well as on what the family and the firm need from each other to keep the whole system healthy (Basco and Pérez Rodríguez 2011). A family-enterprise-first orientation makes firms less rigid in their strategic actions (Sirmon, Jean-luc Arregle, and Webb 2008) and increases their ability to overcome internal and external threats. This means that the family is emotionally attached to the firm and puts forth significant effort to keep the firm alive even when circumstances (e. g., external circumstances, such as an economic crisis) do not yield adequate economic returns (i. e., patient capital and long-term vision) (Discua Cruz et al. 2019). Families mobilize in a specific way. For instance, when facing the risk of losing family endowments (e. g., under a period of financial crisis), families adjust their cash requirements and coordinate their slack resources more efficiently to support their long-term commitment, making family firms more durable and resilient during disruptive economic shocks compared to non-family firms (van Essen et al. 2015).

In terms of coordination, having a family-enterprise-first orientation may lead the family to make synergistic adjustments to coordinate resources and capabilities that support a differentiation strategy. For instance, this orientation may help family firms focus on customer needs, be close to customers to anticipate their behavior, and be flexible to adapt to external changes conditions (i. e., resilience capacity) (Acquaah, Amoako-Gyampah, and Jayaram 2011; Conz and Magnani 2019) in order to leverage a differentiation strategy. On the other hand, having a family-enterprise-first orientation also may also lead to synergistic adjustments to coordinate resources and capabilities that support a low-cost strategy. For instance, this orientation may help family firms develop a long-term vision to invest in internal economies of scales, exploit their location (e. g., close to raw materials) based on their historical local roots and proximity, adjust family demands to re-invest in the firm, and transmit knowledge from one generation to another to maintain the firm's competitive advantages related to learning in order to leverage a low-cost strategy.

Finally, in terms of learning, family firms are well equipped to develop a set of mechanisms that are unique and difficult to replicate resulting from family practices and experimentation (Barros, Hernangómez, and Martin-Cruz 2016). In this sense, family firms are able to accumulate, integrate, and codify knowledge, which they can then use in their generic market strategy (either differentiation or low-cost strategies). However, what makes family firms different from other firms in terms of learning is their ability to preserve their socio-emotional wealth, which creates the pre-condition for their survival. Family firms' strategic orientation is driven and supported by traditional learning mechanisms (e. g., learning curve) but is also tied to their desire to preserve the family–business relationship across generations. This intention facilitates the family's commitment (Basly and Saunier 2019), identity (Vincent Ponroy, Lê, and Pradies 2019), entrepreneurial spirit, corporate entrepreneurship (Basco, Calabrò, and Campopiano 2018), and psychological ownership (Elsbach and Pieper 2019), creating specific conditions for learning across generations.

Therefore, our third hypothesis is as follows:

Hypothesis 3. While the combination of a family-enterprise-first orientation and either of the two generic strategies (i. e., a differentiation strategy or a low-cost strategy) increases family firms' likelihood of survival, any other combination increases family firms' likelihood of failure.

3 Research Method

3.1 Data Collection

We used the Spanish context to test the proposed survival model for two main reasons. First, Spain is representative of the Latin European culture (Gupta and Levenburg 2010), in which the family serves as an important social and economic actor (Colli, Pérez, and Rose 2003) that affects economic activities. Second, Spain suffered one of the most dramatic economic and financial crises in 2008, which jeopardized firm survival as an external economic shock. The data for this research came from a unique study on Spanish family firms. Because our study focuses on family firms and there is no directory of family firms in Spain, we identified the universe of family firms based on an ex-post analysis. Family firms are those that met at least one of the following two criteria based on the premise of "family participation in business": 1) at least 51% of firm ownership is in the hands of members of the same family and/or 2) more than one family member works on the

board or in management positions. Regarding firm size, firms with 50–500 employees were chosen[1] (other studies consider similar ranges for small- and medium-sized firm, such as Leitner and Güldenberg [2010]).

In 2004, the aforementioned criteria were applied to two databases: Sistema de Análisis de Balances Ibéricos (SABI) and Dun & Bradstreet (DUN). From an original dataset of 16,000 Spanish firms in the chosen size range, 4450 firms met our criteria[2]. The sample design was structured with two strata: sector of economic activity and the autonomous community (i. e., first-level political division of Spain). In total, 732 firms responded to the telephone survey[3] (mainly CEOs or board members) between July and October 2004—a rate of 16.45%, which is similar to other studies in the Spanish context (e. g., Arosa, Iturralde, and Maseda 2010). A chi-square analysis and student analysis confirmed that there were no significant differences between the sample and the population in relation to the sector of economic activity, location, or number of employees, suggesting that non-response bias was not present.

After receiving the questionnaires, we scanned all information to ensure that the firms met our requirements regarding size, sector, and family characteristics and that we had the complete economic and legal information from second sources. We dropped 26 firms from our initial sample because of missing economic information (financial statement). We were able to obtain reliable secondary information for 694 firms, which constitute our final sample for this article. We followed these family firms during the 2004–2015 period. Every year (end of the calendar year), we checked their legal situation. In Spain, all information about firms' legal status is registered in the Registro Mercantil Central (Central Corporate Register, a governmental office), and this information is public.

---

1 The choice of firm size ranged from 50 to 500 employees. Based on existing research, the selected size best achieves our goal of measuring the internal activities that represent the family–business relationship. Large family firms (more than 500 employees) have formal bodies both in the business and in the family and therefore separate the family from the business relationship, thereby limiting the opportunity to explore relational links. In smaller firms (with fewer than 50 employees), the internal working processes that we used to measure the family–business relationship are, in many cases, not fully developed.
2 We conducted an exhaustive review of ownership, boards of directors, and management composition based on name and surname. The system of surnames in Spain makes it possible to identify family relationships because women never take their husband's surname, whereas children take both their father's and mother's surnames.
3 The telephone survey was administered by a professional Spanish research firm to ensure quality and reliability.

4 Measures

4.1 Dependent Variable

4.1.1 Survival/Failure

We analyzed the status of all firms in our database from 2004 to 2015. We used different sources to perform this task: SABI/Amadeus database and the official information that firms provide to the Spanish Central Corporate Register. This approach helped us classify firms in terms of failure (i. e., inactive, dissolved, extinct) and non-failure (i. e., active in their status or in the process of going through bankruptcy or making arrangements with creditors). In Spain, bankruptcy is the legal status for those firms that cannot repay their debts. Bankruptcy is imposed by a court order in a judicial process (Ley 22/2003, 9 July; Real Decreto Ley 3/2009, 27 March; Ley 38/2011, 10 October). In some cases, bankruptcy status precedes dissolution but not necessarily because many firms find a solution with their creditors during the bankruptcy process. Dissolved status is the period of liquidation that happens if one of the following legal reasons apply (based on Spanish law): 1) the board of directors agrees to firm dissolution during the legal period established by firm statutes or it is impossible to continue firm activities, 2) there are losses in the firm's financial statements that make the net assets reduced to half of the social capital, 3) there is a reduction in social capital to below the legal limit, 4) the firm undergoes a merger or split, or 5) there are specific reasons included in the statutes of the firm. A dissolved company will retain its legal personality as the settlement takes place. During this time, the company needs to use the expression "settlement status." Therefore, during the settlement period, the company will continue to have tax duties. "Extinct status" emerges when the firm is dissolved and the settlement process is finished, and this means that the firm is not a legal entity anymore. Therefore, we created a dummy variable called *survival* that takes the value of 1 for those firms that were inactive, dissolved, or extinct; otherwise, the variable takes the value of 0. For the variable *time to event*, we recorded the number of years from 2004 until the event occurred or until the end of the period of analysis.

4.2 Independent Variables

4.2.1 Non-Market Domain

To measure family business orientation, we used Basco and Pérez Rodríguez's (2009) scale to identify firms' family business orientation in four main areas: board

of directors, human resources, succession, and strategic process. Family business orientation was measured only once during 2004 using the survey questionnaire. All constructs were measured on Likert-type scales with a five-point response format. A separate principal components analysis was used to define the factors for each area (Hair et al. 2010). For each main area, we obtained two factors that capture family orientation and business orientation. Items that loaded on a factor at around 0.50 or above were analyzed for reliability. Six of the eight factors (areas: strategic process, board of directors, and succession) had Cronbach's alpha co-efficients above 0.80, which is very good according to generally accepted standards (Hair et al. 2010). With these eight factors (see Table A2 in the appendix), we grouped firms using a K-mean clustering analysis. We obtained four groups of family firms: family-enterprise first (where decision making is based on both the family and business, and both are equally important), business-first (where decision making is based on what the business needs to compete successfully in the marketplace), family-first (where decision making is based on what the family needs), and immature (where neither business nor family needs are prioritized in decision making). For more information about this classification, see Basco and Pérez Rodríguez (2011).

4.2.1 Market Domain

We adapted the scale used by Robinson and Pearce (1988) to capture firm strategic orientation. Items on this scale combine the typologies of Miles and Snow (1978), Hofer and Schendel (1978), Porter (1980), and other studies, such as Bourgeois III (1980), Dess and Davis (1984), and Hambrick (1980). The items were measured on a five-point Likert-type scale (ranging from "not used" to "widely used"). An exploratory factorial analysis was carried out to determine the underlying factor structure, and a varimax rotation and eigenvalue-one criterion were used to determine the number of factors. Four factors emerged (see Table A2 in the appendix) and were named based on our interpretation and following the current literature (e. g., Birley and Westhead 1994; Campbell-Hunt 2000; Herron and Robinson 1993; Kim and Choi 1994): marketing orientation, innovation and development orientation, reputation orientation, and low-cost (efficiency) orientation. Strategic orientation was measured only once during 2004. A K-mean clustering analysis of four strategic orientation factors was used to classify family firms. The aim of this procedure was to analyze the family firms' strategic orientation. We obtained four groups of family firms that combine different strategic orientations: low-cost strategy, differentiation strategy, marketing strategy, and no clear strategy. For more information about this classification, see Basco (2014).

4.3 Control Variables

Four control variables were included in this study to account for other factors that could affect firm survival. First, the size of the firm could affect survival since small firms suffer from the liability of smallness (Mellahi and Wilkinson 2004). Therefore, we also controlled for firm size using the number of employees in 2003. On the other hand, the liability of newness may also affect firm survival. To capture this effect, we considered firm age by taking into account the time passed since firm formation to 2003. Additionally, we controlled for firm performance as past research has shown that poor performance is a determinant of firm survival (Ooghe and De Prijcker 2008). For this variable, we took return on assets (ROA) in 2003. Finally, the sector in which firms operate could be affected by external shocks, specifically during economic and financial crises.

4.4 Hypothesis Testing

To examine whether firms' likelihood of survival is invariant to family business orientation, strategic behavior, and the combination of both (Hypotheses 1, 2, and 3), we used Kaplan–Meier survival analysis. Kaplan–Maier analysis allowed us to compute survival probability (i. e., the cumulative probability of a firm remaining in the market). Additionally, we conducted a log-rank homogeneity test to check for differences in survival rates, taking into consideration groups created based on type of family business orientation (Hypothesis 1), groups created based on strategic behavior (Hypothesis 2), and the adjustment of both dimensions (Hypothesis 3). Specifically, the log-rank test was used to examine the hypothesis that there is no difference in survival times among groups. However, the Kaplan–Meier survival function does not control for other factors that may affect firm survival. To estimate the effect of our main relationships adjusted for the other variables, we relied on a multivariate analysis (Kleinbaum and Klein 2012).

Specifically, we used Cox survival analysis to model the hazards of family firm failure (Cox 1972) and to further explore the relationship among our different firm classifications. The Cox proportional hazard model is a robust technique for hazard-rate analysis that does not place restrictive assumptions about the precise nature of a hazard's probability contributions. This technique estimates the influence of explanatory variables on the hazard of firm failure without specifying a parametric form for the precise time to failure. That is, it does not impose any distributional assumptions on the data. The proportional hazard regression model is as follows:

$$h(t/X_i) = h_0(t)\exp(\beta_1 X_{i1} + \beta_2 X_{i2}\ldots + \beta_k X_{ik}).$$

This equation states that the hazard (h) of a family firm at time t is the product of a baseline hazard $h_0(t)$, which is left unspecified except that it must be non-negative and an exponentiated linear function of k explanatory variables. An important feature of this equation, which concerns the proportional hazard assumption, is that the baseline hazard is a function of t but does not involve the Xs. In contrast, the exponential expression shown here involves the Xs but does not involve t. The Xs here are called time-independent Xs (Kleinbaum and Klein 2012). We tested for the necessary assumption of proportionality (Han and Hausman 1990) and found no evidence of the assumption being violated. Additionally, we used the time-dependent variable approach to test the pro-portional hazards assumption. To apply this approach, it is first necessary to test if the relationship between the hazards for the terminating event and time is not dependent on the level of the covariates. If the assumption is violated, the relevant interaction terms should be included in the final Cox regression model (Tabachnick and Fidell 2007). In our case, the variable "construction × time" is significant, so we introduced this interaction term in the Cox analysis as a control variable.

5 Results

5.1 Descriptive Statistics

Table 1 presents the descriptive statistics for the key variables used in the survival analysis. The distribution of the family firms in each family business orientation group is as follows: 35.4% of them are family-first firms, 29.5% are family-enterprise-first firms, 22.9% are business-first firms, and 12.1% are immature firms. On the other hand, the classification based on the firms' strategic behavior is as follows: 18.9% of them are in the low-cost strategy group, 22.0% are in the mar-keting strategy group, and 34.3% are in the differentiation strategy group. The remaining 24.8% do not have a clear strategic orientation (stuck in the middle). On average, the firms tracked for the 11 years survived approximately 10 years. In 2004, the variable number of employees shows a skewed distribution toward the left, which is also reflected by the fact that 73.6% of the firms have fewer than 110 employees (mean of the variable is 110.3). Sampled firms have an average age of 25.5 years and an ROA of 4.80. Table 2 displays all the pairwise correlation co-efficients between the variables under analysis.

Table 1: Descriptive statistics.

Variable	Mean	S.D.	Min.	Max.
Span of survival	10.115	1.95	1	11
Strategic non-market domain				
Family-first orientation = 1	0.354		0	1
Family-enterprise-first orientation = 1	0.295		0	1
Business-first orientation = 1	0.229		0	1
Immature orientation = 1	0.121		0	1
Strategic market domain				
Low-cost strategy = 1	0.189		0	1
Marketing strategy = 1	0.220		0	1
Differentiation strategy = 1	0.343		0	1
No clear strategy = 1	0.248		0	1
Number of employees	110.26	107.61	24	500
Firm age				
ROA	25.48	13.31	2	94
Industry	4.80			
Trade = 1	0.232		0	1
Construction = 1	0.120		0	1
Manufacturing = 1	0.484		0	1
Services = 1	0.164		0	1

5.2 Kaplan–Maier Analysis

Figure 4a and b shows the survival probabilities for the market (strategic behavior) and non-market (family business orientation) domains. The survival rate at each moment is the probability of survival up to a certain time. Related to the market domain, we do not find support for our first hypothesis, which sustains that firms following a differentiation or low-cost strategy have a higher likelihood of survival than firms following unclear strategy (stuck in the middle). However, we observe that firms adopting a differentiation or marketing strategy have a higher likelihood of survival (73.9 and 74.5%, respectively) than firms following a low-cost strategy (67.9%). This pattern can be observed in Figure 4a: the accumulated survival function of the differentiation and marketing strategies is above the accumulated survival function of the low-cost strategy. On the other side, related to the strategic non-market domain, we do not find support for our second hypothesis. Instead, we find that family-first firms have a lower likelihood of failure (or higher accumulated survival) than business-first and family-enterprise-first firms (Figure 4b). Specifically, 76.6% of family-first firms survive more than 11 years, whereas the likelihood of survival is 69.3% for family-enterprise-first firms and 69.2% for business-first firms.

Table 2: Pearson correlation coefficients.

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Number of employees	1																
2. Firm age	0.113**	1															
1. 3. ROA	0.024	−0.054	1														
4. Industry—Construction	−0.017	−0.105**	0.033	1													
5. Industry—Manufacturing	−0.043	0.159**	−0.087*	−0.357**	1												
6. Industry—Service	0.054	−0.019	0.095*	−0.163**	−0.430**	1											
7. Industry—Trade	0.017	−0.090*	−0.006	−0.203**	−0.532**	−0.244**	1										
8. Family-first orientation	−0.033	−0.056	−0.013	0.024	−0.043	0.013	0.021	1									
9. Business-first orientation	0.027	0.048	0.051	−0.042	0.021	0.008	0.001	−0.404**	1								
10. Immature orientation	0.013	0.089*	−0.025	−0.001	−0.032	−0.010	0.047	−0.275**	−0.202**	1							
11. Family-enterprise-first orientation	0.001	−0.050	−0.016	0.014	0.049	−0.014	−0.057	−0.480**	−0.353**	−0.240**	1						
12. Low-cost strategy	−0.040	0.020	0.059	0.049	−0.150**	0.064	0.084*	0.027	−0.026	0.284**	−0.207**	1					
13. Marketing strategy	0.034	−0.014	−0.008	0.008	−0.105**	0.083*	0.045	0.100**	−0.075*	−0.048	−0.001	−0.257**	1				
14. Differentiation strategy	−0.040	−0.005	0.008	−0.032	0.138**	−0.115**	−0.037	−0.034	−0.069	−0.184**	0.231**	−0.348**	−0.305**	1			
15. No clear strategy	0.048	0.000	−0.054	−0.016	0.085*	−0.011	−0.078*	−0.083*	0.171**	−0.008	−0.064	−0.277**	−0.384**	−0.415**	1		
16. Failure	−0.046	0.022	−0.110**	−0.001	0.074	−0.006	−0.082*	−0.077*	0.037	0.006	0.042	0.046	−0.028	0.016	−0.028	1	
17. Survival (years)	0.045	−0.028	0.076*	0.058	−0.057	−0.038	0.057	0.057	−0.057	0.010	−0.014	−0.023	0.010	−0.005	0.015	−0.730**	1

**Significant differences at $p < 0.01$; *significant differences at $p < 0.50$.
Note: We transform the categorical variables of market domain and non-market domain into dichotomous variables to perform the correlation analysis.
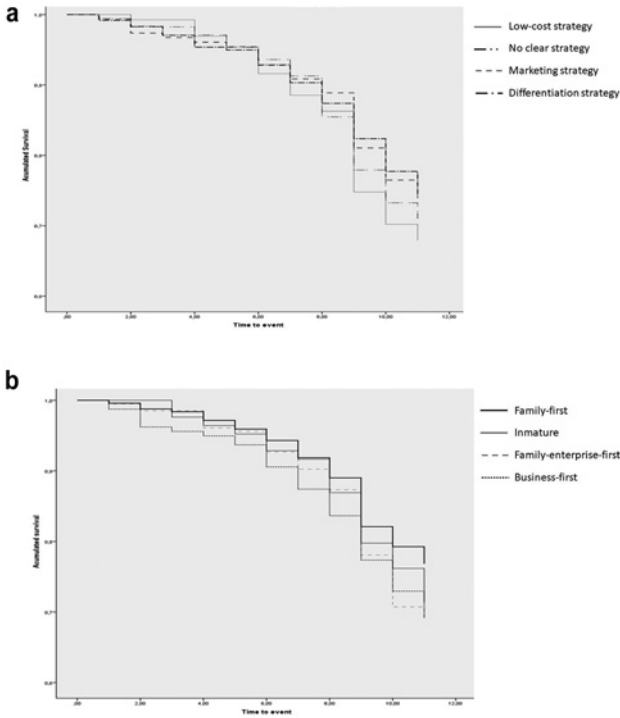
Figure 4: (a) Kaplan–Meier survival estimates—Market domain. (b) Kaplan–Meier survival estimates—Non-market domain.

To test the validity of the differences found in the survival curves of Figures 4, we employed a log-rank homogeneity test, which is designed to exam the null hypothesis that survival curves, estimated by the Kaplan–Meier estimator, are equal to each other. Table 3 shows the differences between the curves that are statistically significant. Regarding the market domain, we find that the only significant difference is between the differentiation and low-cost strategies in terms of survival in favor of the former. Regarding the non-market domain, the test reveals that the mean time of survival is higher for family-first firms than for family-enterprise-first and business-first firms, with these differences being significant.

Additionally, we interacted the market and non-market domains to test Hypothesis 3. The outcomes of the log-rank test of homogeneity shown in Table 4 indicate that firms that adopt a low-cost strategy have a higher likelihood of survival when they follow a family-first orientation than any other family business orientation (e. g., family-enterprise-first and business-first orientations). On the

Table 3: Results of the log-rank test.

	a Family-first orientation		b Family-enterprise-first orientation		c Business-first orientation		d Immature orientation		Log-rank test
	N°	Mean	N°	Mean	N°	Mean	N°	Mean	
All firms	246	10.26	205	10.07	159	9.91	84	10.17	a & b**; a & c**

	1 Low-cost strategy		2 Marketing strategy		3 Differentiation strategy		4 No clear strategy		Log-rank test
	N°	Mean	N°	Mean	N°	Mean	N°	Mean	
All firms	131	10.02	153	10.15	238	10.15	172	10.10	1 & 3*

**Significant differences at $p < 0.05$; *significant differences at $p < 0.10$.

other hand, business-first firms can enhance their likelihood of survival when they compete using a differentiation strategy instead of a low-cost strategy. Therefore, we do not find support for our Hypothesis 3.

5.3 Cox Analysis

Even though we do not find support for our original hypotheses, our results reveal alternative patterns of how family firms combine strategic behavior and family business orientation that could provide a better understanding about strategic management in family firms. To further explore these results, we used Cox analysis (Table 5) because Kaplan–Meier survival analysis does not control for other factors that may affect firm survival. For interpreting the results, a positive β coefficient demonstrates that the independent variable has a positive effect on firm failure, whereas a negative value indicates a negative effect. Correspondingly, values exceeding 1 for exponentiated regression coefficients (Exp β) indicate a positive effect on firm failure risk, whereas values below 1 indicate a negative effect. The exponentiated coefficients are interpreted as the multipliers of the baseline hazard of family firm failure when the variable increases by one unit (Allison 2014).

Model 1 shows the results of the baseline model with control variables alone, Model 2 adds the effects of the strategic market and non-market domains, and Model 3 adds the interaction effect between both dimensions. The results of Model

Table 4: Results of the log-rank test – interaction effect.

	a Family-first orientation		b Family-enterprise-first orientation		c Business-first orientation		d Immature orientation		Log-rank test
	N°	Mean	N°	Mean	N°	Mean	N°	Mean	
Low-cost strategy	50	10.32	13	9.92	27	9.63	41	9.95	a & b*; a & c*, a & d*
Marketing strategy	68	10.25	45	10.22	26	9.73	14	10.21	
Differentiation strategy	79	10.20	105	10.17	45	10.04	9	10.11	
No clear strategy	49	10.33	42	9.71	61	10.02	20	10.60	a & d*, b & d*

	1 Low-cost strategy		2 Marketing strategy		3 Differentiation strategy		4 No clear strategy		Log-rank test
	N°	Mean	N°	Mean	N°	Mean	N°	Mean	
Family-first orientation	50	10.32	68	10.25	79	10.20	49	10.33	
Family-enterprise-first orientation	13	9.92	45	10.22	105	10.17	42	9.71	3 & 4*
Business-first orientation	27	9.63	26	9.73	45	10.04	61	10.02	1 & 3*, 1 & 2*
Immature orientation	41	9.95	14	10.21	9	10.11	20	10.60	1 & 4*

**Significant differences at $p < 0.05$; *significant differences at $p < 0.10$.

Table 5: Cox regressions predicting family firm failure (2004–2015).

Variables						
					N = 694, Failures = 193	
	Model 1		**Model 2**		**Model 3**	
	B	Exp (β)	B	Exp (β)	β	Exp (β)
Number of employees	−0.001	0.999	−0.001	0.999	−0.001	0.999
Firm age	0.000	1.000	0.000	1.000	−0.001	0.999
ROA	−0.036**	0.965	−0.034**	0.967	−0.033**	0.967
Industry 1 (Construction)	−1.871	0.154	−1.861	0.155	−1.909	0.148
Industry 2 (Manufacturing)	0.391**	1.478	0.416**	1.517	0.417**	1.518
Industry 3 (Services)	0.300	1.350	0.303	1.354	0.288	1.334
Industry 1 (Construction) * Time	0.261**	1.299	0.261**	1.298	0.263**	1.301
Family-first orientation (reference)						
Family-enterprise-first orientation			0.334**	1.396	0.923**	2.516
Business-first orientation			0.354**	1.424	1.136**	3.115
Immature orientation			0.119	1.127	0.750**	2.117
Low-cost strategy (reference)						
Marketing strategy			−0.283	0.754	0.332	1.393
Differentiation strategy			−0.322*	0.724	0.416	1.516
No clear strategy			−0.239	0.787	0.155	1.168
Marketing * Family-first (reference)						
Marketing * Family-enterprise-first					−0.897*	0.408
Marketing * Business-first					−1.085**	0.338
Marketing * Immature					−0.376	0.687
Differentiation * Family-first (reference)						
Differentiation * Family-enterprise-first					−0.880*	0.415
Differentiation * Business-first					−1.229**	0.293
Differentiation * Immature					−1.754**	0.173
No clear strategy * Family-first (reference)						
No clear strategy * Family-enterprise-first					−0.304	0.718
No clear strategy * Business-first					−0.674	0.510
No clear strategy * Immature					−1.090*	0.336
Log of likelihood	2446.1		2440.0		2430.9	
Chi-square	17.87**		25.74**		37.43**	

**p < 0.05, *p < 0.10, one-tailed tests based on Wald statistics (except for the industry variable, for which we used a two-tailed test). Note: Reference categories: Industry = trade, non-market domain = family-first orientation, market domain = low-cost strategy.

1 (chi-square = 17.87, $p < 0.05$) show that the ROA variable explains part of the variance in family firm survival over time. In particular, since the $β$ coefficient is negative ($β = −0.036$, $p < 0.05$), we can assert that ROA is positively related to the likelihood of firm survival. Similarly, the industry variable is also significant. Specifically, firms that belong to manufacturing sectors have a higher likelihood of failure ($β = 0.391$, $p < 0.05$) than firms in the trade sector.

We entered the main effects of the market and non-market domains in Model 2^4 (chi-square = 25.74, p < 0.05). Model 2 confirms that a differentiation strategy contributes significantly to explain the likelihood of survival among family firms. The β coefficient is negative and significant (β = −0.322), and the exponentiated regression coefficient of 0.724 indicates that firms with a differentiation strategy have a 27.7% smaller hazard than the reference category (low-cost strategy). Additionally, the coefficients for family-enterprise-first and business-first orientations are both positive and significant at the 0.05 level (β = 0.334 and β = 0.354, respectively), suggesting that family firms included in these categories are more likely to fail than family firms included in the family-first category (used as the reference). Specifically, family-enterprise-first firms have a 39.4% higher risk of failure than family-first firms, and business-first firms have a 42.6% higher risk of failure.

Finally, Model 3 introduces the interaction term between the market and non-market strategies. The coefficients for the interaction categories of family-enterprise-first/differentiation and business-first/differentiation are both negative and significant at the 0.10 and 0.05 levels (β = −0.880 and β = −1.229, respectively), suggesting that family firms included in these categories are less likely to fail than the family-first/differentiation category (used as reference). With these results, we validated our previous univariate analysis and gained a better understanding of the differences that emerged from our model.

5.4 Robustness Analysis

To confirm the robustness of our results, we re-analyzed the data in three situations. First, we excluded 84 firms operating in the construction industry. Since the main cause of Spain's crisis was the housing bubble, we tested our hypothesis by eliminating the firms operating directly in the construction sector, which played an idiosyncratic role during the crisis. The results are similar to what we obtained using the whole sample (Table 6).

Second, we replicated the Cox analysis by excluding firms that failed before 2008 from the sample. Officially, the Spanish crisis started in 2008 and lasted until 2015. Our aim was to test our hypotheses during the crisis period and eliminate firms that anticipated the crisis by exiting, a circumstance that could

---

4 We chose the reference categories displayed in the Cox regressions based on a Kaplan–Meier survival analysis, which provides the most important potential relationships to be considered for further analysis. The chosen reference categories are the better combinations to explore the data and to identify heterogeneity patterns that affect family firm survival.

Table 6: Cox regressions predicting family firm failure (2004–2015) excluding the construction industry.

Variables						
					N = 611, Failures = 170	
	Model 1		**Model 2**		**Model 3**	
	B	Exp (β)	β	Exp (β)	β	Exp (β)
Number of employees	−0.001	0.999	−0.001	0.999	−0.001	0.999
Firm age	0.003	1.003	0.003	1.003	0.003	1.003
ROA	−0.034**	0.967	−0.032**	0.969	−0.033**	0.968
Industry 2 (Manufacturing)	0.380**	1.462	0.404*	1.497	0.401**	1.493
Industry 3 (Services)	0.295	1.343	0.294	1.342	0.269	1.308
Family-first orientation (reference)						
Family-enterprise-first orientation			0.354**	1.424	1.190**	3.286
Business-first orientation			0.414**	1.531	1.160**	3.191
Immature orientation			0.005	1.005	0.767**	2.152
Low-cost strategy (reference)						
Marketing strategy			−0.233	0.792	0.476	1.609
Differentiation strategy			−0.330*	0.719	0.425	1.529
No clear strategy			−0.236	0.790	0.356	1.427
Marketing * Family-first (reference)						
Marketing * Family-enterprise-first					−1.215**	0.297
Marketing * Business-first					−0.830	0.436
Marketing * Immature					−0.701	0.496
Differentiation * Family-first (reference)						
Differentiation * Family-enterprise-first					−1.022*	0.360
Differentiation * Business-first					−1.111**	0.329
Differentiation * Immature					−1.696*	0.183
No clear strategy * Family-first (reference)						
No clear strategy * Family-enterprise-first					−0.763	0.466
No clear strategy * Business-first					−0.773	0.462
No clear strategy * Immature					−1.224*	0.294
Log of likelihood		2116.3		2109.7		2102.3
Chi-square		13.89**		20.11**		28.27**

**$p < 0.05$, *$p < 0.10$, one-tailed tests based on Wald statistics (except for the industry variable, for which used a two-tailed test). Note: Reference categories: Industry = trade, non-market domain = family-first orientation, market domain = low-cost strategy.

alter our results. As can be seen in Table 7, our results confirm the previous analysis.

Finally, we replicated the Cox analysis but with a new re-codified dependent variable. For our original dependent variable, failure firms include those that were inactive, dissolved, or extinct but not those that were going through bankruptcy or making arrangements with creditors. However, one could assume that firms in the

Table 7: Cox regressions predicting family firm failure (2004–2015) excluding firm failure before 2008.

Variables						N = 678, Failures = 177
		Model 1		Model 2		Model 3
	B	Exp (β)	β	Exp (β)	β	Exp (β)
Number of employees	0.000	1.000	−0.001	0.999	−0.001	0.999
Firm age	−0.001	0.999	−0.002	0.999	−0.002	0.998
ROA	−0.035**	0.966	−0.032**	0.969	−0.031**	0.969
Industry 1 (Construction)	−1.372	0.254	−1.373	1.556	−1.421	0.241
Industry 2 (Manufacturing)	0.440**	1.553	0.467**	1.598	0.478*	1.613
Industry 3 (Services)	0.330	1.391	0.327	1.388	0.309	1.363
Industry 1 (Construction) * Time	0.211**	1.235	0.211**	1.235	0.215**	1.240
Family-first orientation (reference)						
Family-enterprise-first orientation			0.382**	1.465	1.026**	2.791
Business-first orientation			0.274*	1.315	1.291**	3.636
Immature orientation			0.075	1.078	0.884**	2.420
Low-cost strategy (reference)						
Marketing strategy			−0.431**	0.650	0.385	1.470
Differentiation strategy			−0.467**	0.627	0.473	1.605
No clear strategy			−0.293	0.746	0.164	1.178
Marketing * Family-first (reference)						
Marketing * Family-enterprise-first					−1.026*	0.358
Marketing * Business-first					−1.576**	0.207
Marketing * Immature					−0.681	0.506
Differentiation * Family-first (reference)						
Differentiation * Family-enterprise-first					−1.008*	0.365
Differentiation * Business-first					−1.648**	0.193
Differentiation * Immature					−12.083	0.000
No clear strategy * Family-first (reference)						
No clear strategy * Family-enterprise-first					−0.317	0.729
No clear strategy * Business-first					−0.832	0.435
No clear strategy * Immature					−1.026*	0.358
Log of likelihood		2242.9		2235.2		2218.98
Chi-square		14.33**		24.09**		41.04**

**p < 0.05, *p < 0.10, one-tailed tests based on Wald statistics (except for the industry variable, for which used a two-tailed test). Note: Reference categories: Industry = trade, non-market domain = family-first orientation, market domain = low-cost strategy.

process of bankruptcy are close to failure, so Table 8 shows the results with a new dependent variable that adds firms that were in the process of bankruptcy to the original classification. The results do not change from those originally shown in Table 4, thus confirming our analysis.

Table 8: Cox regressions predicting family firm failure (2004–2015) including firms in bankruptcy as failed firms.

Variables					N = 678, Failures = 199	
	Model 1		Model 2		Model 3	
	B	Exp (β)	β	Exp (β)	β	Exp (β)
Number of employees	−0.001	0.999	−0.001	0.999	−0.001	0.999
Firm age	−0.001	0.999	−0.001	0.999	−0.001	0.999
ROA	−0.035**	0.966	−0.033**	0.968	−0.033**	0.967
Industry 1 (Construction)	−1.817	0.162	−1.809	0.164	−1.855	0.157
Industry 2 (Manufacturing)	0.378**	1.457	0.395**	1.484	0.392**	1.411
Industry 3 (Services)	0.366	1.442	0.396	1.442	0.345	1.480
Industry 1 (Construction) * Time	0.254**	1.289	0.254**	1.289	0.256**	1.291
Family-first orientation (reference)						
Family-enterprise-first orientation			0.332**	1.394	0.942**	2.566
Business-first orientation			0.360**	1.434	1.114**	3.135
Immature orientation			0.097	1.101	0.750**	2.116
Low-cost strategy (reference)						
Marketing strategy			−0.241	0.786	0.445	1.561
Differentiation strategy			−0.289*	0.749	0.430	1.537
No clear strategy			−0.198	0.820	0.164	1.178
Marketing * Family-first (reference)						
Marketing * Family-enterprise-first					−1.020*	0.361
Marketing * Business-first					−1.217**	0.296
Marketing * Immature					−0.479	0.619
Differentiation * Family-first (reference)						
Differentiation * Family-enterprise-first					−0.836*	0.434
Differentiation * Business-first					−1.234**	0.291
Differentiation * Immature					−1.753*	0.173
No clear strategy * Family-first (reference)						
No clear strategy * Family-enterprise-first					−0.319	0.727
No clear strategy * Business-first					−0.580	0.560
No clear strategy * Immature					−1.086*	0.337
Log of likelihood	2521.4		2515.5		2504.8	
Chi-square	17.89**		25.39**		37.36**	

**p < 0.05, *p < 0.10, one-tailed tests based on Wald statistics (except for the industry variable, for which used a two-tailed test). Note: Reference categories: Industry = trade, non-market domain = family-first orientation, market domain = low-cost strategy.

6 Discussion and Conclusion

The aim of our article was to explore how different combinations of the market and non-market domains facilitate firm survival. Stemming from the literature on Porter's (1996) generic competitive strategies and family business research and applying the resource-based view, we argued that family firm survival is determined by how firms define and combine the market and non-market domains in their strategies. Following the configurational approach (Meyer, Tsui, and Hinings 1993) and the equifinality principle, we theorized that there are multiple combinations of strategic behavior and family business orientation that firms can implement to survive, and explicitly, we hypothesized that firms' likelihood of survival increases when they combine either a differentiation or lost-strategy with a family-enterprise-first orientation.

By following a Spanish sample of family firms over an 11-year period (2004–2015), even though we did not find support for our original hypotheses, our findings reveal that the likelihood of firm survival is higher when firms combine a differentiation strategy with a business-first orientation or a family-enterprise-first orientation (see Figure 5). Additionally, there is evidence to sustain that if firms
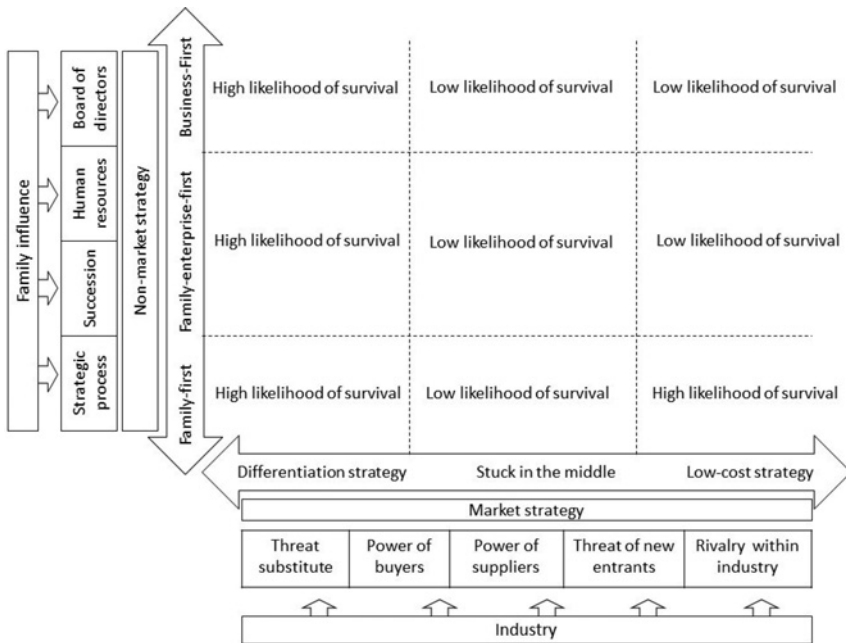

Figure 5: Results of adjustments to market and non-market domains and family firm survival.

follow a low-cost strategy, their likelihood of survival is higher when combining the low-cost strategy with a family-first orientation. For the rest of the possible combinations of strategic behavior and family business orientation the likelihood of survival is lower.

We explain our results by considering that a differentiation strategy requires particular resources and behavior that family firms are well positioned to develop and exploit because of the family's involvement, such as focusing on customers who are willing to pay a premium for unique products and services (Sageder, Mitter, and Feldbauer-Durstmüller 2018), being close to customers' needs, behaving flexibly to adapt to the external environment (Zahra et al. 2008), and maintaining a resilience capacity (Amore and Minichilli 2018). However, developing a differentiation strategy has positive implications for family firm survival when a business logic is present in decision making (i. e., when family firms have a business-first orientation or a family-enterprise-first orientation) but negative implications for family firm survival when a family logic dominates decision making (i. e., when family firms have a family-first orientation). A high family logic, which is characterized by decision making based on family needs and family emotions, could obstruct family firms' business logic, which is required to operate in a dynamic market.

On the other hand, contrary to our predictions, high family influence seems to be beneficial for firms following a low-cost strategy. Our explanation is that even though a high family influence and its logic focuses the firm's attention on family needs and emotions, family involvement in the firm can reduce Type I agency problems (principal-agent) and eliminate certain agency costs that other firms have to incur. For instance, family-first firms can reduce the adverse selection and moral hazard agency problems derived from asymmetric information in the human resource recruitment and retention process by relying on social networks or close social contacts (Steijvers, Lybaert, and Dekker 2017). Another reason explaining the combination between a low-cost strategy and a family-first orientation is the family's commitment to the firm due to economic and non-economic goals to a particular course of action (Pongelli, Sciascia, and Minola 2019) and non-family members' commitment when the family develops a steward philosophy based on a collectivistic organizational perspective (Vallejo 2009). Family and non-family members' commitment may help family firms orchestrate resources and capabilities and leverage a low-cost strategy by mobilizing family resources (human resources) at a low cost, improving the resource coordination between the family and the firm (e. g., monetary loans), and consolidating learning across generations. In other words, the family's influence is able to create survivability capital around the firm, which represents "the pooled personal resources that family members are willing to loan, contribute, and share for the benefit of the family firm" (Sirmon and Hitt 2003, 343).

6.1 Theoretical and Practical Contributions

Our article has several contributions for family business research and strategic management research. First, following the Labaki, Michael-Tsabari, and Zachary (2013b) and Rau (2013) discussion, our article contributes to the current debate on family firm heterogeneity and survival. While most of the debate in family business has focused on firm performance based on economic and non-economic measures (Mazzi 2011), only a few studies have investigated family firm survival (e. g., Cho, Miller, and Lee 2018; Wilson, Wright, and Scholes 2013). The importance of family firm survival lies in fact that it is a common measure for any family firm no matter what goals the firm pursues (Colli 2012). In this sense, our article extends previous exploratory research focusing on entrepreneurial orientation (Revilla, Perez-Luno, and Nieto 2016), ownership composition (Cho, Miller, and Lee 2018), and corporate governance (Wilson, Wright, and Scholes 2013) as antecedents to firm survival by introducing the strategic dimension, specifically the adjustment between the strategic market and non-market domains, as a determinant of family firm survival. Following Basco and Pérez Rodríguez (2011), we dismantle family firm heterogeneity not only by investigating firm survival as a performance measure but also by testing the principle of equifinality (i. e., that there are multiple unique configurations that can result in maximum performance). Consequently, even though the importance of any taxonomy or typology is to describe and explain the specificities of a particular phenomenon, taxonomies and typologies are not an end in themselves. Our contribution is to recognize the consequences—in this article, the consequence of family firm survival—that a firm faces for belonging to a specific group of family firms.

In line with the aforementioned contribution, our article provides evidence to initially explain differences and overlaps among drivers of family firm performance and family firm survival. For instance, comparing our results with those published by Basco (2014) about firm performance, we show that family firms perform better and survive longer when they adopt a differentiation strategy with a family-enterprise-first orientation, but they can also survive longer if they pursue a business-first orientation. A different picture can be drawn for family firms following a low-cost strategy. While combining a low-cost strategy with a business-first orientation increases performance and reduces survival rate, combining a low-cost strategy with a family-first orientation decreases performance and increases survival rate. This contribution opens an interesting research line that has hardly been studied about the tradeoffs of and synergy between drivers and antecedents of family firm performance and survival.

Second, our article makes an inverse contribution (Pérez Rodríguez and Basco 2011) to the main strategic management research stream. Specifically, our article addresses previous research calling for an integration of the market and non-market strategies (Baron 1995) to better understand firm behavior and its effect on firm performance and survival. We provide theoretical rationale and empirical evidence to explain the importance of adjusting firms' market (Porter 1980) and non-market strategies (Baron 1995) using a configurative approach. In this sense, we extend the boundaries of non-market strategy by conceiving the family as a social context that firms have to deal with when family members are involved in firm governance and management. This is an important contribution because non-market strategy researchers have focused on how firms establish their social and political actions without paying attention to the family context. Our article highlights the importance of the relationship between the family and the firm as a determinant of firms' non-market strategy and adjustments to their market strategy, opening a new research line that has to be developed further because the family context plays an important role in family firms' competitiveness (James et al. 2020).

This research has also implications for owners, boards of directors, and managers (with family or non-family affiliations) who are responsible for strategic formulation in family firms because we present a model to put firms' strategic orientation and the potential effect on survival into perspective. The proposed model is a tool that can be used to discuss and debate how family firms adjust their market and non-market domains to enhance firm survival. Therefore, with this tool, owners and managers can explore their competitive advantages by analyzing the way their firms are positioned in the market using Porter's five forces of competition as well as the way the family and the firm relate to each other based on the extent to which a family logic (i. e., emotions, needs, and expectations) influences decision making in corporate governance, human resources, succession, and strategic decisions.

6.2 Limitations and Future Research Directions

Our article has several limitations that not only represent the boundaries of its contributions but also provide opportunities for future research. First, our research relies on cross-sectional data from 2004 for the independent variables to capture the market and non-market domains and their interactions, and we assumed that they are constant for the period in which the survival rate was observed. This assumption could be questioned because it is possible to argue that firms' market and non-market strategies may change over time. However, the non-market strategy is a dimension that depends on the family's involvement in the firm and its

historical and emotional patterns as the dominant coalition, which is why we believe it is a relatively stable dimension over time. Less strong arguments could be proposed in relation to the market strategy. However, since we measured generic strategic behavior in family firms, we also believe that this generic strategy is stable over time. For instance, firms that pursue a low-cost strategy are not going to change their generic strategy in the short term because a low-cost strategy requires a particular organizational culture, structure, level of investment, and level of illiquid (or difficult to exchange/convert into cash) assets. Nevertheless, future studies should address this potential limitation and measure market and non-market strategies over time by developing a long-term research strategy.

Second, future studies should further investigate the drivers and antecedents of firm performance (financial performance and growth, among other dimensions) and firm survival. This is an important topic in business research in general but is particularly important in the context of family firms because family firms combine not only short and long firm goals but also business- and family-oriented goals (Basco, 2017). Therefore, gaining a better understanding of the differences and overlaps among the drivers and antecedents that determine firm performance and survival is necessary to explain how family firms balance their behavior to satisfy multiple goals and different stakeholders.

Third, our research focuses on two main dimensions (market and non-market strategies) to classify family firms and capture firm heterogeneity in order to explore family firm survival. Even though we controlled for additional variables, such as boards of directors, firm size, industry, and age, it is important to recognize that other alternative variables could also play a significant role in family firm survival, such as family-related variables. For instance, successors in general and successors with the intention to continue the family firm tradition could be determinants of firm survival. Future studies should incorporate family-related variables that may capture aspects linking business families with their firms.

Finally, our article focuses solely on private family firms in Spain, so our findings can be extended to different institutional contexts with limitations. Additional research on configurations and firm survival should be carried out in contexts with different cultural patterns. While our article uses a configurative lens in the context of one single country (Spain), which is a way to control the effect of the environment, future studies should not only test the proposed model, which links the market and non-market domains to explain firm survival, in different institutional contexts but also use cross-cultural analysis to classify family firms. Introducing context in family business research is an important step forward because most research on this topic has been contextless (Gomez-Mejia et al. 2020) and has not taken into consideration the effects of cultural, historical, geographical, and institutional environments on the family or the firm.

Appendix

Table A1: Market strategy.

		Items	Factorial analysis	Cluster analysis (firm classification)
Market domain	Strategic behavior	• Efficiency in manufacturing process	*Factor 1: Differentiation strategy*	Low-cost strategy Marketing strategy Differentiation strategy No clear strategy
		• Innovation in manufacturing process		
		• Develop and refine established products		
		• Emphasis on speciality products		
		• New product development		
		• Promote and advertise (spending above the industry average)	*Factor 2: Marketing strategy*	
		• Innovation in marketing techniques		
		• Process-oriented R&D		
		• Serve specific geographic markets		
		• Build brand identification		
		• Maintain high inventory	*Factor 3: Low-cost strategy*	
		• Ensure raw materials		
		• Influence channels of distribution		
		• Broad product range		
		• Extensive customer service	*Factor 4: Reputation strategy*	
		• Ensure trained personnel		
		• Build reputation in industry		
		• Strict quality control		

Table A2: Non-market strategy.

	Items	Factor	Cluster analysis (firm classification)
Non-market domain　*Strategic process*	• Formulate the family aims and goals that must be reached • Distinctive family competencies contributing to the enterprise • Control and review family aims for the enterprise and how far they have been achieved • Financial budgets to develop and maintain the family–enterprise relationship • Effect of the family-enterprise relationship • Use family resources (human and material) to put the strategy into operation • Control and review strategic aims and how far they have been achieved • Use human, physical, and financial resources to put the strategy into operation • Choose distinctive competencies to obtain competitive advantage • Financial budgets to develop planned future actions • Formulate the business aims and goals that must be reached • Monitor strategy implementation • Opportunities and threats in the competitive environment • Relationships of authority and responsibility between different hierarchical levels	Factor 1: Family-oriented Reflects functions related to the incorporation of the family in strategic decision making (from goals to strategy implementation and control). Factor 2: Business-oriented Reflects posture independent of the family in strategic decision making.	Family-first orientation Family-enterprise first orientation Business-first orientation Immature orientation

Table A2: (continued)

Items		Factor	Cluster analysis (firm classification)
Board of directors	• Draw up family protocols • Review family protocols • Decide on the entry of new family members • Advise on family topics affecting the enterprise • Define succession planning • Control family interests in the enterprise • Approve budgets • Define long-term strategy • Evaluate company results • Evaluate the performance of key management posts • Define values and philosophy to guide the family enterprise • Establish external relationships and contacts to obtain critical resources	Factor 1: Family-oriented Reflects the board's task performance centered on the family–business relationship. Factor 2: Business-oriented Reflects the board's general task performance: control, acquisition of strategic resources, and advisory services.	
Human resources	• Promotions made based on length of service • Activities carried out to boost links between the enterprise and the family • Activities carried out to increase person-related competencies • Evaluation and performance linked to quantifiable results • Criteria for promotion depending on knowledge, experience, and skills • Evaluation and performance linked to behavior • Ample freedom left in decision making	Factor 1: Family-oriented Reflects the use of practices based on trusted links generated by the family relationship. Factor 2: Business-oriented Reflects the use of practices in formal relationships in which a market philosophy predominates.	

Table A2: (continued)

Items		Factor	Cluster analysis (firm classification)
Succession	• Give relevance to activities and tasks carried out by the future successor • Supervise the tasks of the successor • Informal tutorials in skills and knowledge • Praise the successor in public • Evaluate the successor's performance • Share ideas and suggestions informally with the successor • Create opportunities for the successor assuming challenges in the task assigned • Assigned a specific task to demonstrate capacities • Participate in assigning goals and objectives • Participate in strategic planning • Direct large projects • Direct relationships with external groups related to the enterprise (clients, suppliers, etc.) • Level of training in business management areas and participation in seminars • Training through internal training and development • Direct a sub-unit of the enterprise	Factor 1: Family-oriented Reflects the development and training of the successor from an internal viewpoint to boost the skills and capabilities of the future leader. Factor 2: Business-oriented Reflects the development of the successor from a viewpoint based on experience and the capacity to demonstrate his or her skills as a future leader.	

References

Acquaah, M., K. Amoako-Gyampah, and J. Jayaram. 2011. "Resilience in Family and Nonfamily Firms: An Examination of the Relationships between Manufacturing Strategy, Competitive Strategy and Firm Performance." *International Journal of Production Research* 49 (18): 5527–44.

Allison, P. 2014. *Event History and Survival Analysis*. Thousand Oaks, CA: Sage.

Amore, M. D., and A. Minichilli. 2018. "Local Political Uncertainty, Family Control, and Investment Behavior." *Journal of Financial and Quantitative Analysis* 53 (4): 1781–1804.

Aparicio, G., R. Basco, T. Iturralde, and A. Maseda. 2017. "An Exploratory Study of Firm Goals in the Context of Family Firms: An Institutional Logics Perspective." *Journal of Family Business Strategy* 8 (3): 157–69.

Arosa, B., T. Iturralde, and A. Maseda. 2010. "Outsiders on the Board of Directors and Firm Performance: Evidence from Spanish Non-Listed Family Firms." *Journal of Family Business Strategy* 1 (4): 236–45.

Astrachan, J. H. 2010. "Strategy in Family Business: Toward a Multidimensional Research Agenda." *Journal of Family Business Strategy* 1 (1): 6–14.

Astrachan, J. H., and P. Jaskiewicz. 2008. "Emotional Returns and Emotional Costs in Privately Held Family Businesses: Advancing Traditional Business Valuation." *Family Business Review* 21 (2): 139–49.

Astrachan, C. B., and I. C. Botero. 2017. "'We Are a Family Firm': An Exploration of the Motives for Communicating the Family Business Brand." *Journal of Family Business Management* 8 (1): 2–21.

Baron, D. P. 1995. "Integrated Strategy: Market and Nonmarket Components." *California Management Review* 37 (2): 47–65.

Barros, I., J. Hernangómez, and N. Martin-Cruz. 2016. "A Theoretical Model of Strategic Management of Family Firms. A Dynamic Capabilities Approach." *Journal of Family Business Strategy* 7 (3): 149–59.

Basco, R. 2014. "Exploring the Influence of the Family upon Firm Performance: Does Strategic Behaviour Matter?." *International Small Business Journal* 32 (8): 967–95.

Basco, R. 2017. "'Where Do You Want to Take Your Family Firm?' A Theoretical and Empirical Exploratory Study of Family Business Goals." *BRQ Business Research Quarterly* 20 (1): 28–44.

Basco, R. 2018. "Family Business in Emerging Markets." In *The Oxford Handbook of Management in Emerging Markets*, edited by Grosse, Robert and Meyer, Klaus E, 527–46. Oxford: Oxford University Press.

Basco, R. 2019. "What Kind of Firm Do You Owner-Manage? An Institutional Logics Perspective of Individuals' Reasons for Becoming an Entrepreneur." *Journal of Family Business Management* 9 (3): 297–318.

Basco, R., A. Calabrò, and G. Campopiano. 2018. "Transgenerational Entrepreneurship around the World: Implications for Family Business Research and Practice." *Journal of Family Business Strategy* 10 (4): 100249.

Basco, R., and M. J. Pérez Rodriguez. 2009. "Studying the Family Enterprise Holistically Evidence for Integrated Family and Business Systems." *Family Business Review* 22 (1): 82–95.

Basco, R., and M. J. Pérez Rodríguez. 2011. "Ideal Types of Family Business Management: Horizontal Fit between Family and Business Decisions and the Relationship with Family Business Performance." *Journal of Family Business Strategy* 2 (3): 151–65

Basly, S., and P.-L. Saunier. 2019. "Family Members' Commitment to the Firm and Family Business Continuity: Investigating the Mediating Role of Family-to-Firm Identity Fit and Emotional Attachment." *Journal of Small Business & Entrepreneurship* 32 (1): 9–32.

Birley, S., and P. Westhead. 1994. "A Taxonomy of Business Start-up Reasons and Their Impact on Firm Growth and Size." *Journal of Business Venturing* 9 (1): 7–31.

Björnberg, Å., and N. Nicholson. 2012. "Emotional Ownership: The Next Generation's Relationship with the Family Firm." *Family Business Review* 25 (4): 374–90.

Bourgeois, L. J., III. 1980. "Strategy and Environment: A Conceptual Integration." *The Academy of Management Review* 5 (1): 25–39.

Campbell-Hunt, C. 2000. "What Have We Learned from Generic Competitive Strategy? A Meta-Analysis." *Strategic Management Journal* 21 (2): 127.

Carney, M. 2005. "Corporate Governance and Competitive Advantage in Family-Controlled Firms." *Entrepreneurship Theory and Practice* 29 (3): 249–65.

Cho, J., D. Miller, and J. Lee. 2018. "Too Much of a Good Thing: Family Involvement and the Survival of Listed Korean Firms." *Journal of Family Business Strategy* 9 (4): 223–37.

Colli, A. 2012. "Contextualizing Performances of Family Firms." *Family Business Review* 25 (3): 243–57.

Colli, A., P. F. Pérez, and M. B. Rose. 2003. "National Determinants of Family Firm Development? Family Firms in Britain, Spain, and Italy in the Nineteenth and Twentieth Centuries." *Enterprise and Society* 4 (1): 28–64

Conz, E., and G. Magnani. 2019. "A Dynamic Perspective on the Resilience of Firms: A Systematic Literature Review and a Framework for Future Research." *European Management Journal* 38 (3): 400–12

Corbetta, G., and C. Salvato. 2004. "Self-Serving or Self-Actualizing? Models of Man and Agency Costs in Different Types of Family Firms: A Commentary on 'Comparing the Agency Costs of Family and Non-Family Firms: Conceptual Issues and Exploratory Evidence." *Entrepreneurship Theory and Practice* 28 (4): 355–62.

Corona, J. 2018. *Factores de Competitividad y Analisis Financiero En La Empresa Familiar*. Madrid: http://www.iefamiliar.com/upload/documentos/Factores_de_competitividad 5Mb.pdf.

Cox, D. R. 1972. "Regression Models and Life-Tables." *Journal of the Royal Statistical Society. Series B (Methodological)* 34 (2): 187–220.

Cyert, R. M., and J. G. March. 1963. *A Behavioral Theory of the Firm*. Edited by null. .

Daily, C. M., and S. S. Thompson. 1994. "Ownership Structure, Strategic Posture, and Firm Growth: An Empirical Examination." *Family Business Review* 7 (3): 237–49.

Daspit, J. J., K. M. Tim Barnett, and R. G. Long. 2018. "The Emergence of Bifurcation Bias from Unbalanced Families: Examining HR Practices in the Family Firm Using Circumplex Theory." *Human Resource Management Review* 28 (1): 18–32.

Dess, G. G., and P. S. Davis. 1984. "Porter´s (1980) Generic Strategies as Determinants of Strategic Group Membership and Organizational Performance." *Academy of Management Journal* 27 (3): 467–88.

Discua Cruz, A., B. Rodrigo, M. J. Parada, A. M. Fierro, and C. Alvarado-Alvarez. 2019. "Resilience and Family Business Groups in Unstable Economies BT." In *The Family Business Group Phenomenon: Emergence and Complexities*, edited by Rautiainen, Marita, Rosa, Peter, Pihkala, Timo, Parada, Maria José and Discua Cruz, Allan, 315–52. Cham: Springer International Publishing.

Doty, D. H., and W. H. Glick. 1994. "Typologies as a Unique Form of Theory Building: Toward Improved Understanding and Modeling." *The Academy of Management Review* 19 (2): 230–51.

Dyer, W. G. 2018. "Are Family Firms Really Better? Reexamining 'Examining the "Family Effect" on Firm Performance." *Family Business Review* 31 (2): 240–48.

Elsbach, K. D., and T. M. Pieper. 2019. "How Psychological Needs Motivate Family Firm Identifications and Identifiers: A Framework and Future Research Agenda." *Journal of Family Business Strategy* 10 (3): 10289.

Feinberg, S., T. L. Hill, and I. S. Darendel. 2015. "An Institutional Perspective on Non-Market Strategies for a World in Flux From." In *The Routledge Companion to Non-Market Strategy*, edited by Lawton, Thomas C. and Rajwani, Razeeb S., 29–46. London: Routledge.

Ferragina, A. M., R. Pittiglio, and F. Reganati. 2014. "Does Multinational Ownership Affect Firm Survival in Italy?." *Journal of Business Economics and Management* 15 (2): 335–55.

Gomez-Mejia, L. R., B. Rodrigo, C. Müller, and A. C. Gonzalez. 2020. *Family Business and Local Development in Iberoamerica*. Online first.*Cross-Cultural Management Journal*.

Gudmundson, D., E. A. Hartman, and C. B. Tower. 1999. "Strategic Orientation: Differences between Family and Nonfamily Firms." *Family Business Review* 12 (1): 27–39.

Gupta, V., and N. Levenburg. 2010. "A Thematic Analysis of Cultural Variations in Family Businesses: The CASE Project." *Family Business Review* 23 (2): 155–69.

Gurrieri, A. R. 2008. "Knowledge Network Dissemination in a Family-Firm Sector." *The Journal of Socio-Economics* 37 (6): 2380–89.

Habbershon, T. G., and M. L. Williams. 1999. "A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms." *Family Business Review* 12 (1): 1–25.

Hair, J. F., W. C. Black, B. J. Babin, and R. E. Anderson. 2010. *Multivariate Data Analysis*. , 7th ed. Upper Saddle River: Pearson.

Hall, W. K. 1980. "Survival Strategies in a Hostile Environment TT." *Harvard Business Review* 58 (5): 75.

Hambrick, D. C. 1980. "Operationalizing the Concept of Business-Level Strategy in Research." *The Academy of Management Review* 5 (4): 567–75.

Han, A., and J. A. Hausman. 1990. "Flexible Parametric Estimation of Duration and Competing Risk Models." *Journal of Applied Econometrics* 5 (1): 1–28.

Herron, L., and R. B. Robinson. 1993. "A Structural Model of the Effects of Entrepreneurial Characteristics on Venture Performance." *Journal of Business Venturing* 8 (3): 281–94.

Hill, C. W. L. 1988. "Differentiation versus Low Cost or Differentiation and Low Cost: A Contingency Framework." *The Academy of Management Review* 13 (3): 401–12.

Hillman, A. J., G. D. Keim, and S. Douglas. 2004. "Corporate Political Activity: A Review and Research Agenda." *Journal of Management* 30 (6): 837–57.

Hofer, C. W., and D. E. Schendel. 1978. *Strategy Formulation: Analytical Concepts*. St Poul, MN: West Publishing.

Huybrechts, J., W. Voordeckers, S. Vandemaele, and N. Lybaert. 2011. "The Distinctiveness of Family-Firm Intangibles: A Review and Suggestions for Future Research." *Journal of Management and Organization* 17 (2): 268–87.

James, A. E., H. Elias, M. Guerrero, D. Allan, and B. Rodrigo. 2020. "Entrepreneurial Families in Business Acorss Generations, Context, and Cultures." *Journal of Family Business Management*. forthcoming.Cruz.

Jennings, J. E., D. Dempsey, and A. E. James. 2017. "Bifurcated HR Practices in Family Firms: Insights from the Normative-Adaptive Approach to Stepfamilies." *Human Resource Management Review* 28 (1): 68–82.

Kim, Y., and Y. Choi. 1994. "Strategic Types and Performances of Small Firms in Korea." *International Small Business Journal* 13 (1): 13–25.

Kleinbaum, D. G., and M. Klein. 2012. *Survival Analysis. A Self-Learning Text.*, Third Edit. New York: Springer.

Kotlar, J., and A. De Massis. 2013. "Goal Setting in Family Firms: Goal Diversity, Social Interactions, and Collective Commitment to Family-Centered Goals." *Entrepreneurship Theory and Practice* 37 (6): 1263–88.

Labaki, R., N. Michael-Tsabari, and R. K. Zachary. 2013a. "Emotional Dimensions within the Family Business – Toward a Conceptualization." In *Handbook of Research on Family Business*, edited by Smyrnios, K, Poutziouris, P Z and Klein, Sabine B, 734–63. Cheltenham Glos, UK: Edward Edgar.

Labaki, R., N. Michael-Tsabari, and R. K. Zachary. 2013b. "Exploring the Emotional Nexus in Cogent Family Business Archetypes." *Entrepreneurship Research Journal* 3 (3): 301–330.

Leitner, K.-H., and S. Güldenberg. 2010. "Generic Strategies and Firm Performance in SMEs: A Longitudinal Study of Austrian SMEs." *Small Business Economics* 35 (2): 169–89.

Littunen, H. 2000. "Networks and Local Environmental Characteristics in the Survival of New Firms." *Small Business Economics* 15 (1): 59–71.

Lohe, F.-W., and A. Calabrò. 2017. "Please Do Not Disturb! Differentiating Board Tasks in Family and Non-Family Firms during Financial Distress." *Scandinavian Journal of Management* 33 (1): 36–49.

Lumpkin, G. T., and K. H. Brigham. 2011. "Long-Term Orientation and Intertemporal Choice in Family Firms." *Entrepreneurship Theory and Practice* 35 (6): 1149–69.

Lux, S., T. Russell Crook, and D. J. Woehr. 2010. "Mixing Business With Politics: A Meta-Analysis of the Antecedents and Outcomes of Corporate Political Activity." *Journal of Management* 37 (1): 223–47.

Mazzi, C. 2011. "Family Business and Financial Performance: Current State of Knowledge and Future Research Challenges." *Journal of Family Business Strategy* 2 (3): 166–81.

Mellahi, K., J. G. Frynas, P. Sun, and D. Siegel. 2016. "A Review of the Nonmarket Strategy Literature." *Journal of Management* 42 (1): 143–73.

Mellahi, K., and A. Wilkinson. 2004. "Organizational Failure: A Critique of Recent Research and a Proposed Integrative Framework." *International Journal of Management Reviews* 5-6 (1): 21–41.

Meyer, A. D., A. S. Tsui, and C. R. Hinings. 1993. "Configurational Approaches to Organizational Analysis." *The Academy of Management Journal* 36 (6): 1175–95.

Miles, R. E., and C. C. Snow. 1978. *Organization Stratgey, Structure and Process*. New York: McGraw-Hill.

Morgan, T. J., and L. R. Gomez-Mejia. 2014. "Hooked on a Feeling: The Affective Component of Socioemotional Wealth in Family Firms." *Journal of Family Business Strategy* 5 (3): 280–88.

Ooghe, H., and S. De Prijcker. 2008. "Failure Processes and Causes of Company Bankruptcy: A Typology." *Management Decision* 46 (2): 223–42.

Perez Rodriguez, M. J., and R. Basco. 2011. "The Cognitive Legitimacy of the Family Business Field." *Family Business Review* 24 (4): 322–42.

Pieper, T. M. 2010. "Non Solus: Toward a Psychology of Family Business." *Journal of Family Business Strategy* 1 (1): 26–39.

Pongelli, C., A. Calabrò, and B. Rodrigo. 2018. "Family Firms' International Make-or-Buy Decisions: Captive Offshoring, Offshore Outsourcing, and the Role of Home Region Focus." *Journal of Business Research* 103: 596–606.

Pongelli, C., S. Sciascia, and T. Minola. 2019. "Do We Really Want to Cut Out the Deadwood? Family-Centered Noneconomic Goals, Restructuring Aversion, and Escalation of Commitment BT - The Palgrave Handbook of Heterogeneity among Family Firms." In , edited by Memili, Esra and Dibrell, Clay, 485–505. Cham: Springer International Publishing.

Porter, M. E. 1979. "How Competitive Forces Shape Strategy." *Harvard Business Review 57*.

Porter, M. E. 1980. *Competitive Startegy. Techniques for Analizing Industies and Competitors*. New York: The Free Press.

Porter, M. E. 1985. *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: The Free Press.

Porter, M. E. 1990 The Competitive Advantage of Nations Harvard Business Review., *March–Apri*, London: Macmillan.

Porter, M. E.. 1996. "What Is Stragey?." *Harvard Business Review November*: 2–19.

Poza, E. 2010. *Family Business*. , 3rd ed. Mason: Southwestern Cengage Learning.

Randolph, R., Z. Wang, and E. Memili. 2018. "Entrenchment in Publicly-Traded Family Firms: Evidence from the S&P 500." *Long Range Planning* 51 (5): 736–49.

Rau, S. B. 2013. "Emotions Preventing Survival of Family Firms: Comments on Exploring the Emotional Nexus in Cogent Family Business Archetypes: Towards a Predominant Business Model Inclusive of the Emotional Dimension." *Entrepreneurship Research Journal* 3 (3): 425–432.

Reay, T., J. Peter, and C. R. (Bob) Hinings. 2015. "How Family, Business, and Community Logics Shape Family Firm Behavior and 'Rules of the Game' in an Organizational Field." *Family Business Review* 28 (4): 292–311.

Revilla, A. J., A. Perez-Luno, and M. J. Nieto. 2016. "Does Family Involvement in Management Reduce the Risk of Business Failure? The Moderating Role of Entrepreneurial Orientation." *Family Business Review* 29 (4): 365–79.

Robinson, R. B., and J. A. Pearce. 1988. "Planned Patterns of Strategic Behavior and Their Relationship to Business-Unit Performance." *Strategic Management Journal 9* (1): 43–60.

Sageder, M., C. Mitter, and B. Feldbauer-Durstmüller. 2018. "Image and Reputation of Family Firms: A Systematic Literature Review of the State of Research." *Review of Managerial Science* 12 (1): 335–77.

Sirmon, D. G., M. A. H. Jean-luc Arregle, and J. W. Webb. 2008. "The Role of Family Influence in Firms' Strategic Responses to Threat of Imitation." *Entrepreneurship Theory and Practice* 32 (6): 979–98.

Sirmon, D. G., M. A. Hitt, and R. Duane Ireland. 2007. "Managing Firm Resources in Dynamic Environments to Create Value: Looking inside the Black Box." *Academy of Management Review* 32 (1): 273–92.

Sirmon, D. G., and M. A. Hitt. 2003. "Managing Resources: Linking Unique Resources, Management, and Wealth Creation in Family Firms." *Entrepreneurship Theory and Practice* 27 (4): 339–58.

Steijvers, T., N. Lybaert, and J. Dekker. 2017. "Formal Human Resource Practices in Family Firms." *Journal of Family Business Management* 7 (2): 151–65.

Tabachnick, B., and L. S. Fidell. 2007 Using Multivarite Statistics, *Vol. 3*, Boston: Allyn & Bacon.

Thornton, P. H., and W. Ocasio. 2008. "Institutional Logics." In *The Sage Handbook of Organizational Institutionalism*, edited by Greenwood, Royston, C. Oliver, Roy, Suddaby and K. Sahlin-Andersson, 99–129. Thousand Oaks, CA: SAGE.

Vallejo, M. C. 2009. "The Effects of Commitment of Non-Family Employees of Family Firms from the Perspective of Stewardship Theory." *Journal of Business Ethics* 87 (3): 379–90.

van Essen, M., V. M. Strike, M. Carney, and S. Sapp. 2015. "The Resilient Family Firm: Stakeholder Outcomes and Institutional Effects." *Corporate Governance: An International Review* 23 (3): 167–83.

Vincent, P., P. Lê, and C. Pradies. 2019. "In a Family Way? A Model of Family Firm Identity Maintenance by Non-Family Members." *Organization Studies* 40 (6): 859–86.

Williams, R. I., T. M. Pieper, F. W. Kellermanns, and J. H. Astrachan. 2019. "Family Business Goal Formation: A Literature Review and Discussion of Alternative Algorithms." *Management Review Quarterly* 69 (3): 329–49.

Wilson, N., M. Wright, and L. Scholes. 2013. "Family Business Survival and the Role of Boards." *Entrepreneurship Theory and Practice* 37 (6): 1369–89.

Zahra, S. A., J. C. Hayton, D. O. Neubaum, C. Dibrell, J. Craig. 2008. "Culture of Family Commitment and Strategic Flexibility: The Moderating Effect of Stewardship." *Entrepreneurship Theory and Practice* 32 (6): 1035–54.