The Emotional Economy: Power Shifts and their Role in Family Enterprise Success

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ABSTRACT

Socioemotional Wealth (SEW) is a multifaceted concept that plays a critical role in the management of family businesses, addressing the non-financial needs of owners by fulfilling their emotional and sentimental requirements. This study investigates the relationship between family commitment and performance in family businesses, with a focus on the moderating role of power imbalance, also referred to as intergenerational authority. Drawing on empirical data from 135 family businesses, the research explores how SEW impacts firm performance and examines whether power imbalances between generations negatively affect family commitment and business outcomes. The findings confirm that while SEW significantly enhances family commitment, power imbalance moderates this relationship, with excessive power imbalance negatively impacting firm performance. This study makes two key contributions: first, it extends the theoretical understanding of SEW in family firms, highlighting the importance of balancing emotional and business objectives. Second, it offers practical insights for family firms, suggesting that a balanced distribution of power among family members is essential for sustaining business performance over time. The study's implications encourage family firms to manage both emotional and organizational dynamics to ensure long-term success.

Keywords: Family business, Intergenerational authority, Firm performance, Socio economic wealth

JEL Classification Codes: A13, L26, L25, D91, D13

1. INTRODUCTION

Pakistan's economy, including family businesses, faces significant challenges due to poor structural management. Between 2001 and 2021, while poverty levels decreased with 47 million people escaping poverty, socioeconomic conditions, particularly in human resource development, remained stagnant. The poverty rate stayed high at 75%, with stunting affecting 38% of the population. Economic growth has been unstable, characterized by financial imbalances and a slow GDP per capita growth rate of approximately 2.2% (Chrisman et al., 2005; Zellweger et al., 2012).

Family firm studies have expanded significantly, particularly in the area of Socioemotional Wealth (SEW). SEW encapsulates the non-financial values that influence decision-making within family firms, including family control, influence, identity, and emotional attachment (Berrone et al., 2012; Gómez-Mejía et al., 2007). The Significant contributions to research in this area have been made by the FIBER framework progressed by Berrone et al. (2012).

More challenging perspectives, including family conflicts and their adverse effects on business performance are increasingly centered by research despite the challenge of measuring SEW remains ongoing. (Miller & Le Breton-Miller, 2014; Schulze & Kellermanns, 2015; Vardaman & Gondo, 2014; Rousseau et al.,2018).

In the Family businesses there are some considerable effects on the decision making and the involvement of the family. All these facts usually experienced power imbalance as far as is concerned with intergenerational authority. On the other hand SEW frequently leads to family involvement, unresolved power conflicts that could have negative effects on business results, resulting in high turnover between non-family employees and weakened their mechanism of decision-making (Chrisman et al., 2012; Eddleston & Kellermanns, 2007; Ensley et al., 2002).The overall performance of the business is effected due to the negative effects arise from conflicting family interests and excessive control that is considered the dark side of SEW. (Kellermanns et al., 2012).

In family businesses, if the enterprise enjoys a positive social reputation, then family identification and pride in ownership heavily impacted on commitment (Dyer & Whetten, 2006; Jaskiewicz & Deephouse, 2013). The elements that further solidifies family and business are Emotional attachment, boosted up by the daily involvement of family members and the endowment of ancestors. (Tagiuri & Davis, 1996; Kets de Vries, 1993). Nevertheless, these relationships can be upset by unequal power distribution, especially during leadership shift (Rousseau et al., 2019).

The success of a family business mainly depends on the dedication of its members. According to the literature, family dedication involves the allocation of financial, emotional, and time commitment to the business (De Massis et al., 2014; 2016). power imbalance can diminish the bonds between family members in a business, specifically when someone isolated from decision making process (Hatak et al., 2016; Razzak et al., 2018). To ensure long-term success, to gain long-term success, it is very important that every member in the family feels appreciated and place with family goal (Carlock & Ward,2001).

The aim of this study is to analyze the moderating effect of power imbalance on Socioemotional Wealth (SEW) and its impact on business performance and family commitment. The research questions focus on understanding the impact of SEW on family commitment and how power imbalances build this relationship (Nemeth & Nemeth, 2018; Shen, 2018).

Family enterprises play a key role in Pakistan’s economy, contributing approximately 70% of the country's GDP (Moin & Fiddah, 2014). Beside their importance, these businesses face major obstacles, including monetary restrictions, leadership transition planning, and organizational challenges (Hussain & Safdar, 2018; Sikandar & Mahmood, 2018).

Recent research showcase marked inequality between genders in the continuity planning of family businesses in which women mostly restricted from leadership opportunities (Li & Marshall, 2019). This division deepens power imbalances within family businesses, hindering transparent leadership transition and prohibiting diversity in decision making processes. (Chrisman & Patel, 2012).

Additionally, in encouraging the durability of family businesses. recent studies highlight the importance of corporate governance structures. Professionalization, in particular, has been identified as a critical mechanism to enhance governance, improve decision-making, and ensure long-term stability (Sharma et al., 2021).

Therefore, to address this problem, the hypotheses of power imbalance, SEW, family commitment and family firm's performance were investigated.

2. THEORETICAL BACKGROUND AND HYPOTHESIS TESTING

SEW is the concept that describes the non-financial aspects of a family-owned business that fulfils the emotional and sentimental needs of its owners. It does so by showing how family members of a company draw value from controlling their business and provides a new view on how family businesses operate (GómezMejía et al., 2007). The most current interest in family business literature relates to SEW and its influence on managerial decision making and organizational behavior, although measuring it is relatively difficult. The phenomenon has greatly contributed to this area of knowledge by devising specific SEW instruments, for instance, the FIBRE model (Berrone et al., 2012; Debicki et al., 2017; Razzak et al., 2019a). The significance of family ownership is underscored by the theoretical foundation of SEW, which affects both financial and non-financial aspects of a business (Schulze & Kellermanns, 2015). The concept of socioemotional wealth explains why family ownership matters. SEW influences both business profitability as well as other business goals (Schulze & Kellermanns, 2015). Family enterprises often prioritize money and subjective constructs, which relate to emotional wealth which is typically based on the family (Miller & Le Breton-Miller, 2014). The emotional component of SEW includes autonomy, influence, the sense of being part of the family, and having a strong reputation in society (Gómez-Mejía et al., 2010). For these non-financial factors, families tend to preserve the control they have and to ensure that their businesses are passed on from one generation to the next, they usually take financial risks to preserve SEW (Chrisman & Patel, 2012).

In family businesses, the inter-generational balance of power is important because it focuses on the distribution of power among older and younger family members. Leadership is often maintained by older members of the family, which hinders the juniors from expressing their thoughts (Gersick & Lansberg, 1997; Cabrera-Suárez et al., 2001). As a result, the younger family members are left without a platform to voice their issues and participate in decision making processes, which generates a bias. (Schwass, 2005). Eventually, this feeling can turn into anger, driving them to pursue more complex activities to show their capability. (Walsh, 2003).

If such patterns are left unchecked, they can lead to considerable disputes within the family that can be detrimental to the business, particularly during changes in leadership. (Bray et al., 1984). The inability of older family members to shift from active to passive members of the family business can create tensions that complicate the transition and damage the cohesiveness of the family. (Klein et al., 2002). Research by Zahra et al. (2008). To ensure a successful business, there needs to be collaboration between family members. It is equally important that older family members, as they switch roles, begin and nurture the discussions with the younger family members about the importance of teamwork (Eddleston & Kellermanns, 2007; Irving & Sharma, 2005). Encouraging a culture of open dialogue and respect within a family business not only promotes collaboration but also ensures that everyone's opinion is valued. Strengthening division of labor enhances family bonds and, in return, helps the business remain sustainable and flourish. (Meyer & Allen, 1991; Riketta, 2002). In addition, the family's commitment to the firm is also supported by their desire to keep the firm for the generations to come and strong ties to the community which in turn enhances business results (Arregle et al., 2007). Consequently, the following hypothesis is proposed:

H_1: Family commitment is positively influenced by socioemotional Wealth.

Family Climate is a defining characteristic that sets family-run businesses apart from publicly traded or privately held firms. As outlined by Björnberg and Nicholson (2007), family climate is shaped by three key elements: intergenerational authority, family cohesiveness, and family development. This environment profoundly impacts both the company’s performance and its overall culture. Specifically, the interactions, communication styles, and transfer of authority across generations directly influence the leadership and success of the business.

One critical aspect of the family climate is the **intergenerational authority**, which refers to the power dynamics between the older and younger generations in family businesses. These power imbalances are often evident during leadership transitions, with senior family members maintaining control and authority, which can restrict the younger generation’s influence and autonomy (Gersick & Lansberg, 1997; Cabrera-Suárez et al., 2001).

The disparity in leadership styles and decision-making approaches between the generations can lead to conflicts, particularly when younger family members begin to take on more responsibilities. This lack of shared understanding and alignment may lead to frustration, especially if the younger generation feels hindered from developing essential leadership skills due to the dominance of older family members in decision-making (Schwass, 2005). The result may be a sense of dissatisfaction, where the younger generation struggles to gain influence or assert their leadership capabilities (Walsh, 2003).

Generational conflicts often arise due to power imbalances within family firms, particularly during succession. These conflicts can inhibit innovation, hinder collaboration, and impact on the overall growth of the business. The Personal Authority in the Family System (PAFS) theory explores the effects of such power dynamics, emphasizing how authority is distributed and the resulting impact on family interactions (Bray et al., 1984). When power imbalances are not addressed, they can lead to feelings of exclusion and dissatisfaction among younger family members, negatively affecting the family's unity and the firm's ability to innovate.

A key determinant of a family business's success is the commitment of its family members. Loyalty to the company's objectives, a willingness to assist, and emotional attachment to the organization form the core of family members' commitment to the business (Klein et al., 2002). Research by Zahra et al. (2008) found that family members who are highly committed demonstrate greater flexibility and adaptability in their roles. This commitment, both effective and normative, positively influences firm performance and fosters a cohesive organizational culture (Eddleston & Kellermanns, 2007; Irving & Sharma, 2005). Emotional commitment not only enhances job satisfaction but also drives discretionary efforts, encouraging employees to go above and beyond their basic duties (Meyer & Allen, 1991; Riketta, 2002).

However, the lack of reliable financial performance data for privately owned family businesses often makes it challenging to measure firm performance accurately. As a result, businesses frequently rely on subjective performance **evaluations**, which include comparisons with competitors and assessments based on self-imposed objectives (Slater & Narver, 1993). These evaluations, typically conducted on a scale of 1 to 5, provide a relative measure of success by reflecting how well the firm performs in comparison to its market position and strategic goals (Kellermanns & Eddleston, 2006).

Family commitment to the business is strongly correlated with improved firm productivity and success, indicating the family's willingness to invest time and effort into business sustainability (Gómez-Mejía & Martin, 2016).

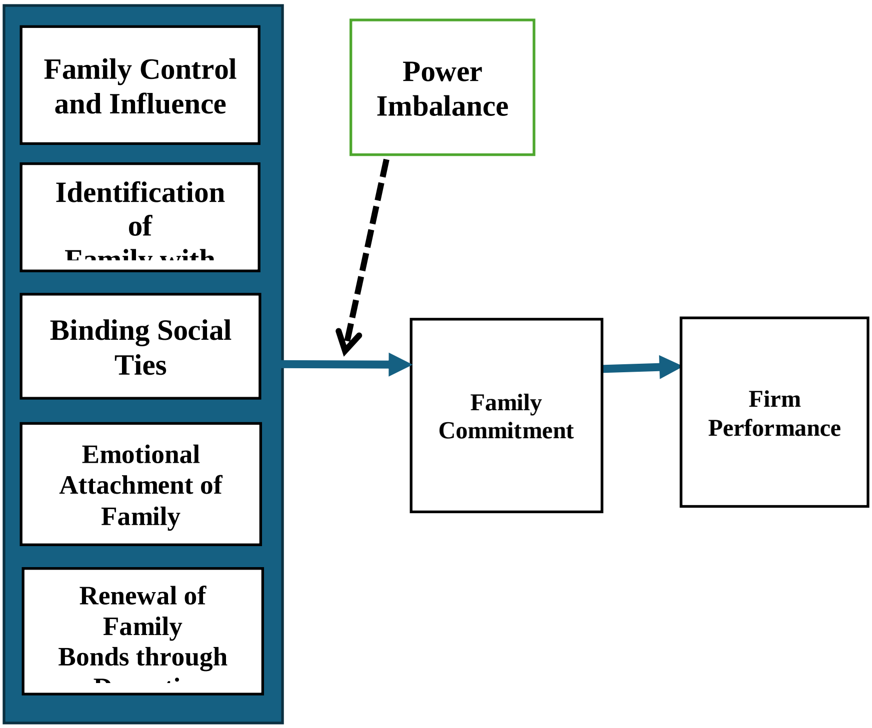
Family Climate distinguishes family-run businesses from publicly traded and privately held companies. It profoundly impacts the company's culture and performance. According to Björnberg and Nicholson (2007), the family climate in these businesses consists of three critical elements: intergenerational authority, family cohesiveness, and family development. These factors shape how family members interact within the firm and influence both short- and long-term business outcomes.

Figure 1: Research Framework

Source: Developed based on FIBRE model (Berrone et al., 2012; Debicki et al., 2017; Razzak et al., 2019a)

Intergenerational Authority (Power Imbalance) refers to the power dynamics between junior and senior generations in family businesses. The degree of freedom and restrictions in workplace interactions, particularly in decision-making and leadership succession, is determined by this power imbalance (Björnberg & Nicholson, 2007; Gersick & Lansberg, 1997). The senior generation initially holds the majority of power, and authority structures within the family and the business often mirror each other. Nevertheless, the authority of senior members tends to decrease as leadership transitions to the younger generation (Cabrera-Suárez et al., 2001; Dyer & Beckhard, 1983).

The intergenerational management style is characterized by the transfer of leadership from senior members to the younger generation. According to Walsh (2003), the concentration of authority among senior family members can result



in dissatisfaction among younger members, who may feel inhibited in their ability to cultivate leadership skills. This opposition has the potential to impede the development of a shared vision for the business and may lead to intergenerational conflicts (Kerr, 1988).

These conflicts arise from differences in tactics, ideas, and approaches between generations. Unresolved power imbalances and succession failures are major reasons for the collapse of many family firms (Schwass, 2005), which leads to the following hypothesis:

H_2: Power imbalance negatively moderates the impact of Socioemotional wealth on family commitment.

Organizational studies and models emphasize the importance of trustworthiness in understanding how employees achieve organizational goals (Lee et al., 1992; Meyer & Allen, 1997). Significantly, dedicated workers are more likely to strongly connect with the business's objectives and core values, resulting in a heightened sense of loyalty (Lee et al., 1992). According to Ward and Carlock (2001), in their research on small businesses, the commitment to the image and vision of the company is shaped by what the business members consider significant. Family values play a foundational role in fostering commitment to the business. Families that are highly committed to the firm tend to have a significant impact on its success (Klein, Smyrnios, & Astrachan, 2002). This approach to family business commitment encourages the firm to embrace strategic flexibility, as observed by Zahra et al. (2008).

Irving and Sharma (2005) categorize succession commitment in businesses into four types: emotional, normative, imperative, and calculative commitment. Rather than relying solely on power, social influence helps minimize undesirable deviations from widely accepted norms and values. These organizational standards are often shaped by the family's commitment to and involvement in the company (Eddleston & Kellermanns, 2004, 2007). A strong commitment to business creates an environment that is both adaptable and flexible from a strategic perspective.

Recognition within the business is closely linked to the emotional aspect of dedication (Meyer, Becker, & van Dick, 2006; Meyer & Allen, 1991). As stated by Meyer & Allen and Riketta (2002), commitment is associated with job satisfaction, the level of effort invested in work, its direction, duration, and the willingness to make extra discretionary efforts for the organization. In line with this perspective, it is expected that the commitment of members to the business will be positively correlated with the type, extent, and duration of effort exerted to support the organization's objectives.

Affective commitment enables businesses to rely less on formal restrictions. Employees’ and firm members' additional work and spontaneous contributions are most significantly linked to organizational commitment (Riketta, 2002). Even in the absence of strict rules and regulations or intense monitoring, employees are more likely to exert effort on behalf of the organization when there are higher levels of emotional organizational commitment. Similarly, family commitment may increase autonomy, self-determination, freedom, and dutifulness within the workforce by influencing workers’ affective commitment.

A strong organizational identity fosters enduring relationships between business members and employees, which arise from a culture of family dedication to business. Long-term connections based on social rather than commercial transactions can enhance engagement (Rousseau, 1995; Meyer & Allen, 1991), boosting each employee's drive and dedication to the company's goals, leading to the generation of the following hypothesis:

H_3: Family Commitment positively mediates the Socioemotional wealth and firm performance.

3. RESEARCH METHODS

This study's sample consisted of 135 complete questionnaires collected from privately held family businesses. Family-run firms were specifically chosen for validating the FIBRE scale, as they provide a conducive context for observing emotional and non-financial values, which are prominent in businesses with strong family ownership and management (Zellweger et al., 2012). The data was sourced from family-owned and operated businesses located in Sialkot, offering an ideal setting for testing the proposed hypotheses. A survey instrument was employed to measure all constructs in the research model, with scales that were adapted from established studies published in peer-reviewed journals. Previous empirical research has extensively employed Chua et al.'s (1999) definition of family business.

The FIBRE scale (Berrone et al., 2012) was employed in this study to evaluate Socioemotional Wealth. As per Miller (2014), intergenerational authority, or power imbalance, was assessed using a five-point Likert scale that ranged from Strongly Disagree (1) to Strongly Agree (5).

A condensed five-item version of the F-PEC (Family Power, Experience, and Culture) subscale, which was originally devised by Klein et al. (2005), was employed to assess family commitment. Partial Least Squares Structural Equation Modeling (PLS-SEM) was implemented in this investigation through the utilization of SmartPLS (v.4.0).

The constructs' validity, internal consistency reliability, and the study's hypotheses were assessed using PLS-SEM. The table below provides a summary of the demographic characteristics of the respondents. The sample comprises 135 participants, who represent a diverse range of age groups, educational backgrounds, business types, and the extent of familial involvement in the businesses.

Table 1: Respondents Demographics

Category	Subcategory	Frequency	Percentage (%)
Gender	Male	124	92%
	Female	11	8%
Age Group	10-20 years	5	4%
	21-30 years	26	19%

	31-40 years	47	35%
	41-50 years	31	23%
	50 years or more	26	19%
Education Level	Matric and/or Intermediate	59	44%
	Bachelor	46	34%
	Master	20	15%
	Above Masters	10	7%
Type of Business	Service	78	58%
	Manufacturing	57	42%
Family Members Involved	1 family member	1	1%
	2 family members	60	44%
	3 family members	57	42%
	4 family members	11	8%
	5 family members	6	4%

Source: Analyzed by authors

This table consolidates the gender, age group, education, type of business, and familial involvement of the 135 respondents in the sample.

4. RESULTS AND FINDINGS

4.1. Measurement Model Testing

The validity and reliability of the instruments employed to measure the constructs are the primary focus of the empirical investigation in this study. The internal consistency, reliability, and convergent validity of the constructs were assessed in this study using the reflective measurement model. According to Hair et al. (2017), Cronbach's Alpha and Composite Reliability values above 0.7 indicate strong internal consistency, while AVE values greater than 0.5 indicate acceptable convergent validity. HTMT (Heterotrait-Monotrait) correlations were implemented to evaluate discriminant validity, with the results demonstrating adequate validity across constructs (Henseler et al., 2015).

Table 2: Reliability and Validity of Constructs

Variable	Items	Outer	Cronbach's	Composite	Average

		Loadings	Alpha	Reliability	Variance Extracted (AVE)
Family Control and Influence (FCI)	FCI1	0.864	0.887	0.887	0.689
	FCI2	0.801			
	FCI3	0.811			
	FCI4	0.843			
	FCI5	0.828			
Identification with Family Firm (IFF)	IFF1	0.875	0.918	0.919	0.753
	IFF2	0.877			
	IFF3	0.892			
	IFF4	0.852			
	IFF5	0.841			
Binding Social Ties (BST)	BST1	0.887	0.931	0.931	0.784
	BST2	0.916			
	BST3	0.813			
	BST4	0.901			
	BST5	0.906			
Emotional Attachment of Family (EAF)	EAF1	0.890	0.826	0.865	0.653
	EAF2	0.835			
	EAF3	0.795			
	EAF4	0.701			
Renewal of Family Bonds (RFBD)	RFBD1	0.903	0.918	0.920	0.803
	RFBD	0.917			
	RFBD3	0.903			
	RFBD4	0.861			
Intergenerational Authority (IA) (Power Imbalance)	IA1	0.756	0.905	0.925	0.631
	IA2	0.791			
	IA3	0.807			
	IA4	0.795			
	IA5	0.806			
	IA6	0.772			
	IA7	0.832			
Family Commitment	FC1	0.822	0.897	0.903	0.661

(FC)					
	FC2	0.785			
	FC3	0.836			
	FC4	0.821			
	FC5	0.814			
	FC6	0.798			
Firm Performance (FP)	FP1	0.872	0.748	0.800	0.659
	FP2	0.819			
	FP3	0.738			

Source: Analyzed by authors

The composite reliability scores for all reflective constructs exceed 0.70, indicating robust reliability. Additionally, the convergent validity is satisfactory, as the AVE scores exceed 0.50.

4.2. Discriminant Validity

Discriminant validity is measured through HTMT Ratio.

Table 3: HTMT (Hetrotrait-Monotrait) Ratio

	BST	EAF	FCI	FC	FP	IFF	IA	RFBD
BST								
EAF	0.654							
FCI	0.441	0.368						
FC	0.129	0.179	0.158					
FP	0.086	0.107	0.138	0.268				
IFF	0.488	0.335	1.017	0.135	0.136			
IA	0.119	0.115	0.102	0.387	0.316	0.081		
RFBD	0.691	0.724	0.513	0.316	0.119	0.528	0.139	

Source: Analyzed by authors

The **HTMT values below 0.85** indicate that constructs are distinct, and discriminant validity is established.

4.3. Structural Model Testing

The structural model path coefficients indicate the strength and direction of the relationships between constructs and outcomes. These coefficients are valuable for predicting outcomes within the study's framework. Below is a summary of the path coefficients derived from the analysis.

Table 4: Structural Model Path Coefficients

Path Coefficients	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T-statistics (|O/STDEV|)	P values
Family Commitment -> Firm Performance	0.228	0.249	0.079	2.905	0.004
Socioemotional Wealth -> Family Commitment	0.163	0.167	0.082	1.988	0.047
Intergenerational Authority x Socioemotional Wealth -> Family Commitment	-0.108	-0.101	0.099	1.092	0.075

4.4. Hypothesis Results

The hypothesis testing results are summarized below. All relationships tested in this study were supported and accepted based on the empirical evidence obtained.

Table 5: Hypothesis Testing Results

Hypothesis	Result
H_1: Socioemotional wealth has a positive significant impact on family commitment.	Accepted
H_2: Power imbalance negatively moderates the influence of Socioemotional wealth on family commitment.	Accepted
H_3: Family commitment to business positively mediates the Socioemotional wealth and business performance.	Accepted

Source: Analyzed by Authors

4 DICUSSION

The study provides clarification that investment in development projects under CPEC contributes to poverty alleviation. Statistics indicate that port development under CPEC will effectively reduce poverty in Gwadar city by improving literacy rates, healthcare facilities, and living standards for residents. Additionally, port development not only benefits the local economy but also provides intangible advantages to the entire country. Countries prioritize port development as it enhances self-sufficiency by reducing reliance on neighboring ports, thereby safeguarding national sovereignty, defense, and security concerns.

The primary objective of this research in the context of family firms was to ascertain whether power imbalance moderates the relationship between SEW and family commitment, which, in turn, affects family firm performance. SEW theory, which serves as the foundation of this investigation, suggests that there may be a disparity between firm-centric objectives (e.g., performance) and family-centered non-financial objectives (e.g., SEW) (Gómez-Mejía et al., 2016; De Castro et al., 2016).

The hypothesis test resulted into the acceptance of four of the five dimensions of FIBRE scale. Family Control and Influence (FCI), Identification with the Family Firm (IFF), and Emotional Attachment of Family (EAF) were found to be particularly influential. Chrisman et al. (2024) further elaborated on this by showing that emotional attachment is even more critical in multigenerational firms, where family identity is intricately linked to the firm's success. Conversely, organizations that exhibit weaker SEW dimensions are inclined to prioritize external financial metrics over internal family cohesion, which can lead to diminished family commitment and, ultimately, inferior performance.

Nevertheless, a growing body of research, such as that conducted by Smith and Wang (2023), indicates that an excessive emphasis on family control can occasionally result in internal conflicts within the organization, particularly when newer generations perceive themselves as being restricted by conventional decision-making structures. This contrasts sharply with the results of the current study, which demonstrated a distinct positive correlation between family commitment and family control. One possible explanation is that the firms under investigation have a more business-to-business (B2B) orientation, which may lead to lower sensitivity to internal power dynamics in their external relationships compared to business-to-consumer (B2C) firms, where family dynamics are more public-facing and susceptible to scrutiny.

Lee et al. (2023) investigated the extent to which younger generations in family firms are advocating for increased autonomy in decision-making, particularly in firms transitioning from second- to third-generation leadership, within the context of intergenerational power dynamics. The findings of their investigation are consistent with those presented here, which showed that the relationship between SEW and family commitment can be adversely affected by power imbalances. Senior members' authority may cause younger generations to feel restricted, which can lead to a decrease in their commitment. In the same vein, Wright and Liu (2023) discovered that family firms that adopt a balanced approach to intergenerational authority, in which younger members progressively assume decision-making responsibilities, are more successful than those that strictly retain authority with the senior generation.

Peterson et al. (2023) have also examined the role of family commitment as a mediating factor. They discovered that family commitment significantly improves long-term business performance in family firms where SEW values are deeply embedded. Nevertheless, they also noted that emotional overinvestment in the business can lead to resistance to necessary changes. This contrasts sharply with the present study, which did not find significant evidence of emotional overinvestment negatively affecting firm performance. This may be attributable to the B2B context, where family enterprises may prioritize operational stability over consumer-facing emotional connections.

Additionally, Park and Choi (2024) investigated the relationship between technological innovation, SEW, and family commitment. They found that organizations prioritizing innovation while adhering to robust SEW principles tend to demonstrate superior performance. This is especially significant because technology-driven changes require family members to reconcile traditional values with new business realities. Future research could explore whether SEW-driven family commitment facilitates or impedes technological advancements in family firms, even though this study did not specifically address innovation.

Finally, the results of this study contribute valuable insights to the ongoing discourse on the correlation between firm performance and SEW. In rapidly changing market environments, family firms that overemphasize SEW dimensions, such as emotional attachment, may struggle to keep up with competitive pressures, according to recent literature, such as Kim & Suh (2024). In contrast, the companies investigated in this study, particularly those operating in B2B markets, seem to more effectively reconcile SEW with performance objectives, allowing them to maintain their competitive advantage without sacrificing family dynamics.

5. CONCLUSION

This research enhances comprehension of the manner in which family firms manage Socioemotional Wealth (SEW) and business performance objectives. It emphasizes the mediating role of family commitment in the connection between SEW dimensions and firm outcomes. The significance of fostering family commitment to improve firm performance while maintaining a balance between family-focused and business-focused objectives is emphasized by the research findings. Additionally, the research indicates that SEW dimensions, including family control, influence, and emotional attachment, have a substantial impact on business outcomes. Nevertheless, the organization's long-term sustainability may be compromised by excessive emphasis on family control at the expense of other strategic objectives.

6. FUTURE RESEARCH DIRECTIONS

Further research could be conducted by exploring the SEW dimensions' interaction for both family and non-family firms in relation to power imbalance. In the context of power imbalances, intergenerational authority in family firms requires further refinement. To more effectively capture the complex nature of authority disputes within family enterprises, quantitative methods, such as those employed in this study, should continue to evolve (Bendersky & Hays, 2012).

7. IMPLICATIONS FOR MANAGERS

This study provides practical advice for family business founders, administrators, and researchers: Family business leaders should involve the next generation in strategic decision-making and business operations from the outset. Succession should be strategically planned, taking into consideration the firm's educational needs and management practices. Family members' loyalty and dedication to the organization can be strengthened through consistent family meetings and discussions regarding the business, particularly during family meals. By incorporating SEW dimensions, such as emotional attachment and family identity, into the business strategy, founders can enhance the performance of their firm and guarantee continuity across generations.

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