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LA PROPIEDAD FAMILIAR Y LAS FUSIONES Y ADQUISICIONES: UN ESTUDIO BAJO LA ÓPTICA DE LA RIQUEZA SOCIOEMOCIONAL

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FAMILY OWNERSHIP AND MERGERS AND ACQUISITIONS: A STUDY UNDER THE SOCIOEMOTIONAL WEALTH PERSPECTIVE

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Quisiera dedicar esta tesis doctoral a Sandra, mi fuente de inspiración y más grande bendición.

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CAPÍTULO 1

INTRODUCCIÓN

La investigación sobre empresa familiar ha aumentado significativamente a lo largo del tiempo, posicionándose como una disciplina dentro del ámbito de la dirección de empresas (Chrisman, Chua, Kellermanns, Matherne III, y Debicki, 2008). La importancia de las empresas familiares está muy bien documentada debido a su longevidad e impacto en las economías de todo el mundo (Miller & Le Breton-Miller, 2005; Ward, 2004). El informe del Parlamento Europeo sobre las empresas familiares en Europa (2015) indica que el 85% de todas las empresas europeas son empresas familiares, y éstas representan el 60% de los puestos de trabajo en el sector privado. Además, de acuerdo con el *Family Business Yearbook* publicado por Ernst & Young (2017), el 44,8% de las 500 firmas familiares más grandes del mundo se encuentran en Europa, y estas compañías emplean a más de 2,4 millones de personas. Estas empresas no sólo representan una parte significativa del PIB de varias naciones, sino que también representan la estructura de propiedad más común tanto en Europa occidental (Hautz, Mayer y Stadler, 2013) como a nivel global (Morck, Wolfenzon y Bernard, 2005; Zahra, Hayton y Salvato, 2004). Esta relevancia dentro del panorama económico global explica el impulso que el campo ha estado experimentando en los últimos años.

Debido al predominio en la investigación previa en torno a la dirección estratégica de las grandes empresas no familiares (Furrer, Thomas y Goussevskaia, 2008) y la creciente relevancia de las empresas familiares en las estructuras económicas de todo el mundo, este campo de investigación ha experimentado en los últimos años un interés creciente por tratar de comprender la operativa de empresas familiares y PYMES (Daspit, Chrisman, Sharma, Pearson y Long, 2017). En este sentido, son diversas las llamadas para seguir explorando las diferencias entre las empresas familiares y las no familiares, así como las diferencias dentro de las empresas familiares (Chrisman, Chua, Pearson y Barnett, 2012; Gómez-Mejía, Cruz, Berrone y De Castro, 2011). Las diferencias entre las empresas familiares y las no familiares se ha atribuido al entrelazamiento de la lógica familiar y la lógica económica en las empresas familiares, y este razonamiento ha dominado la investigación dentro de este campo de estudio. A medida que el análisis sobre las empresas familiares ha ido avanzado, el enfoque se ha ampliado para revisar las variaciones en las características que determinan el comportamiento de las empresas familiares y las consiguientes decisiones estratégicas derivadas de dichas particularidades específicas a este tipo de negocio (Chua, Chrisman, Steier y Rau, 2012). Así, se ha hecho un esfuerzo para analizar cómo los atributos distintivos de las empresas familiares influyen en elecciones estratégicas tales como la internacionalización (Arregle, Duran, Hitt y van Essen, 2016), la innovación (Chrisman, Chua, De Massis, Frattini y Wright, 2015) o la diversificación (Gómez-Mejía, Makri, y Kintana, 2010) y la cooperación (Swinth y Vinton, 1993), si bien aún queda mucho por explorar de cara comprender dichas estrategias y los resultados derivados de su implantación.

La investigación ha demostrado consistentemente que las estrategias adoptadas por las empresas familiares difieren de las empleadas por las empresas no familiares (Astrachan, 2010; Gómez-Mejía et al., 2011). En parte debido a la ausencia de una clara definición sobre qué se entiende por empresas familiares, los estudios empíricos existentes han proporcionado resultados contradictorios al respecto. Otra razón que puede ayudar a explicar estas inconsistencias en materia de decisiones estratégicas reside en los diferentes supuestos teóricos y el marco conceptual utilizado para su análisis. El enfoque predominante a la hora de revisar el efecto de la propiedad en las decisiones estratégicas es la Teoría de Agencia (Jensen y Meckling, 1976). Dicha teoría posiciona al razonamiento económico como el principal punto de referencia para las empresas familiares. No obstante, este razonamiento es incompatible con varios de los resultados que los estudios empíricos han descubierto en el comportamiento de las empresas familiares que involucran decisiones estratégicas. Algunos de los principales defectos de la teoría de la agencia, como los comportamientos colaborativos y los aspectos emocionales, son abordados por el modelo de riqueza socioemocional (socioemotional wealth o SEW, por sus siglas en inglés) (Berrone, Cruz y Gómez-Mejía, 2012). SEW es presentado por Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson y Moyano-Fuentes (2007) como un término genérico para abarcar todos los valores relacionados con los aspectos afectivos de la familia. Esta formulación teórica sugiere que el punto de referencia que influye en los objetivos familiares es evitar las amenazas a este capital afectivo relacionado con el apego que una familia obtiene de una posición de control (Berrone et al., 2012). Esta perspectiva presenta los objetivos no económicos, combinados con los económicos, como impulsores de las decisiones estratégicas en las empresas familiares. En un intento de explicar los resultados contradictorios con los postulados de la teoría de agencia, esta perspectiva complementa la comprensión teórica de las decisiones estratégicas.

Tema principal: El comportamiento en fusiones y adquisiciones de las empresas familiares

La presente Tesis Doctoral tiene como objetivo general analizar el efecto de las características distintivas de la empresa familiar sobre una decisión estratégica particular, esa es, las fusiones y adquisiciones (M&A, por sus siglas en inglés). Según un informe de fusiones y adquisiciones de Bloomberg (2017), la actividad global de fusiones y adquisiciones alcanzó $ 1,5 billones en los primeros seis meses de 2017, de los cuales $ 101.3 mil millones de estos acuerdos que involucran a empresas del Reino Unido. A pesar de las investigaciones previas que generalmente apuntan hacia la falta de obtención de valor de parte de compradores de tratos transfronterizos (Zhu, Ma, Sauerwald y Peng, 2017), las fusiones y adquisiciones siguen siendo una decisión estratégica muy popular para lograr el crecimiento. Las empresas familiares han seguido adoptando esta decisión estratégica a pesar de las preocupaciones y amenazas, como la dilución de la propiedad, la participación de partes interesadas externas e incluso el legado familiar (Worek, 2017). Según indican Steen y Welch (2006), las empresas familiares pueden seguir viendo esta estrategia como una "antítesis de la supervivencia firme" o como una especie de "traición". Desde una perspectiva de SEW, esta estrategia pone en riesgo el capital socioemocional de la empresa y solo se usaría en caso de problemas financieros (Gómez-Mejía, Patel y Zellweger, 2015). Extrañamente, aunque las fusiones y adquisiciones son una decisión popular de crecimiento estratégico, y las empresas familiares son actores económicos importantes, muy pocos estudios se centran en esta decisión estratégica.

Las fusiones y adquisiciones se utilizan como un término intercambiable por muchos académicos (p.e., Bertrand, Mucchielli y Zitouna, 2007). No obstante, hay que señalar algunas diferencias, y algunos autores distinguen claramente estas transacciones (Ciobanu, 2015), como lo hacen algunas organizaciones internacionales como la Comunidad Europea. Una fusión se puede definir como una combinación de dos corporaciones en la que sólo una corporación sobrevive, y la corporación fusionada desaparece (Gaughan, 2010). El Reglamento de Fusión de la Comunidad Europea define una fusión como una transacción en la que dos o más empresas se unen, y al menos una entidad deja de existir; mientras que una adquisición se define como la compra de una división, parte de una empresa o toda la empresa, específicamente para diversificar una cartera de productos y servicio al cliente (Sherman, 2010).

Las empresas familiares se enfrentan a amenazas de propiedad, control y pérdida de los lazos emocionales cuando toman decisiones estratégicas, mientras que estas preocupaciones no se espera que sean tan importantes para las empresas no familiares. SEW impulsa el comportamiento de la empresa familiar y las opciones estratégicas (Berrone et al., 2012), por lo que se espera que tenga un efecto en las fusiones y adquisiciones. En un intento por evitar distorsionar y simplificar las relaciones en las decisiones de fusiones y adquisiciones de las empresas familiares, esta tesis doctoral examina los elementos y las características de la empresa familiar que podrían ayudar a explicar esta relación a través de una perspectiva de SEW. En respuesta a las llamadas a abordar la heterogeneidad, o como lo llaman Jaskiewicz y Gibb Dyer (2017), "el elefante en la habitación", este estudio también incorpora un enfoque institucional para revelar una influencia específica de factores a nivel de país. Este enfoque permite un análisis de niveles múltiples, que luego aplicamos a una muestra de varios países europeos durante un período de varios años. Se utiliza para ello la heterogeneidad tomando como unidades de análisis la empresa, pero también las diferencias a nivel de con el fin de proporcionar resultados más robustos y generalizables.

Aunque investigadores previos han señalado la necesidad de realizar una revisión sobre cómo difieren las decisiones estratégicas entre las empresas familiares y las no familiares, éstas siguen siendo relativamente desconocidas (Astrachan, 2010; Goel, Mazzola, Phan, Pieper y Zachary, 2012; López-Cózar-Navarro, Benito-Hernández y Platero-Jaime, 2017). Antes de la redacción de esta tesis, se realizó un único estudio para revisar la relación entre la propiedad y las decisiones de fusiones y adquisiciones a través del enfoque teórico de SEW, (Gómez-Mejía et al., 2015). Aunque notablemente innovador, estos autores reconocen que una de las limitaciones de su estudio es la no consideración del contexto institucional y cuestionan la generalización de sus hallazgos. Para revisar más detalles sobre la heterogeneidad de la empresa familiar y revisar el contexto institucional y las influencias externas e internas, este estudio se basa en los aportaciones recientes sobre la relación entre la empresa familiar y las fusiones y adquisiciones, con el fin de seguir avanzando en el conocimiento dentro de esta línea de estudio. Otras diferencias notables entre el estudio mencionado previamente y la investigación llevada a cabo en esta tesis doctoral son el análisis comparativo entre países, los factores contextuales abordados, como el contexto cultural y el contexto legal, y la inclusión de una revisión sobre características de la empresa familiar que permiten indagar en su heterogeneidad. En general, esta tesis doctoral incluye un análisis en profundidad de los elementos más relevantes para describir el tema central de este estudio.

Preguntas de investigación

La pregunta principal de investigación se examina a lo largo de esta tesis doctoral, y luego se divide en otros temas de investigación que se revisan empíricamente en artículos académicos. De acuerdo con las preguntas de investigación consideradas, el modelo general de la tesis se representa en la Figura 1.1. La pregunta de investigación central (PI) abordada se puede describir como:

PI. ¿Qué influye en el comportamiento hacia las fusiones y adquisiciones en las empresas familiares?

La relación entre las empresas familiares y las fusiones y adquisiciones ha recibido una atención limitada en la literatura previa. Una revisión bibliográfica reciente muestra que, si bien las operaciones de fusión y adquisición se han llevado a cabo durante casi un siglo, son escasos los estudios sobre fusiones y adquisiciones que se centran en la configuración de la propiedad en la empresa y se dispersan en varias disciplinas (Worek, 2017). También, el campo de la empresa familiar ha sido un tema de investigación próspero durante las últimas décadas (Gedajlovic, Carney, Chrisman y Kellermanns, 2012) y es de vital importancia económica a escala global. A pesar de abordar dos temas relevantes y significativos, que son las empresas familiares y las fusiones y adquisiciones, la investigación ha prestado escasa atención al vínculo entre estos dos aspectos. Teniendo en cuenta la importancia del tema, la participación continua de las empresas en los acuerdos de fusiones y adquisiciones, y la brecha de investigación que esta tesis doctoral ha identificado, este tema requiere de mayor atención para ampliar la comprensión actual de esta decisión estratégica.

Pasamos ahora a analizar el rol de la propiedad familiar en las fusiones y adquisiciones. Para ello comenzamos con una validación de supuestos que presentan estudios previos que abordan la argumentación teórica de la propensión a las fusiones y adquisiciones desde una perspectiva de SEW (Gómez-Mejía et al., 2015), pero dentro de un contexto europeo. La primera pregunta de investigación específica se puede establecer de la siguiente manera:

PI 1. ¿Cuáles son las diferencias entre las empresas familiares y las no familiares en la propensión hacia las fusiones y adquisiciones?

Aunque sólo ligeramente, algunos investigadores han revisado este tema desde varios ángulos teóricos (Caprio, Croci y Del Giudice, 2011; Miller, Le Breton-Miller y Lester, 2010; Shim y Okamuro, 2011). La perspectiva de SEW se ha utilizado marginalmente en la investigación de fusiones y adquisiciones de empresas familiares, por lo que la comprensión de esta decisión estratégica aún requiere de una mayor exploración (Worek, 2017). En vista del paradigma dominante en el que la SEW se ha convertido en el campo de la empresa familiar y la heterogeneidad que conlleva, como se reconoció en una discusión reciente (Vandekerkhof, Steijvers, Hendriks y Voordeckers, 2017), esta tesis considera un enfoque novedoso que aborda ambas cuestiones. Después de considerar la propiedad en el comportamiento de fusiones y adquisiciones, incluimos otros factores centrales de heterogeneidad interna en el análisis sobre la propensión a fusiones y adquisiciones. Otras preguntas de investigación específicas que se derivan del tema principal que aborda esta tesis doctoral son las siguientes:

PI 2: ¿Cuál es el efecto sobre la propensión a participar en fusiones y adquisiciones de la heterogeneidad interna de las empresas familiares?

PI 2.1. ¿Qué factores internos de la heterogeneidad de la empresa familiar influyen en la propensión a fusiones y adquisiciones?

PI 2.1.1 ¿Cuál es el papel de la participación familiar en gobierno de la empresa (propiedad y control) en la propensión hacia las fusiones y adquisiciones?

PI 2.1.2. ¿Cuál es el papel de la etapa generacional en la propensión hacia las fusiones y adquisiciones?

Después de PI 1, esta tesis trata de profundizar en los factores internos que pueden explicar la heterogeneidad de las empresas familiares, y que pueden ser responsables de las variaciones en la propensión hacia las fusiones y adquisiciones. A pesar del esfuerzo por adoptar una visión más detallada de los objetivos SEW de la empresa familiar y reconocer su heterogeneidad, existen varios elementos que pueden considerarse y que podrían afectar las decisiones estratégicas. La primera etapa de este análisis considera un enfoque a nivel de empresa de la heterogeneidad de la empresa familiar. La investigación se centra en los elementos de heterogeneidad que pueden derivarse de la participación de la familia en el negocio, como la involucración de los miembros de la familia en propiedad y en el Consejo de Administración (Chua et al., 2012; Nordqvist, Sharma y Chirico, 2014). Otro elemento de heterogeneidad considerado en este estudio es la etapa generacional (Hernández-Linares, Sarkar y López-Fernández, 2017). Varios estudios han considerado que este aspecto es un factor importante que puede ayudar a explicar el comportamiento estratégico de una empresa familiar. Como se mencionó anteriormente, las empresas familiares no son un colectivo homogéneo, y los cambios en estos elementos centrales o en la etapa generacional pueden alterar el objetivo general de la empresa familiar: la preservación de su SEW (Berrone et al., 2012; Gómez-Mejía et al., 2010). Esperamos que las variaciones en estos componentes afecten a su toma de decisiones estratégicas, y por consecuencia, a la propensión a involucrarse en fusiones y adquisiciones. El comportamiento de las empresas familiares hacia fusiones y adquisiciones es distinto al comportamiento de las empresas no familiares por diversas razones (Feito-Ruiz & Menéndez-Requejo, 2010). En línea con el razonamiento de SEW comprobado en estudios previos en probado para empresas americanas (Gómez-Mejía et al., 2015), encontramos que involucrarse en fusiones y adquisiciones representa una amenaza para la preservación de la riqueza socioemocional de las empresas familiares europeas. Junto con los factores internos de la heterogeneidad, revisamos los factores institucionales externos que afectan al comportamiento de fusiones y adquisiciones de las empresas familiares. Al centrarnos en el contexto legal, evaluamos el papel moderador que desempeña la interacción del contexto legal y la participación familiar en la propensión a fusiones y adquisiciones. Esta investigación se completa con una investigación del efecto directo que los elementos institucionales tienen en la propensión a fusiones y adquisiciones. Examinamos este tema mediante las siguientes preguntas de investigación:

> PI 2.2. ¿Cómo pueden influir los determinantes institucionales de la heterogeneidad de las empresas familiares en la propensión hacia las fusiones y adquisiciones?
>
> PI 2.2.1 ¿Cuál es el papel del contexto legal en las preferencias de fusiones y adquisiciones de empresas familiares?
>
> PI 2.2.2. ¿Qué efecto tiene la interacción entre los determinantes internos de la heterogeneidad y los factores legales como determinantes externos de la heterogeneidad dentro de las empresas familiares?

PI 2.2. ¿Cómo pueden influir los determinantes institucionales de la heterogeneidad de las empresas familiares en la propensión hacia las fusiones y adquisiciones?

PI 2.2.1 ¿Cuál es el papel del contexto legal en las preferencias de fusiones y adquisiciones de empresas familiares?

PI 2.2.2. ¿Qué efecto tiene la interacción entre los determinantes internos de la heterogeneidad y los factores legales como determinantes externos de la heterogeneidad dentro de las empresas familiares?

Las empresas familiares son heterogéneas en todas las culturas y países, ya que están influenciadas por las instituciones sociales (Jaskiewicz y Gibb Dyer, 2017). La influencia de las instituciones en las empresas familiares se ve amplificada por las preocupaciones de preservación de las SEW (Soleimanof, Rutherford y Webb, 2017). La legislación de la empresa, los reglamentos y otras instituciones formales están presentes en importantes decisiones estratégicas tomadas por las empresas familiares (Carney, Gedajlovic y Strike, 2014). Nuestra muestra europea nos proporciona una variedad de países con diferentes entornos legales y presiones institucionales. Este determinante institucional a nivel de país es un elemento importante en fusiones y adquisiciones, ya que los problemas de a la hora de gestionar un negocio pueden variar a medida que cambia el entorno legal. La siguiente pregunta de investigación específica se centra en el impacto que las instituciones formales, a través de los sistemas legales y los aspectos regulatorios de protección de los accionistas, tienen sobre la propensión a fusiones y adquisiciones de empresas familiares. Finalmente, y desde una perspectiva institucional, esta tesis se concentra en el rol que otras instituciones externas juegan en el comportamiento de fusiones y adquisiciones. Las últimas preguntas de investigación examinan el efecto que las dimensiones institucionales tienen en el proceso de selección de las empresas familiares al escoger la empresa objetivo de una fusión o adquisición internacional. Las preguntas de investigación evaluadas aquí son las siguientes:

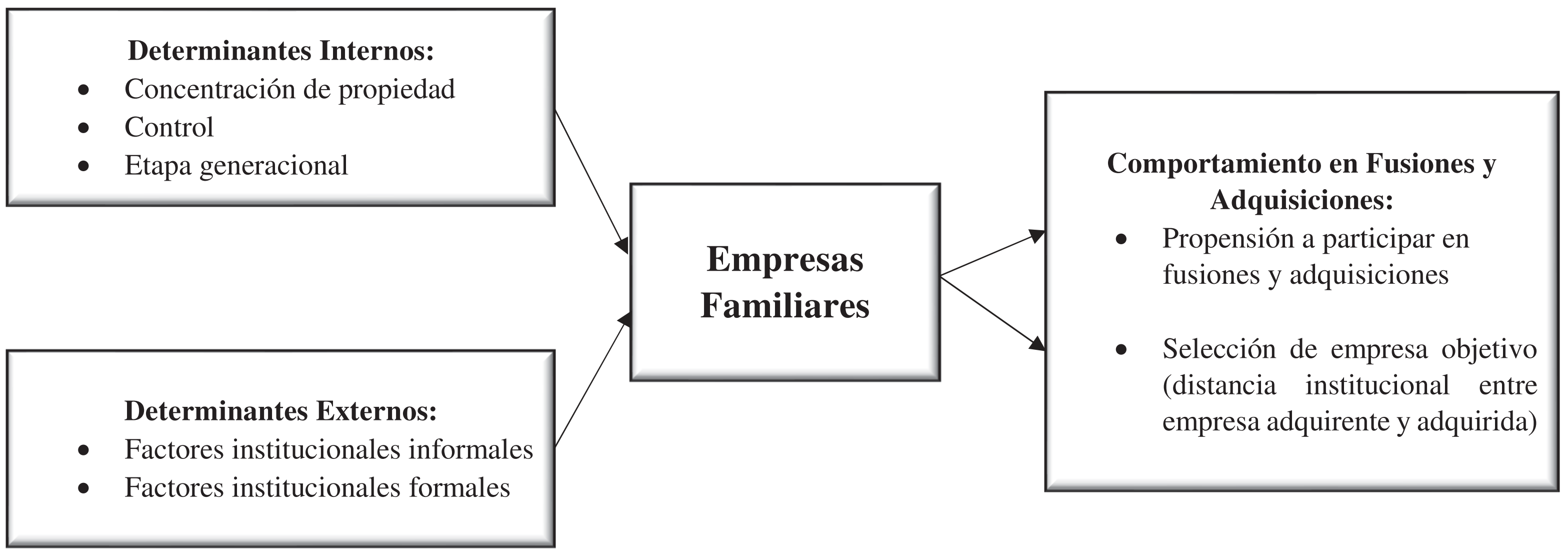
PI 3 ¿Cuál es el efecto de la propiedad familiar en la selección de empresas objetivo en las fusiones y adquisiciones?

PI 3.1 ¿Cuál es la relación entre las empresas familiares y la distancia institucional informal entre las empresas compradoras y las empresas objetivo?

PI 3.2 ¿Cuál es la relación entre las empresas familiares y la distancia institucional formal entre las empresas compradoras y las empresas objetivo?

El punto de vista institucional defiende que el comportamiento empresarial está arraigado en las instituciones (Peng, Wang y Jiang, 2008). Al centrarnos en dos instituciones a nivel de país y su posible influencia en el comportamiento de fusiones y adquisiciones de las empresas familiares, revisamos cómo las dimensiones culturales informales y las dimensiones legales formales afectan a esta decisión estratégica. Estas dos dimensiones representan dos niveles de influencia institucional. El nivel formal está representado por instituciones legales y regulatorias, como la protección de los accionistas o las regulaciones de desarrollo empresarial, y el nivel informal está representado en las dimensiones culturales (North, 1990; Van Essen, Heugens, Otten, y van Oosterhout, 2012). Si bien la cultura es un término muy amplio, se captura a través de varias dimensiones que se incluyen en una medida de cultura que domina la investigación estratégica: las dimensiones culturales de Hofstede (Hofstede, 1980, 2001). La influencia institucional legal se captura a través del nivel de protección al accionista y otras regulaciones de desarrollo comercial que representan la calidad de la protección legal. Principalmente para aumentar la integración, la eficiencia y el grado de protección de las SEW, esperamos que la influencia institucional afecte a las empresas familiares en su selección de empresas objetivo cuando hayan decidido participar en fusiones y adquisiciones internacionales. La hipótesis general de esta tesis es que mientras la propiedad familiar influye en el comportamiento de fusiones y adquisiciones, específicamente en su propensión y selección de la empresa objetivo de una fusión o adquisición, otros elementos como la heterogeneidad a nivel de empresa (i.e., propiedad, control y etapa generacional) y la heterogeneidad a nivel de país (i.e., elementos legales e institucionales), también influyen en esta probabilidad.

Figura 1.1. Modelo general de tesis doctoral



Fuente: Elaboración propia

Contribuciones Esperadas

Esta Tesis Doctoral contribuye teórica y empíricamente a una mejor comprensión de un tema muy actual y relevante: las empresas familiares y las decisiones de fusiones y adquisiciones. Algunas de las contribuciones que pueden ampliar el conocimiento en este campo de estudio y ayudar así a avanzar en la investigación previa existente son las siguientes:

Primero, hemos enfatizado la importancia de la heterogeneidad interna y del contexto en la revisión de las decisiones estratégicas de las empresas familiares. Hemos argumentado que se deben considerar los elementos centrales dentro de las empresas familiares, las influencias contextuales y las dimensiones institucionales antes de afirmar que las empresas familiares tendrán más probabilidades de participar en una decisión estratégica como las fusiones y adquisiciones. Estos elementos centrales, i.e., la participación familiar (propiedad y control) y la etapa generacional, pueden cambiar el peso de la importancia de la SEW, alterando la propensión de las empresas familiares. Esto constituye también una contribución a la investigación bajo la óptica de la SEW en el campo de las empresas familiares. Por lo tanto, pretendemos ampliar nuestra comprensión de las consecuencias de la heterogeneidad de las empresas familiares en su propensión estratégica a las fusiones y adquisiciones.

En segundo lugar, y tras una investigación previa (André, Ben-Amar y Saadi, 2014; Feito-Ruiz y Menéndez-Requejo, 2010; Meyer, Estrin, Bhaumik y Peng, 2009; Zhu et al., 2017) que subraya la importancia de los aspectos regulatorios, y en un intento de aislar el efecto de la empresa familiar, controlamos el entorno legal. Esto también subraya la heterogeneidad contextual de las empresas familiares y captura un aspecto que generalmente se ha pasado por alto. La combinación del factor legal y los postulados de SEW también contribuye a una interpretación más completa del uso de fusiones y adquisiciones internacionales como método de crecimiento estratégico en empresas familiares. La consideración de estos factores podría ser útil más adelante en el análisis de otras decisiones estratégicas como la diversificación, las alianzas o la internacionalización.

En tercer lugar, tomamos una visión institucional (Peng y Jiang, 2010; Peng et al., 2008) y usamos la propensión hacia las fusiones y adquisiciones de las empresas familiares para examinar el efecto de dos moderadores institucionales a nivel de país. Esto indica un avance en el conocimiento de las decisiones estratégicas de la empresa familiar y la visión institucional. La investigación complementa los estudios existentes sobre fusiones y adquisiciones de empresas familiares con resultados que consideran un enfoque a nivel de empresa y de país. Esta tesis explora así las contingencias institucionales a nivel de país que afectan las dimensiones de la riqueza socioemocional de las decisiones estratégicas relacionadas con fusiones y adquisiciones. Los hallazgos previos postulan que las empresas familiares y las instituciones conviven dentro de un contexto, y cada una puede jugar un papel importante y provocar cambios en la otra (Carney y Gedajlovic, 2002; Soleimanof et al., 2017), que luego puede alterar sus objetivos y comportamiento. La presente investigación arroja luz sobre el papel de la heterogeneidad contextual, específicamente a través de las instituciones que son cruciales para la dotación de riqueza socioemocional de las empresas familiares tanto en factores informales como formales. La investigación actual es cada vez más cautelosa a la hora de emitir opiniones en torno al comportamiento estratégico de una empresa familiar sin considerar la influencia de instituciones formales e informales, y considera que la inclusión de la teoría institucional es una tercera perspectiva importante para abordar los diferentes comportamientos estratégicos (Peng, Sun, Pinkham, Chen, 2009). Estudios recientes sugieren que tanto la heterogeneidad de la empresa familiar como los argumentos basados en la visión institucional pueden conducir a un progreso significativo en el campo de las empresas familiares (Jaskiewicz y Gibb Dyer, 2017; Soleimanof et al., 2017).

Finalmente, se pueden deducir de este estudio algunas contribuciones prácticas. Las ideas desarrolladas pueden ser útiles para las empresas familiares en el análisis de los elementos a considerar al participar en fusiones y adquisiciones. Proporcionamos nuevos conocimientos que ayudan a comprender las configuraciones de las empresas familiares y los factores de contingencia que podrían esperarse de ellos en relación con las decisiones de fusiones y adquisiciones. También subrayamos la importancia de la integración, la legitimidad y la distancia institucional, particularmente en fusiones y adquisiciones internacionales, como elementos que la práctica empresarial ha de tener en consideración. Los resultados de esta tesis sugieren que la creación de sinergias es necesaria para lograr un rendimiento esperado, y esto podría estar relacionado con la distancia institucional. Los hallazgos de esta tesis enfatizan la importancia de la distancia cultural y legal en las fusiones y adquisiciones internacionales que involucran a las empresas familiares. Los resultados encontrados informan a los gerentes de las empresas familiares adquirentes sobre las influencias institucionales de las que deben estar conscientes, y les proporciona la información que necesitan para responder adecuadamente a ellas (Zhu et al., 2017). Esta investigación también es de interés para las autoridades reguladoras y proporciona información sobre el conflicto principal-principal y la expropiación de los accionistas minoritarios en fusiones y adquisiciones de empresas familiares. Aunque se puede hacer poco para influir desde la empresa en las normas culturales a nivel país, se podrían diseñar nuevas políticas para reducir la distancia reglamentaria que podría proporcionar incentivos para la adquisición de empresas familiares.

Estructura de la Tesis Doctoral

La presente tesis doctoral consta de seis capítulos. Tras este primer capítulo introductorio, el próximo capítulo comprende una breve revisión de la literatura en la que se discuten los conceptos clave de la tesis, y se ofrece un análisis más detallado sobre la relación entre las empresas familiares y las fusiones y adquisiciones. El objetivo de esta revisión de la literatura es delinear el concepto central y los antecedentes teóricos que sustentan la tesis. Recapitulamos los antecedentes de la investigación sobre empresas familiares, examinamos las principales corrientes teóricas en las decisiones estratégicas de las empresas familiares y proporcionamos una visión general de la literatura previa que evalúa el comportamiento estratégico de las empresas familiares, particularmente en relación con las fusiones y adquisiciones.

El capítulo centrado en una revisión de la literatura es seguido por tres capítulos (con una estructura de artículos académicos) que están destinados a responder a las preguntas de investigación descritas previamente. Los tres trabajos académicos en esta tesis incluyen análisis empíricos independientes y siguen argumentaciones teóricas que son independientes para cada estudio. Este análisis incluye argumentos teóricos, construcción de hipótesis, enfoque metodológico y resultados empíricos independientes. Sin embargo, estos documentos académicos siguen un hilo común con un orden previsto. Todos los trabajos académicos abordan la pregunta principal de investigación, que podría ser reformulada de la siguiente manera: ¿Qué elementos influyen en el comportamiento en cuanto fusiones y adquisiciones de las empresas familiares? Esta tesis evalúa dos aspectos del comportamiento: primero, el Capítulo 3 y el Capítulo 4 se centran en la propensión a fusiones y adquisiciones de empresas familiares, es decir, la probabilidad de que una empresa se involucre en fusiones y adquisiciones. El Capítulo 5 revisa la selección de empresas objetivo de las empresas familiares adquirentes involucradas en fusiones y adquisiciones, es decir, evaluando las preferencias posteriores a la fusión.

La información analizada a lo largo de esta tesis se extrae de dos bases de datos de Bureau van Dijk, ORBIS y ZEPHYR, y se utiliza una muestra de empresas públicas en varios países europeos durante un período de nueve años (de 2007 a 2015). La muestra que utilizamos incluye empresas de 32 países adquirentes europeos y más de 80 países destinatarios a nivel mundial. Nos enfocamos en un contexto europeo, ya que las empresas familiares son la columna vertebral de la economía nacional para la mayoría de los países en este entorno y juegan un papel importante en el desarrollo económico y social de la región (Basco y Bartkevičiūtė, 2016). La gran muestra europea también proporciona diferentes niveles de protección legal y culturas diferentes. Por lo tanto, como las empresas familiares son los principales actores en sus correspondientes economías nacionales, las empresas familiares europeas ofrecen un entorno excelente para revisar el comportamiento estratégico de las empresas familiares.

Hay muchos factores a considerar que proporcionan pistas para responder a la pregunta principal de investigación, y algunos se identifican y destacan a lo largo de esta tesis, que está dispuesta a analizar primero los factores que surgen de la heterogeneidad interna, seguido por una visión mixta de los factores internos y externos factores de heterogeneidad, y luego la atención se dirige hacia cuestiones que surgen de la heterogeneidad externa e institucional. Por lo tanto, debido a la amplia respuesta necesaria para responder a las preguntas de investigación de la tesis, se incluye una revisión de ciertos factores específicos que ilustran el comportamiento hacia esta decisión estratégica. Esta tesis presenta varios factores en cada uno de los artículos, pero debido a su amplia influencia cada uno revisa al menos un factor principal que los académicos deberían considerar al revisar el comportamiento de las empresas familiares en fusiones y adquisiciones.

Los investigadores han reconocido que la configuración de la propiedad impulsa a las empresas a comportarse de manera diferente en sus decisiones estratégicas (Cennamo, Berrone, Cruz y Gómez-Mejía, 2012). En cuanto a la propensión a fusiones y adquisiciones, esta tesis se centra en la heterogeneidad de la empresa familiar y diferencia cómo ciertos elementos diferenciadores pueden ofrecer una mejor comprensión de sus decisiones estratégicas y métodos de crecimiento. Por lo tanto, al abordar la PI 1, se examina la actividad, los factores y la probabilidad de que una empresa familiar participe en fusiones y adquisiciones. Una revisión bibliográfica reciente de fusiones y adquisiciones en empresas familiares (Worek, 2017) ha encontrado que, hasta la fecha, solo 14 estudios revisan la propensión de participar en fusiones y adquisiciones de las empresas familiares, e incluso menos revisan el papel de la participación familiar y la evaluación de objetivos en fusiones y adquisiciones.

Por lo tanto, el primer trabajo académico introduce un objetivo de investigación más preciso, que es: "¿Puede la heterogeneidad de la empresa familiar ayudar a explicar la propensión a la participación en fusiones y adquisiciones?". Argumentando que los académicos no solo deben revisar la comparación entre empresa familiar y empresa no familiar, sino también que una revisión dentro de las empresas familiares podría ayudar a explicar el comportamiento estratégico de la empresa. Respondiendo a llamadas de investigadores (Jaskiewicz y Gibb Dyer, 2017; Nordqvist et al., 2014), discutimos las implicaciones de ciertos elementos centrales en la propensión de las empresas familiares a participar como adquirentes en fusiones y adquisiciones. Por lo tanto, este capítulo también informa sobre PI 2, PI 2.1, PI 2.1.1 y PI 2.1.2. Empleando la argumentación de la perspectiva de riqueza socioemocional, esperamos que algunos elementos básicos de la empresa familiar refuercen la relación entre la empresa familiar y su participación en fusiones y adquisiciones, y en algunos casos, se puede esperar lo contrario.

El primer artículo enfatiza la singularidad de las empresas familiares y el papel de los impulsores internos de la heterogeneidad. Se llama:

"La propensión de las empresas familiares europeas hacia las fusiones y adquisiciones: el papel de los determinantes internos en la heterogeneidad familiar"

No solo es importante centrarse en la heterogeneidad de las empresas familiares, sino que la investigación también debe tener en cuenta los factores externos que influyen en una decisión estratégica. El papel de los factores contextuales como la influencia legal y la protección de los accionistas también es una influencia importante en la decisión de fusiones y adquisiciones de las empresas familiares (Feito-Ruiz & Menéndez-Requejo, 2010). Este estudio encuentra argumentos tanto desde la perspectiva de la riqueza socioemocional como desde la perspectiva institucional para proporcionar información sobre el razonamiento detrás de la probabilidad de involucrarse en fusiones y adquisiciones. Además, atendiendo a la necesidad de abordar la heterogeneidad interna en el análisis del contexto legal, revisamos el efecto moderador que tiene esta fuente externa de heterogeneidad sobre la participación de la empresa familiar. Este estudio revisa cómo cambian las decisiones estratégicas dados los variados contextos institucionales y las características de las empresas familiares, y cómo las interrelaciones entre ambos también pueden afectar la propensión a fusiones y adquisiciones.

Una visión más precisa de los sistemas legales también aumenta la comprensión de otro aspecto que no es homogéneo en estas decisiones estratégicas. El enfoque de este segundo documento es, por lo tanto, sobre cómo las posibilidades legales involucradas en esta transacción también pueden impulsar, o dificultar, que las empresas familiares empleen este método de crecimiento. Este tema se evalúa en el Capítulo 4, que atiende a PI 2, PI 2.1.1, PI 2.2, PI 2.2.1, y PI 2.2.2. Este estudio revisa cómo una segunda capa de dimensiones, es decir, las regulaciones y leyes, se superpone con el primer elemento (heterogeneidad de la empresa familiar) para proporcionar una explicación más completa. El segundo documento se llama:

"Empresas familiares europeas y la propensión hacia las adquisiciones: el papel del contexto legal"

Para concluir el análisis académico y empírico, esta tesis enfatiza en el entorno externo de manera más general y revisa cómo la influencia institucional puede elucidar una respuesta a la pregunta principal de investigación. Cambiando a fusiones y adquisiciones internacionales, pero aún fuertemente relacionado con la pregunta principal de investigación, este estudio busca revisar otros elementos que podrían ser decisivos en la relación esperada entre empresas familiares y la estrategia de fusiones y adquisiciones. El tercer y último artículo argumenta que debido a que la heterogeneidad en la empresa familiar puede alterar el comportamiento esperado de la empresa con respecto a su estrategia de fusiones y adquisiciones, es natural esperar que la heterogeneidad en las instituciones externas también modifique el comportamiento de las empresas familiares. Se consideran los factores formales e informales para revisar el efecto institucional externo en la selección de objetivos de fusiones y adquisiciones.

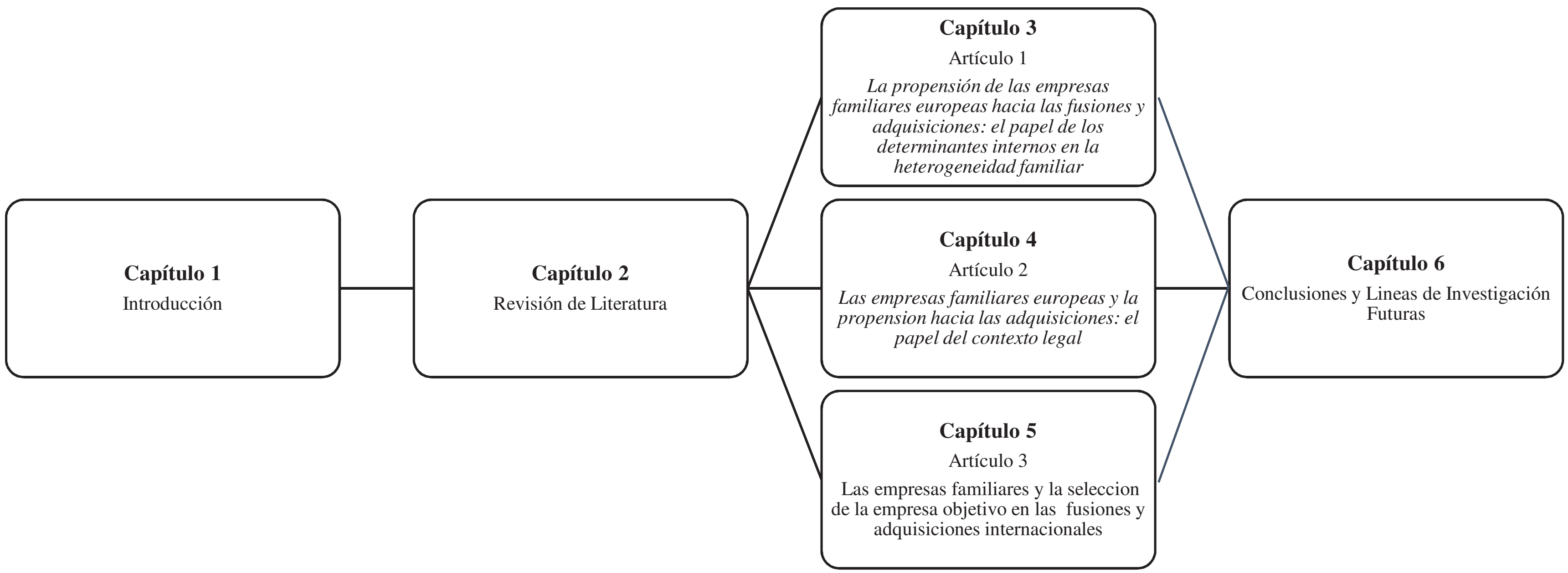
Este documento final es una respuesta a las llamadas recientes que se hicieron para investigar las relaciones complejas relativas a las influencias institucionales en empresas familiares, específicamente en temas estratégicos como fusiones y adquisiciones (Peng, Sun, Vlas, Minichilli y Corbetta, 2018). Al introducir una perspectiva de riqueza socioemocional en el análisis de la influencia de la teoría institucional en la selección estratégica de las fusiones y adquisiciones, el estudio pretende contribuir a esta corriente de investigación de empresas familiares. Este documento examina dos niveles institucionales principales y cómo actúan en la estrategia de fusiones y adquisiciones de empresas familiares. El Capítulo 5 proporciona respuestas a PI 3, PI 3.1 y PI 3.2. El último artículo se llama:

"Las empresas familiares y la selección de la empresa objetivo en las fusiones y adquisiciones internacionales"

Finalmente, el Capítulo 6 presenta un resumen de las principales conclusiones en cada uno de los tres trabajos académicos en los capítulos anteriores. Resumimos los objetivos logrados en cada uno de los objetivos específicos que proponemos en estos documentos, y los vinculamos a los objetivos principales y específicos que hemos presentado en este capítulo. Incluimos las implicaciones prácticas para las políticas administrativas y públicas, así como las implicaciones teóricas para fines de investigación. Este capítulo también cubre las limitaciones generales de la tesis y las avenidas para futuras investigaciones que hemos identificado.

La figura 1.2 presenta la estructura general de la tesis doctoral.

Figura 1.2. Estructura general de tesis doctoral



Fuente: Elaboración propia

CHAPTER 1

INTRODUCTION

Family firm research has increased significantly over the years, positioning itself as a discipline within Management (Chrisman, Chua, Kellermanns, Matherne III, & Debicki, 2008). The importance of family firms is very well documented because of their longevity and impact on economies all over the world (Miller & Le Breton-Miller, 2005; Ward, 2004). The European Parliament's report on family businesses in Europe (2015) indicates that 85% of all European companies are family businesses, and these account for 60% of jobs in the private sector. Furthermore, according to the Family Business Yearbook published by Ernst & Young (2017), 44.8% of the world's 500 largest family firms are in Europe, and these firms employ more than 2.4 million people. Not only do these firms account for a significant part of the GDP of several nations, but they are also considered to be the most common ownership structure, not only in Western Europe (Hautz, Mayer, & Stadler, 2013) but in the world as a whole (Morck, Wolfenzon, & Bernard, 2005; Zahra, Hayton, & Salvato, 2004). Their importance in the global economic scheme explains the momentum the field has been experiencing in recent years.

Due to the previous prevalence in strategic management research of large non-family businesses (Furrer, Thomas, & Goussevskaia, 2008) and the increasing relevance of family firms in economic structures across the globe, this research over the past decades has been accompanied by an increase in the investigation into strategic decisions in family firms and smaller businesses (Daspit, Chrisman, Sharma, Pearson, & Long, 2017). Calls have been made to continue to explore the differences between family firms and non-family firms, as well as the differences within family firms (Chrisman, Chua, Pearson, & Barnett, 2012; Gómez-Mejía, Cruz, Berrone, & De Castro, 2011). Differences between family firms and non-family firms have been attributed to the interweaving of family logic and business logic, and have dominated research in the field. As the field of family firm research has advanced, focus has broadened to review variations of the elements and characteristics that determine family firm behaviour and strategic decisions (Chua, Chrisman, Steier, & Rau, 2012). An effort has been made to review the particularities of family firms' strategic decisions, such as internationalization (Arregle, Duran, Hitt, & van Essen, 2016), innovation (Chrisman, Chua, De Massis, Frattini, & Wright, 2015), diversification (Gómez-Mejía, Makri, & Kintana, 2010) and cooperation (Swinth & Vinton, 1993), but there is still a lot to explore to understand the diverse results of these strategic decision.

Research has consistently shown that family firm strategies differ from those employed by non-family firms (Astrachan, 2010; Gómez-Mejía et al., 2011). Partly due to the absence of a common definition of family firms, empirical studies of family firm research have produced conflicting results when reviewing strategic decisions. Another reason for the inconsistent perspectives on strategic growth decisions are the different theoretical assumptions and conceptual framework used to analyse them. The most prevalent approach to the review of ownership effects in strategic decisions is agency theory (Jensen & Meckling, 1976). This places economic reasoning as the primary reference point for family firms. Nonetheless, this reasoning is incompatible with several of the results that empirical studies have discovered in family firm behaviour involving strategic decisions. Some of the main flaws of agency theory, such as collaborative behaviours and emotional aspects, are addressed by the socioemotional wealth (SEW) model (Berrone, Cruz, & Gómez-Mejía, 2012). SEW is introduced as an umbrella term to encompass the family's affect-related values by Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, and Moyano-Fuentes (2007). This theoretical formulation suggests that the reference point influencing family objectives is to avoid threats to this stock of affect-related value a family obtains from a controlling position (Berrone et al., 2012). This perspective presents combined non-economic objectives as a driver of strategic decisions in family firms. In an attempt to explain the contradicting results with agency theory postulates, this perspective complements the theoretical comprehension of strategic decisions.

1.1 Main topic: The M&A behaviour of family firms

We focus on the effect of the singularities of the family firm to engage in a particular strategic decision, namely, mergers and acquisitions (M&A). According to an M&A report from Bloomberg (2017), Global M&A activity reached $1.5 trillion in the first six months of 2017, with $101.3 billion of these deals involving UK firms. Despite prior research usually pointing to a lack of acquirers of cross-border deals to gaining value (Zhu, Ma, Sauerwald, & Peng, 2017), M&A continues to be a very popular strategic decision for growth. Family firms have continued to embrace this strategic decision despite concerns and threats such as the dilution of ownership, the involvement of external stakeholders, and even family legacy (Worek, 2017). As reported by Steen and Welch (2006), family firms may continue to see this as an "antithesis of firm survival" or as a "sell-out". From an SEW perspective, this strategy puts a firm's SEW at risk, and would be used only in the case of financial distress (Gómez-Mejía, Patel, & Zellweger, 2015). Strangely, even though M&A are a popular strategic growth decision, and family firms are important economic players, very few studies focus on this strategic decision.

Merger and Acquisitions are used as an interchangeable term by many scholars, (i.e., Bertrand, Mucchielli, & Zitouna, 2007). Nonetheless, there are some differences to be noted, and some authors clearly distinguish these transactions (Ciobanu, 2015), as do some international organizations such as the European Community. A merger can be defined as a combination of two corporation in which only one corporation survives, and the merged corporation disappears (Gaughan, 2010). The European Community Merger Regulation defines a merger as a transaction in which two or more companies join, and at least one entity ceases to exist; whereas an acquisition is defined as the purchase of a division, part of a company or the whole company, specifically undertaken to diversify a product portfolio and customer service (Sherman, 2010).

Family firms are faced with threats to ownership, control and affective endowments when undertaking strategic decisions, whereas these concerns are not expected to be nearly as important to non-family firms. SEW drives family firm behaviour and strategic choices (Berrone et al., 2012), so it is expected to have an effect on M&A. In an attempt to avoid distorting and simplifying the relationships in the M&A decisions of family firms, this dissertation examines elements and characteristics of the family firm that might help explain this relationship through a SEW perspective. In response to calls to address heterogeneity, or as Jaskiewicz and Gibb Dyer (2017) call it, "the elephant in the room", this study also incorporates an institutional approach to reveal a country-specific influence. This approach allows for a multi-level analysis, which we later apply to a cross-country sample over a period of several years. Tackling a firm-level view of heterogeneity through the core elements of a family firm and then a country-level one provides more reliable and generalizable results.

Although calls have been made to review how strategic decisions differ between family and non-family firms, these continue to be relatively unknown (Astrachan, 2010; Goel, Mazzola, Phan, Pieper, & Zachary, 2012; López-Cózar-Navarro, Benito-Hernández, & Platero-Jaime, 2017). Prior to the writing of this dissertation, a single study has been conducted to review the relationship between ownership and M&A decisions through a SEW theoretical lens, (i.e., Gómez-Mejía et al., 2015). While ground-breaking, those authors acknowledge that one of their study's limitations is the disregard for institutional context, and question the generalizability of their findings. In order to review further details of family firm heterogeneity, and review the institutional context and external and internal influences, this study builds upon recent input on the family firm relationship with M&A to contribute to this research field. Other notable differences between this study and the subsequent analysis included in the dissertation are the cross-country analysis, the contextual factors tackled, such as cultural context and legal context, and a heterogeneous review of family firm characteristics. Overall, this dissertation includes an in-depth analysis of the elements considered to describe the issue at the heart of this study.

1.2 Research Questions

The main research question is examined throughout the whole dissertation, and is then broken down into other research topics that are empirically reviewed in academic papers. According to the research questions considered, the general model of the dissertation is represented in Figure 1.1. The central research question (RQ) addressed can be outlined as:

RQ. *What influences the mergers and acquisitions behaviour of family firms*?

The relationship between family firms and M&A has received limited attention in research. A recent literature review shows that while M&A have been undertaken for close to a century, very few of the studies on M&A focus on ownership, being spread across several disciplines (Worek, 2017). What's more, the family firm field has been a thriving topic of research in recent decades (Gedajlovic, Carney, Chrisman, & Kellermanns, 2012) and is of the utmost economic importance on a global scale. Despite tackling two relevant and significant subjects, namely, family firms and M&A, research has paid scant attention to the link between M&A and family firms. Considering the topic's importance, the continued involvement of firms in M&A deals, and the research gap this dissertation has identified, this topic requires more attention to extend the present understanding of this strategic decision. We then focus on reviewing the role of ownership in M&A. We first validate previous studies that address the theoretical argumentation of M&A propensity from a SEW perspective (Gómez-Mejía et al., 2015) within a European context. The first specific research question can be stated as follows:

RQ1. What are the differences between family and non-family firms in M&A propensity?

Although only summarily, some researchers have reviewed this issue from several theoretical angles (Caprio, Croci, & Del Giudice, 2011; Miller, Le Breton-Miller, & Lester, 2010; Shim & Okamuro, 2011). The SEW perspective has been marginally used in family firm M&A research, so understanding this strategic decision still requires further exploration (Worek, 2017). In view of the dominant paradigm that SEW has become in the family firm field, and the heterogeneity it entails, as accepted in a recent discussion (Vandekerkhof, Steijvers, Hendriks, & Voordeckers, 2017), this dissertation considers a novel approach that addresses both issues. After the consideration of ownership in M&A behaviour, we include other core factors of internal heterogeneity in the analysis on M&A propensity. Other specific research questions that derive from the main one this dissertation addresses are as follows:

RQ 2: What is the effect on M&A propensity of heterogeneity within family firms?
RQ 2.1. Which internal drivers of family firm heterogeneity influence M&A propensity?
RQ 2.1.1 What is the role of family involvement in governance (ownership and control) in M&A propensity?
RQ 2.1.2. What is the role of generational stage in M&A propensity?

Following RQ 1, this dissertation shifts its attention to internal drivers of family firm heterogeneity that may be responsible for variations in the propensity toward M&A. Despite the effort to adopt a more detailed view of family firm SEW objectives and acknowledge its heterogeneity, there are several elements that can be considered, and which might affect strategic decisions. The first stage of this analysis considers a firm-level approach to family firm heterogeneity. The research is centred around elements of heterogeneity that may be derived from the family's involvement in the business, such as ownership and participation on the board (Chua et al., 2012; Nordqvist, Sharma, & Chirico, 2014). Another element of heterogeneity considered in this study is the generational stage (Hernández-Linares, Sarkar, & López-Fernández, 2017). Several studies have considered this aspect to be an important factor that can help explain a family firm's strategic behaviour. As mentioned previously, family firms are not an homogeneous collective, and changes in these core elements or in the generational stage can alter the family firm's overall objective: the preservation of its SEW (Berrone et al., 2012; Gómez-Mejía et al., 2010). We expect variations in these components to affect their strategic decision-making, hence the propensity to engage in M&A. Family firms' behaviour towards M&A varies from non-family firms for several reasons (Feito-Ruiz & Menéndez-Requejo, 2010). In line with SEW reasoning, we find that engaging in M&A poses a threat to European firms' SEW endowment (Gómez-Mejía et al., 2015). Along with the internal drivers of heterogeneity, we review external drivers and institutions that affect the M&A behaviour of family firms. Focusing on the legal context, we evaluate the moderating role that the interaction of legal context and family involvement plays in M&A propensity. This research is completed with an investigation of the direct effect this institution has on M&A propensity. We review this topic through the following research questions:

> RQ 2.2. How can institutional drivers of family firm heterogeneity influence M&A propensity?
> RQ 2.2.1 What is the role of legal context in family firm M&A preferences?
> RQ 2.2.2. What effect does the interaction between internal drivers of heterogeneity and legal factors as external drivers of heterogeneity have within family firms?

Families are heterogeneous across cultures and countries, as they are influenced by societal institutions (Jaskiewicz & Gibb Dyer, 2017). The influence of institutions on family firms is amplified by SEW preservation concerns (Soleimanof, Rutherford, & Webb, 2017). Company legislation, regulations and other formal institutions are present in important strategic decisions made by family firms (Carney, Gedajlovic, & Strike, 2014). Our European sample provides us with a variety of countries with different legal environments and institutional pressures. This country-level institutional driver is an important element in M&A, as governance issues may vary as the legal environment changes. The next specific research question focuses on the impact that formal institutions, through legal systems and shareholder protection regulations, have on family firm M&A propensity. Finally, and from an institutional-based view, this dissertation concentrates on the role other external institutions play in M&A behaviour. The final research questions inspect the effect institutional dimensions have on the international M&A target selection of family firms. The research questions evaluated here are as follows:

> RQ 3 What is the effect of family ownership on the target selection in M&A?

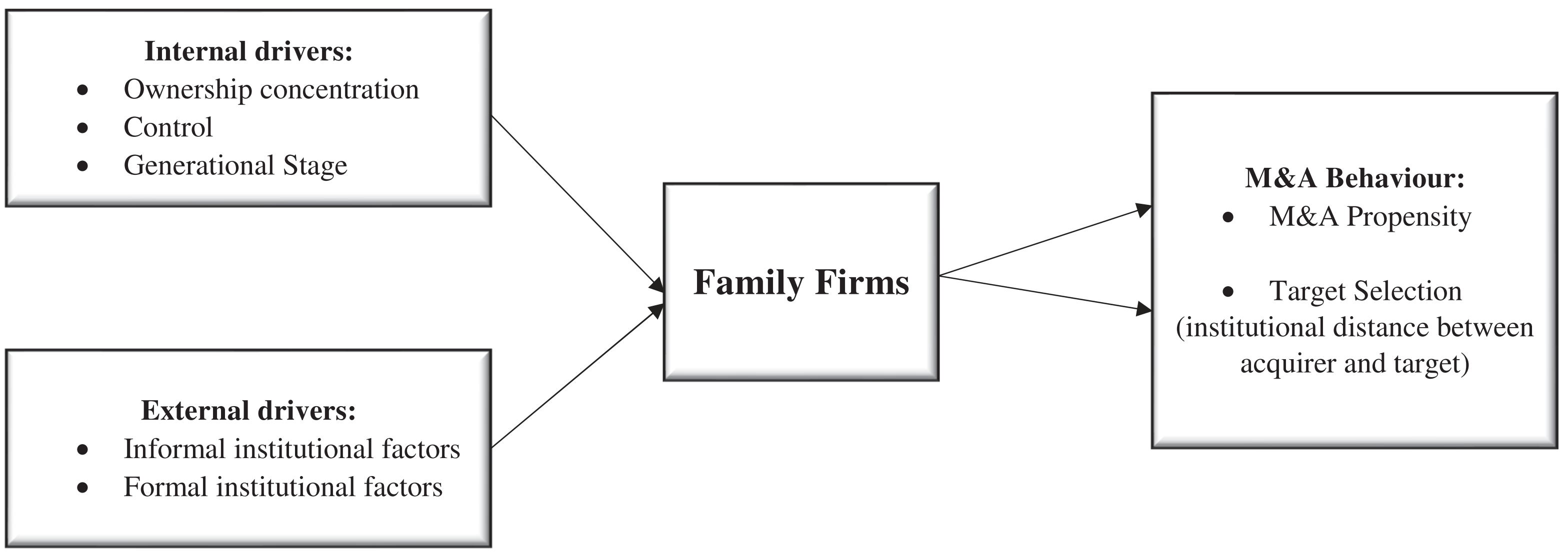
RQ 3.1 What is the relation between family firms and informal institutional distance between acquiring and target firms?

RQ 3.2 What is the relation between family firms and formal institutional distance between acquiring and target firms?

The institutional-based view advocates that firm behaviour is rooted in institutions (Peng, Wang, & Jiang, 2008). Focusing on two country-level institutions and their potential influence on the M&A behaviour of family firms, we review how informal cultural dimensions and formal legal dimensions affect this strategic decision. These two dimensions represent two levels of institutional influence. The formal level is represented by legal and regulatory institutions, such as shareholder protection or business development regulations, and the informal level is represented in the cultural dimensions (North, 1990; Van Essen, Heugens, Otten, & van Oosterhout, 2012). While culture is a very broad term, it is captured through several dimensions that are included in a measure of culture that dominates strategy research: Hofstede's cultural dimensions (Hofstede, 1980, 2001). The legal institutional influence is captured through the level of shareholder protection and other business development regulations which represent the quality of legal protection. Primarily to increase integration, efficiency, and SEW protection, we expect the institutional influence to affect family firms in their target selection when they have decided to engage in international M&A. The international M&A behaviour regarding target selection is then reviewed in Chapter 5 of this dissertation.

The general hypothesis of this dissertation is that while family ownership influences M&A behaviour, specifically its propensity and target selection, other elements such as firm-level heterogeneity (i.e., ownership, control and generational stage), and country-level heterogeneity (i.e., legal and institutional elements), also influence this probability.

Figure 1.1. General model of doctoral dissertation



Source: Author's own work

1.3 Expected Contributions

This dissertation contributes theoretically and empirically to a better understanding of a very current and relevant issue: family firms and M&A decisions. Some of the expected contributions to the state-of-the-art are as follows:

First, we have already stressed the importance of heterogeneity and context in the review of the strategic decisions of family firms. We have argued that core elements, contextual influences, and institutional dimensions should be considered before maintaining that family firms will be more likely to participate in a strategic decision such as M&A. These core elements of family involvement (ownership and control) and the generational stage can shift the weight of the importance of SEW, altering the propensity of family firms. This contributes to research on SEW and family firms. We therefore intend to extend our understanding of the consequences of family firm heterogeneity in its strategic proclivity regarding M&A.

Second, following previous research (André, Ben-Amar, & Saadi, 2014; Feito-Ruiz & Menéndez-Requejo, 2010; Meyer, Estrin, Bhaumik, & Peng, 2009; Zhu et al., 2017) that underscores the importance of regulations, and in an attempt to isolate the family firm effect, we control for legal environment. This also underlines the contextual heterogeneity of family firms and captures an aspect that is usually overlooked. Combining the legal factor and SEW postulates also contributes to a more rounded interpretation of the use of international M&A as a strategic growth method in family firms. The consideration of these factors could be useful later in the analysis of other strategic decisions such as diversification, alliance formation or internationalization.

Third, we venture into the institutional-based view (Peng & Jiang, 2010; Peng et al., 2008), and use family firm M&A propensity to examine the effect of two country-level moderators. This signals an advancement in the knowledge of family firm strategic decisions and the institution-based view. The research complements existing studies on the M&A of family firms with results that consider a firm-level and country-level approach. This dissertation explores country-level institutional contingencies that affect the SEW dimensions of strategic decisions regarding M&A. Previous findings posit that family firms and institutions coevolve within a context, and each can play an important role and prompt changes in the other (Carney & Gedajlovic, 2002; Soleimanof et al., 2017), which can then alter their objectives and behaviour. The dissertation sheds light on the role of contextual heterogeneity, specifically through institutions that are crucial to family firm

SEW endowment in both informal and formal factors. Current research is increasingly wary of the view that a family firm's strategic behaviour is influenced by both formal and informal institutions, and considers the inclusion of institutional theory to be a third major perspective for addressing strategic behaviours (Mike W Peng, Sun, Pinkham, & Chen, 2009). Recent studies suggest that both family firm heterogeneity and institutional-based view arguments can lead to significant progress in the family firm field (Jaskiewicz & Gibb Dyer, 2017; Soleimanof et al., 2017).

Finally, some practical contributions are expected. The ideas developed can be helpful to family firms in the analysis of elements to consider when engaging in M&A. We provide new insights that help understand family firm configurations and the contingency factors that might be expected from them regarding M&A decisions. We also bring to the attention of managers the importance of integration, legitimacy and institutional distance, particularly in international M&A. The results of this dissertation suggest that the creation of synergies is required to achieve an expected performance, and this might be related to institutional distance. The findings in this dissertation stress the importance of cultural and legal distance in international M&A involving family firms. This result informs managers in acquirer family firms of the institutional influences they should be aware of, and provides them with the information they need to suitably respond to them (Zhu et al., 2017). This research is also of interest to regulatory authorities, and provides insight into the principal-principal conflict and minority shareholder expropriation in family firm M&A. Although little can be done to influence cultural norms, new policies can be designed to reduce the regulatory distance that could provide incentives for acquiring family firms.

1.4 Dissertation Structure

In total, and counting this introductory chapter, this dissertation has six chapters. The next chapter comprises a short literature review in which the dissertation's key concepts are discussed, and where a more in-depth analysis of the relationship between family firms and M&A is described. The objective of this literature review is to outline the central concept and theoretical background underpinning the dissertation. We recap the antecedents of family firm research, examine the theoretical streams in the strategic decisions of family firms, and provide an overview of previous literature that evaluates the strategic behaviour of family firms, particularly related to M&A.

The chapter centred on a literature review is then followed by three academic papers that are intended to answer the research questions described beforehand. The three academic papers in this dissertation include independent empirical analyses and follow theoretical argumentations that are independent for each study. This independent analysis includes self-standing theoretical arguments, hypothesis construction, methodological approach, and empirical results. These academic papers do, however, follow a common thread with an intended order. All the academic papers address the main research question, which may be reworded as follows: *What influences family firm mergers and acquisitions behaviour?* This dissertation evaluates two aspects: first, Chapter 3 and Chapter 4 focus on family firm M&A propensity, that is, the likelihood of a firm engaging in M&A. Chapter 5 then reviews the target selection of family firms engaging in M&A, that is, assessing post-merger preferences.

The information analysed throughout this dissertation is extracted from two Bureau van Dijk databases, ORBIS and ZEPHYR, and uses a sample of public firms in several European countries over a period of nine years (from 2007 to 2015). The sample we use includes firms from 32 European acquirer countries, and more than 80 target countries globally. We focus on a European context, as family firms are the backbone of the national economy for most countries in this setting, and play a big part in the region's economic and social development (Basco & Bartkevičiūtė, 2016). The large European sample also provides varying levels of legal protection and dissimilar cultures. Thus, as family firms are major players in their corresponding national economies, European family firms provide an excellent setting in which to review family firm strategic behaviour.

There are many factors to consider that provide clues for answering the main research question, and some are identified and highlighted throughout this dissertation, which is arranged to look first into the factors arising from internal heterogeneity, followed by a mixed view of both internal and external heterogeneity factors, and then the attention turns to issues arising from external and institutional heterogeneity. Hence, due to the broad response needed to answer the dissertation's research questions, a review of certain specific factors that illustrate the behaviour towards this strategic decision is included. This dissertation presents several factors in each one of the papers, but due to their broad influence each one reviews at least one main factor that academics should consider when reviewing the behaviour of family firms in M&A.

Researchers have acknowledged that the configuration of ownership drives firms to behave differently in their strategic decisions (Cennamo, Berrone, Cruz, & Gómez-Mejía, 2012). Regarding M&A propensity, this dissertation focuses on family firm heterogeneity, and differentiates how certain different elements can offer a better understanding of their strategic decisions and growth methods. Therefore, addressing RQ 1, there is an examination of the activity, factors and likelihood of a family firm engaging in M&A. A recent literature review of M&A in family firms (Worek, 2017) has found that, to date, only 14 studies review family firm propensity, and even fewer review the role of family involvement and target assessment in M&A.

Thus, the first academic paper introduces a more precise research objective, which is: "Can family firm heterogeneity help explain merger and acquisition propensity?", arguing that not only do scholars need to review the family firm versus non-family firm comparison, but also that a review within family firms might help explain the strategic behaviour of the firm. Responding to calls from researchers (Jaskiewicz & Gibb Dyer, 2017; Nordqvist et al., 2014), we discuss the implications of certain core elements in the propensity of family firms to participate as acquirers in M&A. Thus, this chapter also reports on RQ 2, RQ 2.1, RQ 2.1.1 and RQ 2.1.2. Employing SEW argumentation, we expect some core elements of the family firm to strengthen the relationship between family firm and M&A engagement, and in some cases, the opposite can be expected.

The first academic paper stresses the uniqueness of family firms and the role of internal drivers of heterogeneity. It is called:

"European family firm propensity toward mergers and acquisitions: the role of internal drivers of family firm heterogeneity"

Not only is a focus on family firm heterogeneity important, but research should also take into consideration the external factors that influence a strategic decision. The role of contextual factors such as legal influence and shareholder protection is also a major influence in the M&A decision of family firms (Feito-Ruiz & Menéndez-Requejo, 2010). This study finds arguments from both the SEW perspective and institutional-based view to provide insights into the reasoning behind the likelihood of engaging in M&A. In addition, attending to the need to address internal heterogeneity in the analysis of the legal context, we review the moderating effect this external source of heterogeneity has on family firm involvement. This study reviews how strategic decisions change given varied institutional contexts and family firm characteristics, and how the interrelationships between both can also affect M&A propensity.

A more accurate view of legal systems also increases the understanding of another aspect that is not homogeneous in these strategic decisions. The focus of this second paper is therefore on how the legal possibilities involved in this transaction can also drive, or hamper, family firms to employ this growth method. This topic is evaluated in Chapter 4, which attends to RQ 2, RQ 2.1.1, RQ 2.2, RQ 2.2.1, RQ 2.2.2. This study reviews how a second layer of dimensions, namely, regulations and legislative elements, overlaps with the first element (family firm heterogeneity) to provide a fuller explanation. The second paper is called:

"European family firms and acquisition propensity: the role of the legal context"

To conclude the academic and empirical analysis, this dissertation emphasizes a more general external setting, and reviews how institutional influence can elucidate an answer to the main research question. Shifting to international M&A, but still strongly related to the main research question, this study seeks to review other elements that might be decisive in the expected relationship between family firms and M&A strategy. The third and final paper argues that because heterogeneity in the family firm is likely to alter the firm's expected behaviour regarding its M&A strategy, it is only natural to expect that heterogeneity in external institutions will also modify family firm behaviour. Both informal and formal factors are considered for reviewing the external institutional effect on M&A target selection.

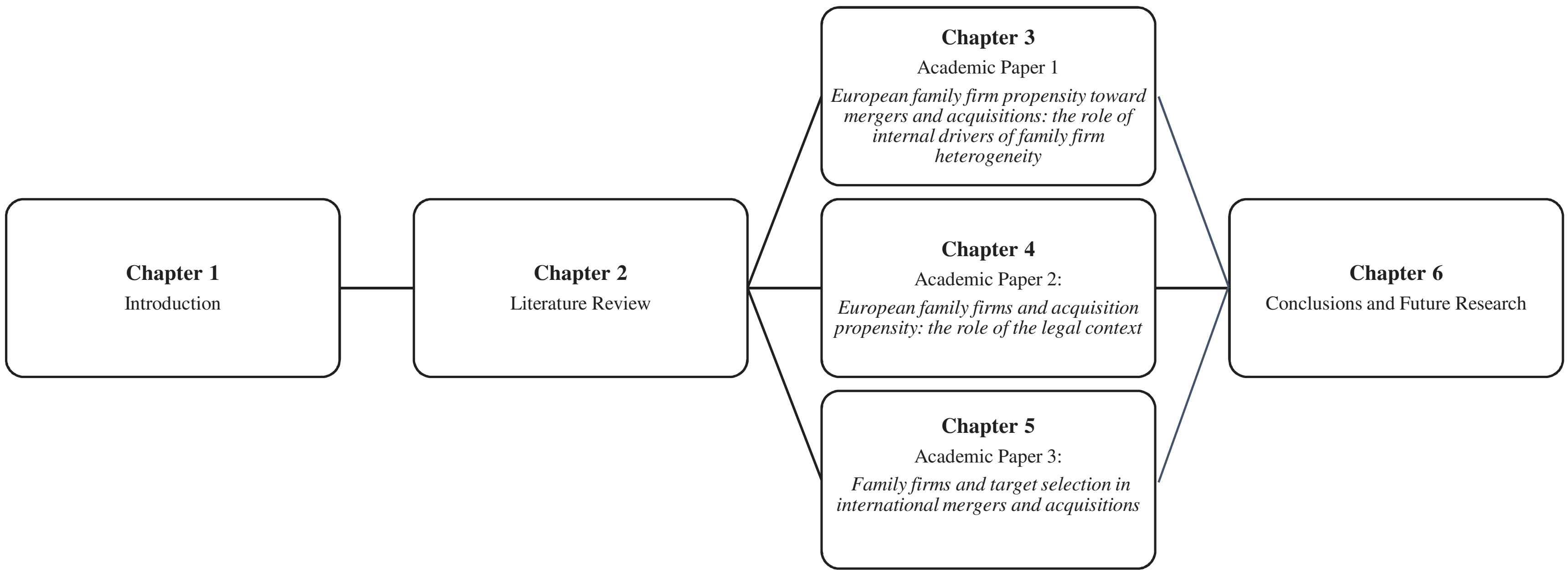
This final paper is a response to recent calls that have been made to investigate the complex relationships concerning institutional influences in family firms, specifically in strategic topics such as M&A (Peng, Sun, Vlas, Minichilli, & Corbetta, 2018). By introducing a SEW perspective to the analysis of institutional theory's influence on M&A strategic selection the study intends to contribute to this stream of family firm research. This paper examines two major institutional levels, and how they act in family firm M&A strategy. Chapter 5 provides answers to RQ 3, RQ 3.1 and RQ 3.2. The final academic paper is called:

"Family firms and target selection in international mergers and acquisitions"

Lastly, Chapter 6 presents a recap of the main conclusions in each one of the three academic papers in the previous chapters. We summarize the goals achieved in each one of the specific objectives we propose in these papers, and link them to the main and specific objectives we have presented in this chapter. We include practical implications for managerial and public policies, as well as theoretical implications for research purposes. This chapter also covers the dissertation's general limitations and the avenues for future research we have identified.

Figure 1.2 presents the dissertation's general structure.

Figure 1.2. Dissertation structure



Source Author's own work

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CHAPTER 2

LITERATURE REVIEW OF FAMILY FIRMS AND MERGERS AND ACQUISITIONS

2.1 Family firm antecedents and definition

Family firm research has continued to grow in popularity, nonetheless there is not a generally accepted definition of family firm and no consensus is in sight (Steiger, Duller, & Hiebl, 2015). Due to the struggles of finding a unanimous definition that could help compare and generalize results between family firms and their non-family counterparts, as well as the differences within family firms, there are calls to classify family firms through their characteristics and build a family firm taxonomy (Hernández-Linares, Sarkar, & López-Fernández, 2017). Important contributions to establish a family firm typology or to distinguishing categories of family firms have been made, but the conceptual spectrum of the term is still very broad (Cano-Rubio, Fuentes-Lombardo, & Vallejo-Martos, 2017). The recognized heterogeneity within family firms makes it very difficult to come to a consensus on a unique definition (Chrisman, Chua, Pearson, & Barnett, 2012; Chua, Chrisman, Steier, & Rau, 2012; Nordqvist, Sharma, & Chirico, 2014).

Despite not having a universally accepted definition of family firms, the importance of recognizing the differences within this heterogeneous group of firms has been highlighted in recent studies of family firms (Jaskiewicz & Gibb Dyer, 2017). Family firm heterogeneity might have significant effect in the results regarding performance and strategy selection (Steiger et al., 2015). There are two main distinguishable features that most family firms scholars seem to agree on when defining family firms: involvement in ownership and participation in management (Hernández-Linares et al., 2017; Nordqvist et al., 2014). Another central concern for family firms, that is also widely accepted as a defining feature of a family firm, is the succession and the generational stage (Chua, Chrisman, & Sharma, 1999; Zellweger, Kellermanns, Chrisman, & Chua, 2012). Both features, ownership and participation in management are central to enable succession of the firm. Consequently, as well as ownership and control, the generation in charge and founder intentions of succession may change the reference point that the family uses to frame strategic decisions (Wiseman & Gómez-Mejía, 1998). Rather than looking for a one-size-fits-all family firm definition which feeds to tendencies that downplay family firm heterogeneity (Nordqvist et al., 2014), researchers should recognize the singularity of family firms and analyze strategic choices in light of this heterogeneity.

Also supporting family firm heterogeneity, another important element that explains family firm behaviour is the institutional context (Reay, Jaskiewicz, & Hinings, 2015). In the review of a firm, research has proven that firms are not immune to the socio-spatial context and this may influence family firm behaviour and performance (Stough, Welter, Block, Wennberg, & Basco, 2015). The consideration of community logic, along with the established importance of family and firm logic provides a more precise understanding of family firm behaviour and heterogeneity. Along with the varied structures and characteristics of family firms, cultural, legal and institutional differences is one more element that can be a source of variations in strategic decisions (Denison, Lief, & Ward, 2004; Peng & Jiang, 2010).

The classification of family firms and non-family firms into two distinct groups fails to provide a realistic picture of family firm heterogeneity (Astrachan, Klein, & Smyrnios, 2002). Nonetheless, in an attempt to obtain a definition that can be used in research, family firms are frequently defined according to two main postures. A first approach is based on the dimensions of the family involvement in business (i.e., family influence on ownership, management and, governance) (Zellweger, Sieger, & Halter, 2011). Another posture to define a family firm is the essence approach which focusses on the behaviour of the family firm: whether the family members consider the company to be a family firm and wish to retain this status (Chrisman, Chua, & Sharma, 2005). When considering the measures of the components of involvement there is an economic rationale in which the controlling shareholders (through ownership, or mechanisms such as influence in management) would be interested in having the authority to decide on important matters that are closely linked to their profit. A common denominator of family firms is that they have high levels of ownership concentration, independent to national context (Aguilera & Crespi-Cladera, 2012). Due to the operationalization facility and the extensive use in research, especially in quantitative studies, we focus on a component of involvement approach to define a family firm.

Regarding the components of involvement, there is no consensus on the thresholds if each component (Steiger et al., 2015). Therefore, previous research considers different values of the definition based on measurements of ownership, governance involvement or generation in charge. This indicates that several studies rely on only one or a combination of components to define the family firm, making the results variable according to the definition used. Several studies use a threshold definition given by institutions such as European Commission (i.e., Leitterstorf & Rau, 2014) to define a family firm), whereas others use varying thresholds of ownership based on previous research (i.e., Gómez-Mejía, Makri, & Kintana, 2010, who use a 10% ownership threshold; La Porta, Lopez-de-Silanes, & Shleifer, 1999, use a 20% threshold or Granata &

Chirico, 2010, use a majority ownership percentage cut-off). The same problem can be found when reviewing thresholds regarding participation in the board and involvement in management.

Among family firms, each component of involvement in business increases the potential of the family to increase its influence on the firm. If a family has substantial participation in the property and management of the firm, it will be capable to transmit its values, family vision, and therefore, to create unique resources that non-family firms find it hard to imitate (Lansberg, 1999). As put by Habbershon and Williams (1999), from a resource-based view theoretical perspective, the grouping of the resources resulting from family involvement in the family firm increases the *familiness* of the firm. These specific differences are the basis for firm diversity and makes each family firm heterogeneous (Chua et al., 1999). Some of the elements that might be taken into consideration when analyzing components of involvement in the family firm might be different ownership percentage, involvement of the family in management, participation of the family in the board, generation of the family in charge, among others.

The particularities of family firm behaviour are also due to the non-economic goals they pursue, named as socioemotional wealth (SEW) (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). Some of the utilities and affective value SEW includes are the enjoyment of personal control, ability to exercise authority, identification with the firm, strong social ties, positive family image and reputation, enjoying a favorable recognition in the community and the generational succession of the firm to family members (Berrone, Cruz, & Gómez-Mejía, 2012; Berrone, Cruz, Gómez-Mejía, & Larraza-Kintana, 2010; Gómez-Mejía et al., 2010). The protection of SEW is then of pivotal importance for family firms when facing strategic decisions (Gómez-Mejía, Cruz, Berrone, & De Castro, 2011). Based on agency theory reasoning, family firms are said to gather socioemotional wealth through affective endowments (Berrone et al., 2010). To the point of heterogeneity in family firms, recent studies have found contrasting behaviour regarding the socioemotional wealth protection in strategic decisions between firms in which ownership stakes are different (Souder, Zaheer, Sapienza, & Ranucci, 2017). A possible explanation could be the heterogeneous behaviour of family firms depending on the ownership rights. Family firms are considered to be a more heterogeneous group than other firms (Chrisman & Patel, 2012), therefore it is important to address the expected behaviour regarding strategic decisions in light of these heterogeneity.

As consensus grows in suggesting that researchers should consider both approaches when defining family firms, property is viewed as a prerequisite to essence in family firms (Chrisman et al., 2012). Sustained on the statement that both approaches are complementary, some researchers argue that if family property increases, essence will also increase (Chrisman & Patel, 2012). Thus, a third avenue has emerged that considers both component of involvements and essence of the firm as prerequisites to defining family firms. This mixed approach is directed to capturing direct and indirect influence of the family on the firm and operationalize the family involvement and identification with the firm. It aims to analyze not only if the firm is a family firm but also the extent or level of *familiness,* or identification with the family firm (Cliff & Jennings, 2005). Some of the definitions that have been proposed for that include both essence and involvement components can be obtained through the F-PEC (Astrachan et al., 2002) and FIFS scale (Frank, Kessler, Rusch, Suess-Reyes, & Weismeier-Sammer, 2016).

2.2 Theoretical streams in strategic decisions of family firms: from an agency perspective to the socioemotional wealth approach

Several theories have emerged to explain the cause of the differential elements that can be appreciated in the behaviours, decisions and performance family firms have when compared to non-family firms (Tapies, 2011). The most commonly used theoretical basis in family firm research on strategy is agency theory (Jensen & Meckling, 1976; Schulze, Lubatkin, Dino, & Buchholtz, 2001) and stewardship theory (Eddleston & Kellermanns, 2007; Madison, Holt, Kellermanns, & Ranft, 2016), however other notions have been proposed to overcome the limitations found in both previous theoretical basis. Theories such as resource-based theory (Habbershon & Williams, 1999), contingency theory (Corbetta & Salvato, 2004), transaction cost theory (Gedajlovic & Carney, 2010), institutional-based theory (Leaptrott, 2005; Peng, 2002; Peng & Jiang, 2010) and, dynamic capabilities approach (Chirico & Salvato, 2008; Salvato & Melin, 2008) have all targeted to provide a more complete understanding of family firms strategic behaviour. Nonetheless, most research on strategic decisions and ownership effects has traditionally focused on a theoretical assumption in which the primary motivation for business decisions is the economic potential. This theoretical foundation assumes an economic rationale and favors a financially centered objective as the primary motivation of direction and control of firms. Based on agency perspective, we can indicate that the main difference in the characteristics of family firms and non-family firms are the type of agency problem they possess. Classic agency problem of shareholder vs. managers (also referred to as principal/manager vs. agent) (Eisenhardt, 1989), can be expected to be less common in family firms than in non-family firms (Fama & Jensen, 1983). The problem of alignment of incentives between the shareholder and manager in family firms is generally not a problem in most family firms since family members fill both roles (Chrisman, Chua, & Litz, 2004). Following this rationale there would be several reasons that would point to a minimization of agency costs in family firms (Madison et al., 2016; Schulze et al., 2001).

However, despite a potential lessening of shareholder vs. manager a different agency problem arises. The agency conflict of majority shareholder vs. minority shareholder, also referred to as principal-principal conflicts (Kuan, Goh, Tan, & Salleh, 2017; Peng, Wang, & Jiang, 2008), and Type II agency problem (Villalonga & Amit, 2006), would be expected to be prevalent in family firms due to the larger shareholder percentage family firms amass (Adhikari & Sutton, 2016). The agency problem in family firms focusses on the problem that arises when the majority shareholder uses its control to extract private benefits through the strategic decisions from the minority shareholders of the firm (Madison et al., 2016; Villalonga & Amit, 2006). The opportunistic and self-serving behaviour of agents is expected to be present when the financially driven goals differ among shareholder groups (Davis, Schoorman, & Donaldson, 1997). Thus, mechanisms to control and monitor this behaviour would be needed in order to prevent the agency threats (Schulze et al., 2001). This agency problem has been mentioned to be caused due to asymmetric altruism which is a form of opportunism in which family firms seeks for benefits for themselves as controlling/majority shareholders (Schulze, Lubatkin, & Dino, 2003; Schulze et al., 2001).

There is nonetheless an important element within family firm's strategic decision-making that is left out of the agency theory rationale, which are the non-economic centered goals. There is a general agreement in literature about the importance of the non-economic goals being a distinct characteristic of family firms versus non-family firms (Chrisman et al., 2012; Sharma, 2004; Westhead, Cowling, & Howorth, 2001). However, there is an ongoing debate as to how this difference translates in regard to firm performance and strategic preferences. Family firms have different characteristics than non-family firms and pursue different strategies, partly due to the pursuit of other than merely economic goals (Astrachan, 2010; Gómez-Mejía et al., 2007). To this regard, Gómez-Mejía et al. (2007) have proposed the concept of socioemotional wealth, which encompasses several non-economic objectives that are relevant to the family. Socioemotional wealth is a construct that groups several different concepts that highlight the relevance of non-financial objectives such as emotional capital (Sharma, 2004), emotional property (Björnberg & Nicholson, 2007), emotional value (T. M. Zellweger & Astrachan, 2008) or possession attachment (Astrachan & Jaskiewicz, 2008). This construct is based on emotional benefits, sense of legacy, family control encompasses the "stock affect-related value that a family derives from its controlling position in a particular firm" (Berrone et al., 2012, p. 259). It is a construct that is also influenced and preserved according to the idiosyncratic characteristics of the family firm or degree of *familiness* (Astrachan & Jaskiewicz, 2008; Gómez-Mejía et al., 2011; Gómez-Mejía et al., 2007). According to the postulates of socioemotional wealth, the attainment, conservation and potential loss of socioemotional wealth becomes the primary motivation of family firms decision making, thus impacting strategic decisions (Gómez-Mejía et al., 2007). This concept has generated significant traction in family firm research and is now established as an important element to consider when reviewing strategic behaviour of family firms (Schulze & Kellermanns, 2015). Since its introduction, SEW has been identified as one of the primary areas that deserve greater attention in family firm research (Yu, Lumpkin, Sorenson, & Brigham, 2012). In its first 10 years this construct has rapidly grown and become increasingly popular in academic research in family firms (Jiang, Kellermanns, Munyon, & Morris, 2017), and is proposed as the dominant paradigm in family firm research (Berrone et al., 2012).

There are two opposing postures regarding how the socioemotional endowment family firms have can impact positively or negatively on the firm. Emotions have been cited as positive and negative and may vary in family firms (de Vries, 1993), however SEW is considered a positive emotional endowment (Gómez-Mejía et al., 2007). At first, most SEW postulates focused on the positive dimensions that this noneconomic objective entails in the firm (Cennamo, Berrone, Cruz, & Gómez-Mejía, 2012; Gómez-Mejía et al., 2010). This stance regards SEW as an agency cost reducing perspective that is beneficial to shareholders and creates a competitive advantage to family firms (Gómez-Mejía et al., 2007). SEW has been portrayed as a multidimensional construct (Berrone et al., 2012). The short form in which the dimensions were labeled is FIBER, which stands for family control and influence (F), Identification of family members with the firm (I), Binding social ties (B), Emotional attachment to the firm (E), and Renewal of family bonds through dynamic succession (R). The dimensions are depicted to inspire family firms to defend and support stakeholder interests. This posture recognizes SEW identification through family name and values perpetuity, preservation of social capital, altruistic behaviour with family members all as positive stimulus for the firm.

There is also a not so beneficial outlook on socioemotional wealth which focuses on the "dark side of socioemotional wealth" (Kellermanns, Eddleston, & Zellweger, 2012). This viewpoint questions the altruistic behaviour that is presented as a positive stimulus and suggests this behaviour to be more in line with nepotism and expropriation of stakeholders in order to derive benefit to the family. This stance arguments that when focusing on SEW can lead to a jeopardy of firm survival and could compromise the firm's contributions to stakeholders. Both Kellermanns et al. (2012) and Miller and Le Breton-Miller (2014) present argumentation that the focus on SEW could be detrimental to other stakeholders and even to the firm's interest when encountering situations in which the objectives of the firm and family are not aligned and in which the family objective is detrimental to the economic objective of stakeholders. Thus, in order to extend or maintain the SEW, the controlling family is expected to take on detrimental decisions for the firm. This posture recognizes SEW to influence firms to take on self-serving behaviours such as the elimination of controls that might prevent fraud, family entrenchment, pressure to family members to retain control of the firm and other outcomes that may cause emotional burdens and provide a negative stimulus for the firm (Kellermanns et al., 2012; Schulze et al., 2001).

Another important point in the SEW issue is its distinction from emotional value (Martínez-Romero and Rojo-Ramírez (2016). Despite being used by some researchers as alternative terms (Astrachan & Jaskiewicz, 2008; Zellweger & Astrachan, 2008), emotional value implies an emotional component present in all firms (family and non-family) as it involves feelings present in people in a more general sense. SEW also comprehends an emotional value, however, this is "anchored among family owners whose identity is inextricably tied to the organization" (Berrone et al., 2010). Previous research has suggested SEW to be suitable for both family firms and non-family firms (Miller & Le Breton-Miller, 2014). This has been hinted due to the possibility of similar emotional motivations and noneconomic objectives that family and non-family members can share such as preservation of social status, gain of emotional satisfaction and increase in reputation. Nonetheless, the tie to the family and the emotional bonds included in SEW make it a construct that is only applicable to family firms. SEW therefore captures the essence of what differentiates family firms phenomena from other organizational forms (Berrone et al., 2012; Jiang et al., 2017).

2.3 Family firms and strategic decisions

One of the principal ways to implement a growth strategy is through M&A, and this is one of the main challenges for family businesses (Feito-Ruiz & Menéndez-Requejo, 2010). Socioemotional wealth is a particularly fitting construct to apply to family firm strategic decisions, especially since conventional theoretical frameworks yield confusing results (Berrone et al., 2012). This makes this argumentation a suitable fit to apply to strategic decisions that despite being considered unwanted and risky decisions for family firms still continue to be of high usage, such as M&A. The influence of family in business decisions makes growth decisions, such as M&A, unique and different from non-family firms (Salvato & Corbetta, 2013). In family firms, particularly those that have increased involvement and control, the identity overlap between the family and firm (Dyer & Whetten, 2006) causes an increase in their socioemotional wealth which makes the adoption of risky strategies more unlikely. However, following SEW arguments, family firms are not risk-averse but loss averse and are willing to take large financial risks to prevent extensive losses of their socioemotional wealth (Kalm & Gómez-Mejía, 2016).

Other growth strategies that family firms adopt such as innovation, diversification and internationalization, also have been tied to the importance of noneconomic goals that family firms pursue. The protection of the family firms SEW endowment has been signaled to reduce the likelihood of them participating in collaborative innovation projects (De Massis, Frattini, & Lichtenthaler, 2013). Also, Chrisman, Chua, De Massis, Frattini, and Wright (2015) highlight the concern for control as a powerful motivation for family firms that might hamper their willingness to innovate, despite having the ability to do so. The family's SEW objectives reflected in the firms focus on continuity, its rigid social ties and avoidance to external influence acts as a barrier for innovation (König, Kammerlander, & Enders, 2013). Contrary to agency theory rationale, diversification decisions are discouraged in family firms in order to protect the SEW (Gómez-Mejía et al., 2010). Several studies point to negative relationship between family firms and diversification (Anderson & Reeb, 2003; van Essen, Carney, Gedajlovic, & Heugens, 2015). Diversification requires external financing and involvement of human capital outside of the family, which threatens family control and SEW endowment. Research on family firm's growth through internationalization has presented mixed results (Astrachan, 2010; Pukall & Calabrò, 2014), that might be explained by family firm heterogeneity and differences in control and influences of the owner family (Arregle, Naldi, Nordqvist, & Hitt, 2012; Sciascia, Mazzola, Astrachan, & Pieper, 2012). However, recent studies underline the trade-off family firms that wish to grow through internationalization must make between benefiting from external resources and jeopardizing their SEW endowment (Kraus, Mensching, Calabrò, Cheng, & Filser, 2016). Regardless of the growth strategy the family firm chooses to implement, a common thread in strategy selection and SEW seems to prevail. The adoption of any strategy usually places the firm in a quandary between, in one hand, decisions that risk SEW but promotes economic or strategic objectives and, in the other hand, decisions that protect SEW but risk economic or strategic goals.

2.4 Family firms and mergers and acquisitions

From a strategic viewpoint, firms can choose to participate in Mergers and Acquisitions (M&A) as a growth method to develop their corporate strategy (Ortiz de Urbina Criado, 2006). This strategy became increasingly popular due to the difficulties of developing and maintaining competitive advantages that the globalization process has entailed to firms (Harrison, Hitt, Hoskisson, & Ireland, 2001). Thus, many times in order to be competitive on a global scale firms are required to combine (Harrison et al., 2001), which could be achieved through M&A or cooperation agreements. M&A activity continues to be relevant today, as the global deal volume for M&A activity reached US$1.5 trillion in the first semester of 2017 (Bloomberg, 2017). Family Firms are important participants of this M&A activity just by taking into consideration the prevalence of family firms in global economy (Villalonga & Amit, 2006).

In general terms, most M&A research that addresses the propensity to acquire generally takes the buyer's perspective. From this vantage point, several reasons have been reported to drive companies to engage in M&A. In general, the reasoning of engaging in M&A might be economic driven motivations, due to managerial objectives, environmental or contextual factors or firm-specific incentives (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009) Within the economic motives, M&A is a tool for firm growth that may help achieve creation of synergy, access to intangible assets, horizontal or vertical integration, tax benefits, regulatory changes, cost reduction among others (Cassiman & Colombo, 2006; Gaughan, 2010; Ghosh & Jain, 2000; Kreitl & Oberndorfer, 2004).

The growth strategies of family firms are mostly unknown, particularly M&A (Astrachan, 2010). Family firms have been attributed to be more conservative than non-family firms regarding growth strategies and strategic choices. However, despites its risks, M&A is a common choice that family firms keep on taking (Worek, 2017). Parallel to the popularity of M&A, results regarding the performance of these agreements is at best mixed (Cartwright & Schoenberg, 2006). Managerial decisions that may not be efficient from a purely financial analysis, as engagement in M&A, can be elucidated by socioemotional wealth (Zellweger et al., 2012). Calls have been made to analyze the internal and external factors that might influence the M&A propensity of family firms. This dissertation is directed to analyzing some of these factors such as heterogeneity, external factors and market inefficiencies (legal gains).

A recent review of M&A in family firms found that most studies that measure the propensity of family firms to engage in M&A found that due to risk aversion, maintain control, internal growth preferences, lack of competent managers and legal environment differences family firms are generally unwilling to take on this strategic path (Worek, 2017). This strategy poses, in addition to inherent risks of economic loss, other risks such as loss of control caused by the necessity of financial funding and threats to the affinity of family to the firm caused by potential changes in decision-making processes (Gómez-Mejía, Patel, & Zellweger, 2015; Leitterstorf & Rau, 2014). The threats to elements of the family firms socioemotional wealth paired to the loss aversion behaviour that can be expected of family firms in face of these threats would therefore make family firms apprehensive toward M&A decisions. This only leads us to question: As family firms continue to engage in this strategy, which are the possible nuances of the relationship between family firms and M&A? This issue has previously been addressed in research and there is still no clear conclusion despite the usage of several theoretical approaches. Table 2.1 provides a review of some of the previous studies that focus on family firm and merger and acquisition activity.

Table 2.1 Overview of articles addressing family firm influence on M&A activity

Authors	Methodology and theoretical approach	Main results and contributions
Achleitner, Betzer, Goergen, and Hinterramskogler (2013)	115 continental European firms acquired by private equity investors from 1997 to 2007. Agency Theory.	The extraction of private benefits of control expected in family firms decreases the likelihood of becoming a target for private equity.
Bauguess and Stegemoller (2008)	315 Large US firms included in the Standard & Poor 500 Index from 1994 to 2005. Agency Theory.	Due to agency costs, such as managerial entrenchment, family firms are less likely to engage in M&A.
Boellis, Mariotti, Minichilli, and Piscitello (2016)	311 firms between 2003 and 2013. SEW Approach and Internationalization Theory.	In cross-border operations, family firms are more averse to acquire an existing firm than to establish a new venture. However, his aversion is mitigated by previous experience.
Caprio, Croci, and Del Giudice (2011)	777 large European firms as acquirer and target from 1998 to 2008. Agency Theory.	Acquiring family firms prefer internal growth. Ownership is negatively related to M&A and an increase in ownership enforces this.
Chen, Huang, and Chen (2009)	2741 M&A in 9 East Asian countries from 1998 to 2005. Agency Theory.	Firms controlled by families or the state usually focus more on their power of control. family-controlled firms have better access to external financing but are reluctant to risk diluting their management control and prefer domestic M&As to cross-border deals.
De Cesari, Gonenc, and Ozkan (2016)	760 listed European firms from 15 different countries in the period from 2001 to 2008. Agency Theory.	Non-family firms have managerial incentives (CEO compensation) to engage in M&A while family firms are do not have this incentive and are therefore less likely to engage in M&A.
(Feito-Ruiz, Cardone-Riportella, & Menéndez-Requejo, 2016)	77 reverse takeovers from the Alternative Investment Market between 1999 and 2012. Agency Theory.	Family firms avoid reverse takeovers and to avoid a loss of control and agency conflict (majority vs minority shareholders).
Franks, Mayer, Volpin, and Wagner (2012)	4000 largest listed or private firms in France, Germany, Italy and UK. All listed family firms for these countries and then use sample of 27 European countries of the period from 1996 to 2006. Agency Theory.	Family firm's ownership lifecycle evolves into widely held and is negatively related to industries with high Investment opportunities and high M&A activity in the United Kingdom. While family firms in continental Europe retain control over time and the opposite is true regarding the relation with investment opportunities and M&A activity.
Geppert, Dörrenbächer, Gammelgaard, and Taplin (2013)	12 large acquisitions of 4 multinational corporations in the global brewery industry between 1990 and 2006. Agency Theory and Resource Based View.	Family firms are more cautious in their acquisition strategy. They have lower risk (investment and resource) and are institutionally influenced in their acquisition strategy.

Gómez-Mejía et al. (2015)	692 US-based firms from 1997 to 2011. SEW Approach.	Acquiring the firms are generally reluctant to engage in M&A (especially unrelated M&A). However, they will engage in M&A under financial distress and will avoid M&A if contrary.
Klasa (2007)	84 US family firms that engage in M&A between 1984 and 1998. Agency Theory.	Controlling families of listed firms sell their ownership stakes due to optimal risk bearing factors, the complexity of firm costs, as a succession (exit) strategy, and due to the monitoring role that outside blockholders play.
Mickelson and Worley (2003)	Case Study of a Canadian based firm.	Family firm's motivation to engage in M&A are related to non-economic objectives and cultural influence.
Miller, Le Breton-Miller, and Lester (2010)	1000 large US-based firms from 1996 to 2000. Agency Theory.	Acquiring the firms are generally reluctant to engage in M&A (specially related M&A and high value M&A). Founder managed family firms are not negatively related to M&A activity.
Palmer and Barber (2001)	461 large US industrial corporations in 1960s. Social Class Theory.	Family firms have lower propensity to engage in M&A (especially in diversifying acquisitions). However, family managed firms were more likely to engage in acquisitions than professional managers, presumably to solidify their entrenchment and pursue private benefits.
Shim and Okamuro (2011)	1202 listed Japanese firms from 1960's. Agency Theory.	Family firms are less likely to engage in mergers due to a dilution of control. However, in cases in which ownership is high before the merger, they might be more likely to engage in mergers despite the dilution of ownership.
Sraer and Thesmar (2007)	Around 549 listed French firms in the period between 1994 and 2000. Agency Theory.	Large acquisitions made by professional managers destroy less shareholder value compared to family-managed family firms, possibly due to better qualification/education than family managers. Nonetheless family managers tend to survive longer as CEOs than professional managers.
Steen and Welch (2006)	Case Study of a Australian wine family firm that was acquired in 2003.	In this case, the family firm was averse to being acquired due to legacy concerns and emotional bonds of the family to the firm
Zhou, Li, and Svejnar (2011)	214 listed Thailandese companies from 1994 to 2003. Agency Theory.	Family firms behave similar to domestic firms during a crisis and reduce their M&A activity. According to agency theory family firms divesting less during a crisis which would point to a view of the crisis a disciplinary mechanism.

Mergers and acquisitions, especially cross-country M&A, are popular and important (Ahern, Daminelli, & Fracassi, 2015), and are expected to be increasingly relevant in the future. In deal volume for the first half of 2017, Cross border deals reached $665.5 billion and European based targets account for 41.6% of these cross-border transactions (Bloomberg, 2017). These type of merger and acquisition offer greater growth potential in new markets, allow for more efficient distribution systems, or improve upon more serious managerial deficiencies, among many other reasons which could lead to generation of increased value (Ahern et al., 2015). These types of M&A might share elements of internationalization strategy as it is also a cross-border strategic choice that is constrained by financial resources, access to human resources, fear of losing control and risk avoidance (Arregle, Duran, Hitt, & van Essen, 2016). However, this strategy also comes with particular challenges such as integration, organizational fit, cultural compatibility, exploitation of marketing integration, synergy realization and legitimacy concerns.

Despite the threat Merger and Acquisitions can impose over the SEW endowment of the family firm, there are still many reasons suggested of why FFs continue to engage in this strategy such as mixed-gamble between SEW and economic objectives (Gómez-Mejía et al., 2015) in which the economic retribution outweighs the potential SEW loss. Also, several studies have found that family firms that engage in M&A outperform non-family firms (Ben-Amar & Andre, 2006; Bouzgarrou & Navatte, 2013; Villalonga & Amit, 2006).

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CHAPTER 4

EUROPEAN FAMILY FIRMS AND ACQUISITION PROPENSITY: THE ROLE OF THE LEGAL CONTEXT

Previous studies have mostly posited that family firms are generally reluctant to undertake mergers and acquisitions (M&A) (e.g., Caprio, Croci, & Del Giudice, 2011; Miller, Le Breton-Miller, & Lester, 2010; Shim & Okamuro, 2011). A likely factor influencing family firms' low acquisition propensity seems to be the desire family members have to avoid strategic decisions that could eventually erode their socioemotional wealth (SEW) (Gómez-Mejía, Patel, & Zellweger, 2015). SEW is defined as the "non-financial aspects of the firm that meet the family's affective needs" (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007, p. 106), and includes elements such as the emotional engagement of family members, the desire to retain family control, and the preservation of the founder's legacy across generations (Berrone, Cruz, & Gómez-Mejía, 2012; Gómez-Mejía, Cruz, Berrone, & De Castro, 2011). M&A may involve potential losses of firm control due to the use of external resources (e.g., financial and human resources) (Gómez-Mejía, Makri, & Kintana, 2010), which would represent a considerable threat to the owning family's socioemotional endowment. M&A decisions may also threaten firm reputation (with the subsequent impact on transgenerational succession) because they can have adverse consequences, such as lay-offs, inefficient resource redeployment, lower-than expected market power, and unsatisfactory cost reductions (Gómez-Mejía et al., 2015), all of which might reduce SEW. Additionally, and also prompting a low acquisition propensity, the performance after M&A sometimes does not live up to expectations due to the complexity and far-reaching changes they involve for the firm (Reus, Lamont, & Ellis, 2016).

The influence of family members' socioemotional priorities on firms' strategic choices is a cornerstone of family business research (e.g., Anglin, Reid, Short, Zachary, & Rutherford, 2017; Gómez-Mejía et al., 2011; Gu, Lu, & Chung, 2016). However, considering other determinants may help us to further our understanding of the different preferences among family firms, inasmuch as they form a heterogeneous group (e.g., Chrisman, Chua, Pearson, & Barnett, 2012; Chua, Chrisman, Steier, & Rau, 2012; Nordqvist, Sharma, & Chirico, 2014). There have been several recent calls encouraging family business scholars to provide new evidence on the impact institutional factors have on family firms' decision-making processes (e.g., Chen, Hou, Li, Wilson, & Wu, 2014; Lebedev, Peng, Xie, & Stevens, 2015; Luo & Chung, 2013; Miller, Le Breton-Miller, & Lester, 2013). In an effort to fill this gap and provide an analysis that combines different drivers of family heterogeneity in terms of acquisition propensity, we therefore assume the need to examine not only internal sources of family firm heterogeneity (i.e., family involvement), but also dimensions external to the firm (i.e., the institutional environment) (Peng, 2002; Peng & Jiang, 2010; Peng, Sun, Vlas, Minichilli, & Corbetta, 2018; Zhu, Ma, Sauerwald, & Peng, 2017). Considering both sources of heterogeneity enables us to integrate the SEW approach with institutional explanations, while providing a holistic view of family firms' likelihood of engaging in acquisitions. As recently pointed out, "the institution-based view and the socioemotional priorities of large family firms can be fruitfully integrated" (Peng et al., 2018, p. 27).

Specifically, the objective here is to explore whether institutions matter (Peng, 2002, 2003; Peng, Sun, Pinkham, & Chen, 2009; Peng et al., 2018), and how they may lead family firms to either reduce or increase their propensity to make strategic choices, such as acquiring other companies. To address this challenge, we first propose a direct effect of the legal system, and examine how family firms' acquisition propensity may vary across countries depending on that system (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1998; La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1997), as a dimension of a country's formal institutions (Jiang & Peng, 2011; Peng & Jiang, 2010). We further hypothesize the moderating role the legal system plays, and investigate whether the relationship between family involvement and acquisition propensity is contingent on the legal structure of the country where the family firm operates (La Porta et al., 1998; La Porta et al., 1997; Peng & Jiang, 2010). Thus, the legal system is regarded as an external governance mechanism that can either mitigate or intensify the expected negative impact family involvement has on acquisition propensity.

To test our hypotheses empirically, we use a broad sample of 4,387 European publicly traded firms (27,861 firm-year observations) that have been operating in different legal systems over a nine-year period (2007-2015). Western European countries, which are homogeneous as regards the prevalence of family firms, but heterogeneous in terms of legal systems, provide a unique framework for the analysis of cross-country differences in terms of strategic decisions (Defrancq, Huyghebaert, & Luypaert, 2016; van Essen, Strike, Carney, & Sapp, 2015).

This paper contributes to existing literature in at least two ways. First, we provide new evidence on family firm heterogeneity arising from country-level variations (e.g., Peng, 2002; Peng & Jiang, 2010). We are thus in line with recent research indicating that exploring the heterogeneous nature of family firms is an interesting topic that deserves careful consideration (Chua et al., 2012; Jaskiewicz & Gibb Dyer, 2017). Not all family firms are the same, and differences may therefore be observed in their decision-making processes (e.g., Arregle, Naldi, Nordqvist, & Hitt, 2012; Boellis, Mariotti, Minichilli, & Piscitello, 2016; Strike, Berrone, Sapp, & Congiu, 2015). Specifically, by accounting for variations across institutional environments our work explores how the acquisition decision, which is usually viewed as a threat to family firms (Gómez-Mejía et al., 2015; Miller et al., 2010), may depend on the legal system (e.g., more shareholder-oriented). Our results show that family firms' acquisition propensity is higher in countries with stronger legal protection systems.

Second, we explore how family owners may pursue their objectives and react differently when making strategic choices (e.g., acquisitions) based on the formal institutions that inform their operating environment. Among family firms, the emphasis on SEW considerations (as proxied by family involvement), as opposed to economic-driven objectives, varies across countries depending on the level of legal support. In this sense, the institutional perspective (e.g., Peng & Jiang, 2010; Peng et al., 2009) may help to fully understand why some family firms are guided more closely by family-related goals (SEW) than others (Berrone et al., 2012). We are thus in line with recent research that addresses the question on "how institutional conditions shape SEW-oriented attitudes of controlling families" (Peng et al., 2018, p. 26). The empirical evidence obtained shows that shareholders' legal protection increases family firms' acquisition propensity by mitigating the negative relationship between family involvement in the business and the likelihood of acquiring.

The remainder of the article is organized as follows. The second section develops the testable hypotheses. The third section describes the data and methodology used in the empirical analyses. The fourth section presents the descriptive and regression results, and provides several robustness tests (e.g., subsample analysis, alternative specifications, and multilevel regressions). Finally, we conclude by discussing the implications and possible future strands of research that can be derived from our work.

4.1 Theoretical Background and Hypotheses

4.1.1 Family involvement in the business and SEW concerns

Prior research suggests that family firms tackle strategic problems by anticipating the likely gains and losses in the family's affective endowment, besides considering the consequences for the firm's bottom line (Gómez-Mejía et al., 2011; Gómez-Mejía et al., 2015). Nonetheless, the influence of SEW considerations is unlikely to remain constant, and could vary across situations

(Berrone et al., 2012; Souder, Zaheer, Sapienza, & Ranucci, 2017). For instance, the preservation of SEW has greater priority in family firms with higher family involvement in ownership and when family members are present in the boardroom (Gómez-Mejía et al., 2010; Le Breton-Miller, Miller, & Lester, 2011).

Family ownership and the presence of family members on the board are two of the main ways in which owner families exercise substantial control over the firm (Berrone et al., 2012). Family involvement in the business may strengthen the family's ability to influence a firm's strategic decisions, and thus its power to pursue family goals. In this setting, keeping control of the company becomes a priority, and family members will be more averse to decisions that could threaten to weaken their control (Basco & Calabrò, 2017; Feldman, Amit, & Villalonga, 2016; Jones, Makri, & Gómez-Mejía, 2008; Le Breton-Miller et al., 2011; Minichilli, Nordqvist, Corbetta, & Amore, 2014).

Over and above the desire to retain control of the business, other SEW dimensions, such as family identification with the firm or emotional attachment to it (Berrone et al., 2012), may also become more prominent if the family participates in the company. With family involvement, family values and needs are more strongly rooted in the firm, and family-centered goals will prevail in the decision-making process (Gómez-Mejía et al., 2011; Gómez-Mejía et al., 2010; Le Breton-Miller & Miller, 2016). Thus, concerns about meeting the family's affective needs, such as family harmony or the employment of family members regardless of their contribution, are likely to increase (e.g., Berrone et al., 2012; Debicki, Kellermanns, Chrisman, Pearson, & Spencer, 2016). In sum, family involvement in the business exacerbates the importance given to the preservation of SEW over financial objectives among family firms (Gómez-Mejía et al., 2011; Minichilli et al., 2014).

4.1.2 The link between SEW concerns and acquisitions

Past research on family firms argues that acquisitions can be a potentially harmful growth option for these firms in terms of SEW (Gómez-Mejía et al., 2015). Following this rationale, we discuss various possible reasons that explain why family firms generally tend to restrict their involvement in acquisitions.

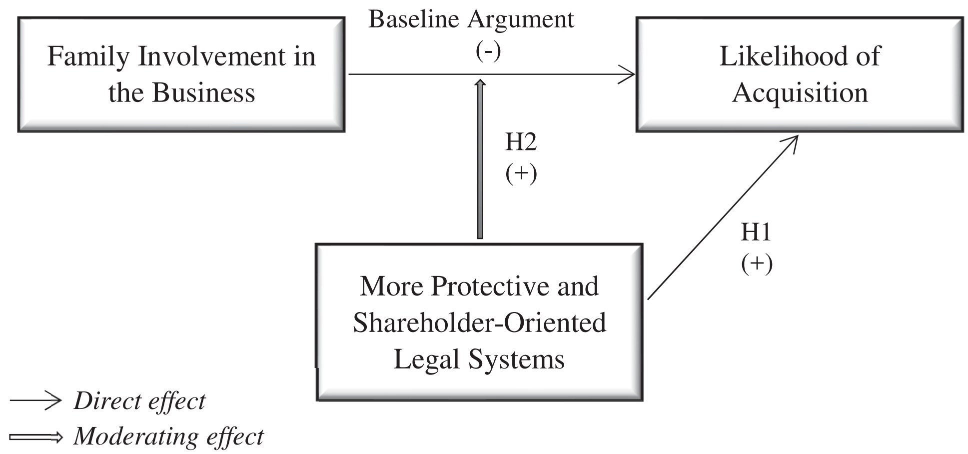
Acquisitions are a costly activity that requires major funding allocations and, as a result, external financial resources are frequently needed, in addition to internal funds. However, the wish to preserve high equity participation, and therefore keep ownership and control in the hands of family members, reduces the options for raising external funding. Both capital increases and debt financing will lead family owners to depend on other players (e.g., new shareholders or banks) that may undermine their autonomy and control, and thus damage their SEW (Gómez-Mejía et al., 2011; Gómez-Mejía et al., 2010). External funding (e.g., via debt or stock issues) may also imply high financial risk, which family firms will try to avoid (De Massis, Kotlar, Frattini, Chrisman, & Nordqvist, 2016; Gallo, Tàpies, & Cappuyns, 2004).

Acquisitions usually favor the presence of new external owners, directors, or managers with a more varied set of resources, backgrounds, and perspectives. This is perceived by the family as a threat not only to family control but also to family harmony and consensus. Acquisitions may disrupt the family firm's established social networks (Gómez-Mejía et al., 2015). The use of outside resources, rather than the family's own ones, comes into conflict with the objective of preserving family SEW, which may lead to a higher aversion towards acquisitions (Gómez-Mejía et al., 2010; Miller, Le Breton-Miller, Minichilli, Corbetta, & Pittino, 2014). Furthermore, resorting to external capabilities could compromise the controlling family's altruistic behaviour, which usually involves allocating available resources to generous rewards for their relatives (Schulze, Lubatkin, & Dino, 2003; Schulze, Lubatkin, Dino, & Buchholtz, 2001).

Lastly, acquisitions could damage family firm reputation as a result of the rapid changes in the scope of activities conducted by the company, which may dilute the firm's image established over years in one particular field. Moreover, acquisitions usually lead to lay-offs (Gómez-Mejía et al., 2015), and potential staff redundancies could be negatively perceived by the market.

In light of these ideas, and consistent with the discussion presented in the previous section, our baseline argument claims that concerns over SEW increase with family involvement in the business, which in turn has a negative impact on the likelihood of making acquisitions. Extending this line of reasoning, we now consider a country-level factor that may influence family firms' acquisition decisions. We first analyze the direct effect that a country's legal system has on family firms' acquisition propensity, and then consider the interaction between a country-level factor and strategic acquisition choices at firm-level by examining the moderating effect that the legal system may have on the relationship between family involvement and the likelihood of acquisitions. Figure 4.1 models our theoretical framework and hypotheses.

Figure 4.1 Theoretical framework and testable hypotheses



Source: Author's own work

4.1.3 The legal system's direct impact on family firms' acquisition propensity

Prior literature contends that the historical origin of a country's laws is correlated with its legal rules and regulations, as well as with economic outcomes (La Porta, Lopez-de-Silanes, & Shleifer, 2008). A legal system's impact on economic activity is channeled through its effect on firms' decision-making processes. We therefore suggest that formal institutions embedded in a country, such as the legal system (Li & Qian, 2013; Zhu et al., 2017), may help us to better understand family firms' acquisition propensity. Indeed, previous research shows that the volume of M&A is higher and leads to more capital gains in countries with stronger shareholder protection (Rossi & Volpin, 2004).

The legal system plays a crucial role in explaining variations in institutions across countries, and may thus impact on such strategic choices as acquisitions. Some countries (e.g., common law countries) support private market outcomes, place fewer ex-ante restrictions on management behaviour, and favor shareholder protection (Liang & Renneboog, 2017). These countries are usually characterized by strong shareholder protection, good accounting standards, lower ownership concentration, and lower private benefits of control (Dyck & Zingales, 2004; La Porta, Lopez-de-Silanes, & Shleifer, 1999). The prevailing view in these countries is to consider shareholders as the only stakeholder group with residual claims in the firm (Campbell, 2007;

Guillen, 2000; Van der Laan Smith, Adhikari, & Tondkar, 2005). By contrast, in other countries (e.g., civil law countries), the weaker legal protection afforded to shareholders leads to more concentrated ownership structures (Burkart, Panunzi, & Shleifer, 2003), and to a higher probability of minority shareholders' wealth being expropriated by controlling shareholders (La Porta et al., 1999). In these countries, state intervention in economic life through rules and regulation is higher, and companies tend to pay more attention to wider social concerns and adopt a stakeholder orientation (Allen, Carletti, & Marquez, 2015; La Porta et al., 2008; Liang & Renneboog, 2017; Schneper & Guillén, 2004). Accordingly, we expect the legal system to have a direct impact on family firms' acquisition propensity for several reasons.

In a legal system in which there is stronger protection of shareholder rights, and shareholder interests are of primary importance, the control of the business exercised by inside investors, such as family owners, will not depend so closely on the support of other stakeholders (Capron & Guillén, 2009; Schneper & Guillén, 2004). In this setting, shareholders' ability to exert influence on a firm's strategic decisions increases, and family owners are more likely to defend their goals against other stakeholders, who may have opposing objectives. Consequently, more developed legal support for shareholders will alleviate family owners' fear of their control being weakened when pursuing acquisitions. This will in turn lead to a greater tendency towards strategic choices, such as acquisitions. Thus, for instance, stronger shareholder orientation with more developed legal institutions implies that external players are not perceived as a threat that may undermine the family owner's control and clash with family interests (Peng et al., 2018). Despite the argument that "families limit their sources of public capital for fear of losing control of their company" (Miller, Le Breton-Miller, et al., 2013, p. 192), family owners in more shareholder-oriented legal systems may be more willing to dilute their equity to attract outside funding for acquisitions, and even incorporate external managerial resources with the background and experience required to successfully undertake acquisitions (Peng & Jiang, 2010).

Furthermore, stronger legal protection of shareholder rights and better accounting standards nurture the development of capital markets (Beck, Demirgüç-Kunt, & Levine, 2003; La Porta et al., 1997; Pagano & Volpin, 2006). It is therefore more likely that in shareholder-oriented legal systems, with fewer institutional voids to exploit (Peng & Jiang, 2010; Peng et al., 2018), the family feels more pressured to prioritize economic considerations in order to compete and survive in a more market-based environment. Given that the markets in countries with a higher level of institutional development are expected to be more efficient and there is sufficient legal support to protect shareholders' rights (Li & Qian, 2013), this context seems to be a more enabling environment for family firms' acquisition decisions. By contrast, in weakly developed markets with extensive institutional voids, family firms will be under less pressure to attain financial goals, and this lack of protection will lead to situations in which controlling families may more easily find space for "opportunistic SEW tendencies" (Peng et al., 2018 et al., p. 23). In this institutional context, therefore, family firms are likely to perceive acquisitions as a potentially negative force that can endanger their affective endowment and pose a threat to their control over the firm, even though such strategic decisions may lead to good financial performance. This will in turn restrict their decision-making process and hamper the acquisition of other companies.

In keeping with the previous ideas and arguments, we posit the following hypothesis:

H1. *Operating in a legal system characterized by a higher level of shareholder orientation has a positive direct effect on family firms' acquisition propensity.*

4.1.4 The legal system's moderating effect on the relationship between family involvement and family firms' acquisition propensity

As previously discussed, family involvement may signal a stronger attachment to SEW priorities (Berrone et al., 2012; Gómez-Mejía et al., 2010; Miller, Le Breton-Miller, et al., 2013). Accordingly, family involvement is expected to be associated with greater aversion towards acquisitions in an effort to preserve family affective endowment (Gómez-Mejía et al., 2015). However, it is not clear a priori whether the legal system will help to counterbalance family owners' reluctance towards acquisitions or whether, by contrast, it will serve to reinforce the expected negative link between family involvement and acquisition propensity. In line with the former argument, in this section we contend that the intensity of the family firm's aversion to acquire will be less severe in institutional environments characterized by stronger shareholder orientation. We thus posit that the institutional context may be considered when examining the emphasis placed on SEW preservation (Peng et al., 2018), and this may help to explain the differences in acquisition decisions among family firms.

Family involvement in the business is one of the ways to avoid diluting family control and maintain the socioemotional priorities of controlling families. As a result, family involvement in the business may be detrimental to acquisitions given the threat these decisions pose to SEW preservation. However, when family firms operate in more shareholder-oriented institutional environments, they find it easier to protect the family's interests closely linked to their emotional attachment. As a result, family firms will be more prone to acquisitions in this institutional context. When formal institutions and regulation provide family shareholders with stronger legal protection of their controlling rights, family owners involved in the business will not consider the dilution of control over the firm and the loss of their SEW endowment as a serious threat. In such a context, family owners will perceive a lower threat to their SEW from the market, and external contingencies will mitigate the importance given to purely affective considerations in the decision-making process. This circumstance will make the choice of strategic decisions such as acquisitions more viable (Denis & McConnell, 2003). In contrast, when the legal system provides shareholders with weak protection, laws and regulation will not help the family owners involved in the business to safeguard their affective endowment and retain control of the company. Family owners will be more reluctant to exploit acquisition opportunities due to the more pressing fear of jeopardizing family control over the firm. Therefore, stronger legal protection for shareholders is expected to mitigate the negative relationship between family involvement and acquisition propensity.

Legal systems with well-developed markets may intensify the pressure on these family owners to additionally consider economic goals in the decision-making process and avoid being penalized by the market (Porta, Lopez-de-Silanes, Shleifer, & Vishny, 2002). Due to their involvement in the company, family owners are committed to the firm, and are more concerned over the adoption of mechanisms that allow them to ensure a healthy business and preserve its long-term continuity (Gómez-Mejía et al., 2007; Miller, Le Breton-Miller, et al., 2013). It is important to note that complying with financial obligations may become a necessary enabling condition for enjoying SEW (e.g., Berrone et al., 2012; Chrisman & Patel, 2012; Croce & Martí, 2016; Gómez-Mejía et al., 2015). With stronger and more developed institutional support, it is more likely that family owners participating in the business will view acquisitions as an appropriate way to achieve their expected financial objectives, and they will be less likely to refrain from acquiring other businesses. They would behave more like professional investors in general (Peng et al., 2018).

In contrast, a less developed institutional setting with weak legal support may be a factor that increases SEW aspirations as a key marker for family members involved in the business. This situation may lead them to make strategic decisions that favor family logics over economic goals

(Peng & Jiang, 2010; Peng et al., 2018). Consequently, socioemotional priorities are expected to be stronger in weak institutional environments, and family owners will thus be less willing to promote decisions such as acquisitions, which may eventually erode their SEW.

According to this line of reasoning, we propose the following hypothesis:

H2. *The legal system moderates the negative relationship between family involvement in the business and acquisition propensity in such a way that the negative effect is mitigated in legal systems with a stronger shareholder orientation.*

4.2 Data and Methodology

The firm-level data needed to test the hypotheses proposed in the previous section come from two different sources: (i) ownership and financial data are collated from the Bureau van Dijk (BvD) Orbis database, and (ii) the BvD Zephyr database is used to obtain information on corporate acquisitions. In addition, we obtain country-level data to check how the legal system affects family firms' acquisition propensity from the work by La Porta et al. (1998). BvD provides both the Zephyr and Orbis databases, and hence company identifiers are the same in both sources. This feature enables us to match acquisitions from Zephyr to financial data from Orbis more accurately than if we used information from the more commonly used Thomson Reuters SDC Platinum database. Recent studies also support the use of the Zephyr database for M&A research (Erel, Jang, & Weisbach, 2015).

The final sample meets the following criteria: (i) the study period covers the 13 Western European countries featured in Faccio and Lang (2002) and the period from 2007 to 2015; (ii) all the companies are publicly traded firms for which information is available on their ownership structure, shareholder composition, and financial situation; (iii) all acquirer firms are listed companies with deal-specific information; and (iv) deals are acquisitions that are recorded as "completed" or "assumed completed" (deals classified as "announced" are excluded from the analyses).

We use two samples in the analyses. First, a full sample of firms that includes family and non-family businesses that may have engaged in acquisition deals during the specified timeframe. We use this full sample to test whether, consistent with previous studies (e.g., Caprio et al., 2011; Gómez-Mejía et al., 2015; Miller et al., 2010; Shim & Okamuro, 2011), family firms are less likely to engage in acquisitions than non-family ones. The full sample comprises 4,387 firms (27,861 firm-year observations). Second, we focus on the sample of family firms to test our hypotheses on how family involvement in the business and the legal system influence family firms' acquisition propensity. The family firm sample is composed of 1,237 family firms (7,656 firm-year observations). We therefore cover a broad sample of publicly traded firms from 13 Western European countries with different legal systems, over a nine-year period (2007-2015).

Our work extends previous research in terms of geographical coverage. In response to recent calls from family business scholars to analyze companies beyond large, publicly traded U.S. corporations (Miller et al., 2010), we review the relationship between family firms and M&A decisions within a cross-country European context (Caprio et al., 2011; Defrancq et al., 2016). Europe provides a unique framework for the analysis of cross-country differences in family business behaviour (van Essen et al., 2015) because it is characterized by the prevalence of family firms and a diversity of legal systems. Focusing on European countries is also especially pertinent when examining acquisition activity, as some of these countries have been ranked among the top 15 in the world in terms of M&A deals in recent years (Malhotra, Sivakumar, & Zhu, 2011; Martynova & Renneboog, 2006).

4.2.1 Dependent and Independent Variables

The dependent variable in the empirical models is a dummy variable that indicates whether an acquisition has taken place in a given year. Firm-year observations are therefore coded as 1 if the firm has acquired another company in the period considered, and zero otherwise. Given the dummy nature of the dependent variable, the empirical models developed to test our hypotheses are estimated using a random-effects panel data logit estimator.

Regarding the explanatory variables of interest, we first define a Family Firm Dummy to test whether this type of firm is indeed less likely to acquire other businesses. Based on the information obtained from Orbis, the acquiring firm is classified as a family firm when the ultimate owner at the 25% control threshold is an individual or family, being classified as non-family otherwise. This family firm definition is consistent with previous family business literature (e.g., Franks, Mayer, Volpin, & Wagner, 2012; Lins, Volpin, & Wagner, 2013).

Second, to test whether family involvement in the business explains the lower propensity of family firms to engage in acquisitions (the study's baseline argument), we define a Family

Involvement Dummy based on an index that uses a single measure to combine the family's involvement in the firm's ownership structure and in the boardroom. These two business characteristics (i.e., equity ownership and board of directors) are among the most important governance mechanisms (Denis & McConnell, 2003), and so the index captures family involvement in governance. Given that this index captures both family involvement in ownership and participation in the board of directors in a single measure, it may provide a more nuanced assessment of this concept.

The index's first component measures family involvement in ownership, being operationalized as a dummy variable that equals 1 if the family ownership stake exceeds 50% (i.e., the family owns a majority of shares), and zero otherwise. The second component is related to family involvement in the boardroom, being defined as a dummy variable that equals 1 if the family is present on the board, and zero otherwise. The index is the sum of the two components, and the Family Involvement Dummy we include in the regression analyses equals 1 if the index is above or equal to the family firm sample median, and zero otherwise.

Third, to analyze the legal system's impact on family firms' acquisition propensity, we define dummy variables for each one of the four types of legal systems identified in each country by La Porta et al. (1997, 1998). The four possible legal systems differ from each other in the origins of their laws and regulation, so the four dummy variables we define are as follows: (i) Common Law, (ii) Scandinavian Civil Law, (iii) German Civil Law, and (iv) French Civil Law. Each dummy variable equals 1 if the firm is based in a country that belongs to the corresponding category, and zero otherwise.

Taking common law countries as the comparison group, La Porta et al. (1998) report that the legal system in these countries provides shareholders with stronger protection than in the other three categories. However, there are variations in the levels of protection between common law countries and each one of the civil law categories. The higher protection level in common law countries is most apparent when compared to French civil law countries. The difference is least pronounced when the comparison group involves Scandinavian countries. German civil law countries lie in-between. The different degree of protection in each category enables us to conclude that the most protective legal systems are the ones in place in common law and Scandinavian civil law countries. By contrast, countries that belong to the German and French civil law categories provide shareholders with the least protection (e.g., Anderson, Marshall, & Wales, 2009; Engelen & Van Essen, 2010; La Porta et al., 1998; La Porta et al., 1997; López Iturriaga, 2005).

4.2.2 Control Variables

We control for numerous variables identified in the prior literature as having an impact on M&A probability. These variables capture several important characteristics of the acquiring firm. Specifically, the firm-level characteristics included in the empirical models as control variables are the following: Previous Acquisition Experience, Firm Size, ROA, Leverage, Cash Flow, Tangible Assets, and Sales Growth. All the models include time dummies to control for possible macroeconomic effects on acquisition propensity, and sector dummies to account for industry differences in acquisition trends.

Regarding firm-level characteristics, firms that have conducted acquisitions in the past are more likely to do so again. Prior Acquisition Experience is therefore expected to positively affect acquisition propensity (e.g., Andriosopoulos & Yang, 2015; Gómez-Mejía et al., 2015). Larger firms are in a better position to engage in acquisitions, and so we expect a positive effect of Firm Size on the likelihood of acquisition (e.g., Caprio et al., 2011; Miller et al., 2010; Shim & Okamuro, 2011). Better performing firms in terms of accounting profitability should have the financial wherewithal to acquire other firms. Hence, a positive relationship is expected between ROA and the propensity to acquire (e.g., Caprio et al., 2011). Access to debt enables firms to finance acquisitions, and so Leverage is expected to have a positive effect on the probability of acquisitions (e.g., Caprio et al., 2011). The availability of internal funds is also important for financing acquisitions, which supports a positive relationship between Cash Flow and the likelihood of acquisitions (e.g., Shim & Okamuro, 2011). In relation to the growth potential of firms, companies whose profits come primarily from tangible assets are likely to have fewer growth opportunities, and so we expect Tangible Assets to have a negative impact on acquisition propensity (e.g., Caprio et al., 2011; Gómez-Mejía et al., 2015). Finally, higher growth in sales is a proxy for higher growth potential, which suggests that Sales Growth could positively affect the probability of acquiring (e.g., Caprio et al., 2011). All variable descriptions are provided in Table 4.1.

Table 4.1 Definition of variables

Variable	Description	Data Source
Dependent Variable:		
Acquisition Dummy	Dummy variable that equals 1 if the deal status is completed or assumed to be completed, and zero otherwise.	Zephyr
Independent Variables:		
Family Firm Dummy	Dummy variable that equals 1 if the ultimate owner of the company at the 25% control threshold is an individual or family, and zero otherwise.	Orbis
Family Involvement Dummy	Dummy variable based on an index that captures family involvement in governance. The index is the sum of two components. The first component measures family involvement in ownership, being operationalized as a dummy variable that equals 1 if the family ownership stake exceeds 50%, and zero otherwise. The second component is related to family involvement in the boardroom, being defined as a dummy variable that equals 1 if the family is present on the board, and zero otherwise. The dummy variable equals 1 if the index is above or equal to the median in the family firm sample, and zero otherwise.	Orbis
French Civil Law Dummy	Dummy variable that equals 1 if the firm is based in a French civil law country (Belgium, France, Italy, Portugal, or Spain), and zero otherwise.	La Porta et al. (1998)
German Civil Law Dummy	Dummy variable that equals 1 if the firm is based in a German civil law country (Austria, Germany, or Switzerland), and zero otherwise.	La Porta et al. (1998)
Scandinavian Civil Law Dummy	Dummy variable that equals 1 if the firm is based in a Scandinavian civil law country (Finland, Norway, or Sweden), and zero otherwise.	La Porta et al. (1998)
Common Law Dummy	Dummy variable that equals 1 if the firm is based in a common law country (Ireland or United Kingdom), and zero otherwise.	La Porta et al. (1998)
Control Variables:		
Previous Acquisition Experience	Dummy variable that equals 1 if the firm has conducted an acquisition in any previous year, and zero otherwise.	Zephyr
Firm Size	Natural logarithm of total assets.	Orbis
ROA	Ratio of operating profit and loss, EBIT, to total assets.	Orbis
Leverage	Ratio of total debt to total assets.	Orbis
Cash Flow	Ratio of cash flow to total assets.	Orbis
Tangible Assets	Ratio of total tangible fixed assets to total assets.	Orbis
Sales Growth	Operating income in year t minus operating income in year t–1 to operating income in year t–1.	Orbis
Robustness Test Variables:		
Stake of Largest Shareholder	Ownership stake of the company's largest shareholder.	Orbis
Herfindahl Index of Three Largest Shareholders	Sum of the squares of the ownership stakes of the company's three largest shareholders.	Orbis
High Protection Dummy	Dummy variable that equals 1 if the firm is based in a legal system that provides shareholders with strong protection (i.e., common law or Scandinavian civil law countries), and zero if the firm is based in a country with weak shareholder protection (i.e., German or French civil law countries).	La Porta et al. (1998)
Founder Effect	Dummy variable that equals 1 if the age of the firm is equal to or less than 30 years, and zero otherwise.	Pindado et al. (2015)
Two-Tier Board Dummy	Dummy variable that equals 1 for countries in which two-tier boards are the original board structure, and zero otherwise.	Belot et al. (2014)

4.3 Results

4.3.1 Descriptive Analyses

We run several random-effects panel data logit regressions to analyze the probability that family firms will acquire another firm, and whether such probability depends on family involvement in the business and on the legal system. The final sample of acquisition deals consists of 5,833 transactions during the nine-year period analyzed. Panel A in Table 4.2 presents the distribution of the sample by country, and details both the number of firms and observations per country, as well as the corresponding percentages. All countries are suitably represented in the sample according to each economy's overall weight in the global market. It is worth noting that we cover the four main legal systems in place in Europe.

Table 4.2 Distribution of firms and acquisition deals by country

Panel A: Distribution of Sample by Country

	Firms		Observations	
Country	**N**	**%**	**n**	**%**
Austria	84	1.91	584	2.1
Belgium	159	3.62	1,052	3.78
Finland	140	3.19	1,027	3.69
France	846	19.28	5,244	18.82
Germany	726	16.55	5,028	18.05
Ireland	59	1.34	380	1.36
Italy	113	2.58	290	1.04
Norway	192	4.38	1,142	4.1
Portugal	63	1.44	278	1
Spain	198	4.51	1,410	5.06
Sweden	430	9.8	2,559	9.18
Switzerland	172	3.92	1,334	4.79
United Kingdom	1,205	27.47	7,533	27.04
Total	**4,387**	**100**	**27,861**	**100**

Panel B: Ownership Structure by Country

	Observations		Percentage over Country Total	
Country	**Non-Family Firms**	**Family Firms**	**Non-Family Firms**	**Family firms**
Austria	403	181	69.01	30.99
Belgium	875	177	83.17	16.83
Finland	890	137	86.66	13.34
France	2,789	2,455	53.18	46.82
Germany	3,194	1,834	63.52	36.48
Ireland	354	26	93.16	6.84
Italy	170	120	58.62	41.38
Norway	891	251	78.02	21.98
Portugal	183	95	65.83	34.17
Spain	1,058	352	75.04	24.96
Sweden	2,220	339	86.75	13.25
Switzerland	964	370	72.26	27.74
United Kingdom	6,214	1,319	82.49	17.51
Total	**20,205**	**7,656**	**72.52**	**27.48**

Panel C: Acquisition Deals by Country

	Observations		Type of Deal	
Country	**Non-Acquisition**	**Acquisition**	**Domestic**	**Foreign**
Austria	469	115	32	83
Belgium	853	199	92	107
Finland	738	289	141	148
France	4,285	959	482	477
Germany	4,275	753	426	327
Ireland	260	120	14	106
Italy	229	61	44	17
Norway	889	253	139	114
Portugal	246	32	23	9
Spain	1,140	270	164	106
Sweden	1,887	672	327	345
Switzerland	977	357	97	260
United Kingdom	5,780	1,753	1,069	684
Total	**22,028**	**5,833**	**3,050**	**2,783**

Notes: The classification of countries by legal system is as follows: Belgium, France, Italy, Portugal, and Spain are French civil law countries; Austria, Germany, and Switzerland are German civil law countries; Finland, Norway, and Sweden are Scandinavian civil law countries; and Ireland and the United Kingdom are common law countries.

Panel B in Table 4.2 details the distribution of the sample by country and firm ownership structure (i.e., family and non-family firms) in terms of observations and percentages. All the countries in the sample have family and non-family firms. However, in line with prior research (e.g., Franks et al., 2012), the percentage of family firms is substantially higher in countries with civil law systems, such as France, Italy, and Germany. By contrast, these firms are less prevalent in common law countries, such as Ireland and the United Kingdom. About 27% of the firm-year observations in the full sample correspond to family firms, thus confirming the importance of this ownership structure in Europe.

The number of acquisitions and the type of acquisition by country (domestic versus foreign) are shown in Panel C in Table 4.2. During the timespan covered, acquisitions have been conducted in all the sample countries, and domestic deals are slightly more frequent than foreign acquisitions. Nonetheless, there is a variation across countries. As expected, there are more acquisitions in larger economies and in countries with more developed stock markets (e.g., the United Kingdom, France, and Germany). In line with prior research (Martynova & Renneboog, 2006), the country with the most active M&A market is the United Kingdom.

Panels A and B in Table 4.3 provide the summary statistics of the variables used in the analyses and the correlations between each other, respectively. Panel C presents several differences of means tests that enable us to check whether family and non-family firms differ from each other in terms of the characteristics considered in the regression analyses. In support of our theoretical arguments, and confirming prior research (e.g., Caprio et al., 2011; Gómez-Mejía et al., 2015; Miller et al., 2010; Shim & Okamuro, 2011), we find that family firms are less likely to engage in acquisitions than non-family ones. Consistent with expectations, family firms are smaller and perform better (in terms of ROA) than their non-family counterparts. In relation to the sources of funds, family firms have higher levels of both internal cash flow and debt financing. The level of tangible assets is lower in the case of family firms, and they also record lower sales growth than non-family ones.

Table 4.3 Summary statistics, correlation matrix, and descriptive analysis

Panel A: Summary Statistics						**Panel C: Descriptive Analysis: FFs vs. Non-FFs**		
Variable	**Mean**	**Std. Dev.**	**Min.**	**Median**	**Max.**	**Non-Family Firms**	**Family Firms**	**t-statistic**
						(1)	*(2)*	*(1) – (2)*
Family Firm Dummy	0.2748	0.4464	0.0000	0.0000	1.0000			
Family Involv. Dummy	0.2180	0.4129	0.0000	0.0000	1.0000			
French Civil Law Dummy	0.2970	0.4569	0.0000	0.0000	1.0000	0.2512	0.4178	-27.5458***
German Civil Law Dummy	0.2493	0.4326	0.0000	0.0000	1.0000	0.2257	0.3115	-14.8331***
Scand. Civil Law Dummy	0.1697	0.3754	0.0000	0.0000	1.0000	0.1980	0.0950	20.6131***
Common Law Dummy	0.2840	0.4510	0.0000	0.0000	1.0000	0.3251	0.1757	24.9582***
Acquisition Dummy	0.2094	0.4069	0.0000	0.0000	1.0000	0.2232	0.1728	9.2455***
Firm Size	12.2225	2.3320	4.7750	12.0315	20.2621	12.3835	11.7976	18.8385***
ROA	0.0367	0.1366	-0.9987	0.0496	0.9549	0.0334	0.0453	-6.5206***
Leverage	0.4633	0.2047	0.0000	0.4664	0.9996	0.4588	0.4750	-5.8824***
Cash Flow	0.0593	0.1286	-0.9894	0.0688	0.9433	0.0566	0.0663	-5.6180***
Tangible Assets	0.1989	0.2138	0.0000	0.1196	0.9987	0.2001	0.1957	1.5261*
Sales Growth	0.1074	0.4271	-0.9998	0.0484	4.9850	0.1105	0.0990	2.0020**

Panel B: Correlation Matrix

		(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*	*(11)*	*(12)*	*(13)*
Family Firm Dummy	*(1)*	1.0000												
Family Involv. Dum.	*(2)*	0.8577	1.0000											
French Civ. Law Dum.	*(3)*	0.1628	0.1740	1.0000										
German Civ. Law Dum.	*(4)*	0.0885	0.0745	-0.3746	1.0000									
Scand. Civ. Law Dum.	*(5)*	-0.1226	-0.1176	-0.2938	-0.2605	1.0000								
Common Law Dum.	*(6)*	-0.1479	-0.1500	-0.4093	-0.3630	-0.2847	1.0000							
Acquisition Dum.	*(7)*	-0.0553	-0.0621	-0.0408	-0.0467	0.0527	0.0423	1.0000						
Firm Size	*(8)*	-0.1122	-0.1085	0.0492	0.0224	-0.0958	0.0084	0.2461	1.0000					
ROA	*(9)*	0.0390	0.0452	0.0086	0.0136	-0.0524	0.0219	0.0792	0.2236	1.0000				
Leverage	*(10)*	0.0352	0.0246	0.1429	-0.0916	-0.0074	-0.0508	0.0635	0.1771	-0.0505	1.0000			
Cash Flow	*(11)*	0.0336	0.0392	-0.0210	-0.0008	-0.0179	0.0370	0.0607	0.1713	0.7742	-0.1015	1.0000		
Tangible Assets	*(12)*	-0.0091	-0.0082	-0.0284	0.0596	-0.0523	0.0151	-0.0650	0.2100	0.0526	0.0343	0.0868	1.0000	
Sales Growth	*(13)*	-0.0120	-0.0166	-0.0477	-0.0077	0.0214	0.0379	0.0468	-0.0594	0.0507	-0.0242	0.0358	-0.0397	1.0000

4.3.2. Regression Results

Table 4.4 presents the results of the random-effects panel data logit regressions for testing the expected relationships. We first examine the acquisition preferences of family firms compared to non-family ones. The empirical model presented in column 1 is therefore estimated using the full sample, which includes both family and non-family firms. The negative effect of the Family Firm Dummy on acquisition activity (β_1 = -0.1663, $p < 0.01$) indicates that European family firms are less likely to engage in acquisitions than non-family ones. This result is consistent with previous studies in other contexts (Caprio et al., 2011; Gómez-Mejía et al., 2015; Miller et al., 2010; Shim & Okamuro, 2011).

Table 4.4 Random-effects panel data logit analysis of family firms' acquisition propensity

Dep. Var.: Acquisition Dummy	**(1)**	**(2)**	**(3)**	**(4)**
Sample	**Full sample (family & non-family firms)**	**Family firms**	**Family firms**	**Family firms**
Constant	-4.8877***	-4.9846***	-5.1889***	-4.9708***
	(0.7517)	(1.6725)	(1.6306)	(1.6383)
Control Variables:				
Previous Acquisition Experience	0.4012***	0.3239**	0.3057*	0.2935*
	(0.0694)	(0.1566)	(0.1567)	(0.1560)
Firm Size	0.3703***	0.4281***	0.4434***	0.4433***
	(0.0147)	(0.0331)	(0.0335)	(0.0332)
ROA	0.6307***	-0.1247	-0.0155	-0.0096
	(0.2438)	(0.4975)	(0.4944)	(0.4936)
Leverage	0.2694**	0.1440	0.1489	0.1499
	(0.1177)	(0.2426)	(0.2438)	(0.2441)
Cash Flow	-0.0457	0.1692	0.0264	0.0101
	(0.2533)	(0.5083)	(0.5070)	(0.5070)
Tangible Assets	-1.6840***	-1.5980***	-1.7152***	-1.7176***
	(0.1365)	(0.2912)	(0.2908)	(0.2911)
Sales Growth	0.3681***	0.5516***	0.5443***	0.5471***
	(0.0412)	(0.0914)	(0.0914)	(0.0911)
Independent Variables:				
Family Firm Dummy	-0.1663***			
	(0.0595)			
Family Involvement Dummy		-0.3579***	-0.2937**	-0.4996***
		(0.1181)	(0.1168)	(0.1859)
German Civil Law Dummy			0.0120	-0.0706
			(0.1260)	(0.2361)
Scandinavian Civil Law Dummy			0.9937***	0.7861**
			(0.1812)	(0.3097)
Common Law Dummy			0.2625*	-0.2181
			(0.1582)	(0.2919)
Family Involvement Dummy *				0.0889
German Civil Law Dummy				(0.2783)
Family Involvement Dummy *				0.2605
Scandinavian Civil Law Dummy				(0.3695)
Family Involvement Dummy *				0.6424*
Common Law Dummy				(0.3461)
z_1	1,416.25 (25)	396.03 (25)	428.53 (28)	433.20 (31)
z_2			33.01 (3)	44.58 (7)
Firms	4,387	1,237	1,237	1,237
Observations	27,861	7,656	7,656	7,656

Notes: (i) Robust standard errors in parentheses; (ii) ***, **, and * indicate significance at the 1%, 5%, and 10% level, respectively; (iii) all models include time and sector dummies as control variables; (iv) z_1 is a Wald test of the joint significance of the coefficients of all explanatory variables (i.e., a test of goodness-of-fit), asymptotically distributed as $\chi2$ under the null hypothesis of no relationship, degrees of freedom in parentheses; and (v) z_2 is a Wald test of the joint significance of the variables that are relevant for testing the study's hypotheses, asymptotically distributed as $\chi2$ under the null hypothesis of no relationship, degrees of freedom in parentheses.

To discover whether there is heterogeneity among family firms in their acquisition propensity, we next focus on the sample of family firms. Column 2 in Table 4.4 shows that family involvement in the business is negatively associated with acquisition propensity (β_2 = -0.3579, p < 0.10). This result supports our baseline argument, and shows that family firms are heterogeneous in their strategic decisions. In line with expectations, our findings suggest that concerns over potential losses in SEW derived from acquisitions increase when the family is involved in the company.

We also analyze whether family firms differ from each other depending on the legal system in which they operate. The results presented in column 3 in Table 4.4 show that, consistent with Hypothesis 1, family firms in legal systems that provide shareholders with stronger protection (i.e., common law and Scandinavian civil law countries) are more likely to participate in acquisitions (β_3 = 0.9937, p < 0.01 and β_4 = 0.2625, p < 0.10). The positive estimated coefficients on the Scandinavian Civil Law Dummy and Common Law Dummy variables corroborate that family firms' aversion towards acquisitions is lower when the legal system is more protective.[1]

Finally, we investigate whether the legal system moderates the negative relationship between family involvement in the business and family firms' acquisition propensity. That is, our goal is to test whether the greater aversion towards acquisitions among family firms with family involvement is mitigated when the firm operates in a more protective legal system. The regression results presented in column 4 in Table 4.4 support Hypothesis 2; that is, the negative effect family involvement has on acquisition propensity is mitigated in countries that have more protective laws and are more shareholder-oriented, such as common law countries (β_5 = 0.6424, p < 0.10).

We re-estimate the models presented in Table 4.4 including the family involvement index, with the interactions between this index and the legal system dummies as independent variables, instead of using the Family Involvement Dummy. The regression results confirm the empirical evidence presented in Table 4.4, and provide further support for our hypotheses.[2]

[1] It should be noted that the comparison group in columns 3 and 4 in Table 4.4 are French civil law countries (the corresponding dummy is not included in the models to avoid the dummy trap), in which laws and regulation are least protective (La Porta et al., 1998).

[2] These additional regression results are not reported to save space, but are available from the authors upon request.

4.3.3 Robustness Tests

4.3.3.1 Checking the baseline argument and subsample analysis by legal system

We have conducted several additional tests to check the robustness of our results. We develop the Family Involvement Dummy explained in Section 3.1 to test whether family firms with family involvement in the business are indeed more reluctant to engage in acquisitions (i.e., the study's baseline argument). We now propose two alternative measures to capture family involvement in ownership and check the robustness of our initial results. The first measure is the percentage of ownership in the hands of the largest shareholder (Stake of Largest Shareholder), and the second variable is a Herfindahl index defined using the ownership stakes of the three largest shareholders (Herfindahl Index of the Three Largest Shareholders), in line with prior research (Miller, Minichilli, & Corbetta, 2013; Minichilli, Calabrò, & Brogi, 2016).

The definitions of these two new variables are provided in Table 4.1, and the new regression results are presented in Panel A in Table 4.5. The models presented in columns 1 and 3 in this panel have been estimated with the full sample. The estimated coefficients show that family firms are less likely to acquire other businesses, and that this reluctance is greater in firms with more concentrated ownership structures. These findings are confirmed in columns 2 and 4, in which we use only the sample of family firms. Consistent with our baseline argument, the new empirical evidence confirms that family firms with higher family involvement in ownership are more reluctant to engage in acquisitions.

Table 4.5 Robustness tests of family firms' acquisition propensity: Checking the baseline argument and subsample analysis by legal system

Panel A: Checking the Baseline Argument with Alternative Measures for Family Involvement in Ownership

Dep. Var.: Acquisition Dummy	(1)	(2)	(3)	(4)
Constant	-4.1430***	-7.1189***	-4.2028***	-7.1903***
	(0.9814)	(0.5877)	(0.9913)	(0.5905)
Independent Variables:				
Family Firm Dummy	-0.1197*		-0.1209*	
	(0.0710)		(0.0722)	
Stake of Largest Shareholder	-0.9523***	-0.8950***		
	(0.0808)	(0.1558)		
Herfindahl Index of the Three Largest Shareholders			-0.8617***	-0.9059***
			(0.0886)	(0.1758)
Firms	2,931	696	2,773	666
Observations	20,111	4,659	19,197	4,484

Panel B: Effect of Family Involvement in the Business on Acquisition Propensity by Legal System

Dep. Var.: Acquisition Dummy	(1)	(2)	(3)	(4)	(5)	(6)
Legal system	**French vs. Common**	**French vs. Common**	**French Civil**	**German Civil**	**Scandi. Civil**	**Common**
Constant	-5.1947***	-4.9319***	-5.4222***	-6.8453***	-7.9073***	-6.4480***
	(1.6717)	(1.6741)	(1.5773)	(0.8767)	(1.2761)	(1.2489)
Independent Variables:						
Family Involvement Dummy	-0.2649	-0.5138***	-0.4886***	-0.3590*	-0.2176	0.1640
	(0.1651)	(0.1938)	(0.1884)	(0.1907)	(0.3605)	(0.3494)
Common Law Dummy	0.2973*	-0.1815				
	(0.1654)	(0.2996)				
Fam. Involve. Dummy * Common Law Dummy		0.6313*				
		(0.3577)				
Firms	786	786	553	335	116	233
Observations	4,544	4,544	3,199	2,385	727	1,345

Notes: (i) Robust standard errors in parentheses; (ii) ***, **, and * indicate significance at the 1%, 5%, and 10% level, respectively; (iii) all models include time and sector dummies as control variables; (iv) to save space, the estimated coefficients on the control variables and the results of the tests of joint significance are not reported.

Given that the study's main objective is to analyze the role the legal system plays in family firms' acquisition propensity, we have conducted two additional regression analyses. In the first approach, we consider only the legal systems that are at opposite ends in terms of the protection afforded to shareholders, namely, common law countries (highest protection) and French civil law countries (lowest protection). Considering only the family firms that operate in these two types of countries, we once again check the direct effect the legal system has on acquisition propensity, and its moderating role in the relationship between family involvement in governance and the likelihood to acquire. The new regression results are presented in columns 1 and 2 of Panel B in Table 4.5. Consistent with Hypothesis 1, family firms from more protective and shareholder-oriented legal systems (common law countries) are more likely to engage in acquisitions.

Moreover, as proposed in Hypothesis 2, we confirm that the negative impact family involvement has on acquisition propensity is mitigated in countries where shareholder protection is higher.

Second, an alternative way to test the moderating role of the legal system in the relationship between family involvement in the business and acquisition propensity is to estimate the model in which the main variable of interest is the Family Involvement Dummy for each separate legal system. To verify that stronger protection mitigates (i.e., the legal system moderates) the reluctance towards acquisitions shown by family firms with family involvement in the business, we should find that the negative effect of the Family Involvement Dummy reported in column 2 of Table 4.4 is primarily driven by legal systems with weaker shareholder protection (i.e., French and German civil law countries). The regression results presented in columns 3 to 6 of Panel B in Table 4.5 confirm our expectations. Whereas family involvement in the business reduces acquisition propensity in countries that belong to the French and German civil law categories (columns 3 and 4), there is no effect between family involvement and acquisition propensity in Scandinavian civil law and common law countries (columns 5 and 6). These findings are in line with Hypothesis 2.

4.3.3.2 Alternative model specifications and multilevel analysis

In this section, we propose an alternative empirical strategy that enables us to obtain more parsimonious specifications and a more balanced distribution of the family firm sample across legal systems. More precisely, based on our previous findings and on prior research (e.g., Anderson et al., 2009; La Porta et al., 1998; López Iturriaga, 2005), the countries represented in the sample are now divided into two categories: high versus low protection systems. In particular, we define a High Protection Dummy that equals 1 for firms that operate in countries that provide shareholders with higher protection (i.e., common law and Scandinavian civil law countries), and it equals zero for family firms from less protective systems (i.e., German and French civil law countries).

The results presented in column 1 of Panel A in Table 4.6 are consistent with Hypothesis 1, and confirm that family firms from systems in which shareholders are more strongly protected are more likely to engage in acquisitions. In addition, higher protection mitigates the negative impact family involvement has on acquisition propensity, as can be seen in column 2. The positive estimated coefficient on the interaction between the Family Involvement Dummy and the High Protection Dummy corroborates Hypothesis 2.

Table 4.6 Robustness tests of family firms' acquisition propensity: Alternative specification, multilevel analysis, and controlling for additional effects

Panel A: Using Alternative Specification and Multilevel Analysis				
Dep. Var.: Acquisition Dummy	**(1)**	**(2)**	**(3)**	**(4)**
Constant	-5.1942***	-5.0309***	-5.1221***	-4.9604***
	(1.6369)	(1.6417)	(1.2708)	(1.2765)
Independent Variables:				
Family Involvement Dummy	-0.2920**	-0.4543***	-0.2831**	-0.4481***
	(0.1174)	(0.1371)	(0.1261)	(0.1585)
High Protection Dummy	0.5270***	0.1984	0.6013***	0.2711
	(0.1247)	(0.2165)	(0.2102)	(0.2834)
Family Involvement Dummy *		0.4465*		0.4536*
High Protection Dummy		(0.2585)		(0.2629)
Firms	1,237	1,237	1,237	1,237
Observations	7,656	7,656	7,656	7,656
Panel B: Controlling for Founder Effect				
Dep. Var.: Acquisition Dummy	**(1)**	**(2)**	**(3)**	**(4)**
Constant	-5.2866***	-5.5423***	-5.6101***	-5.4495***
	(0.7588)	(1.7096)	(1.6732)	(1.6773)
Founder Effect	0.2818***	0.4703***	0.3781***	0.3754***
	(0.0558)	(0.1149)	(0.1157)	(0.1162)
Independent Variables:				
Family Firm Dummy	-0.1550***			
	(0.0592)			
Family Involvement Dummy		-0.3430***	-0.2910**	-0.4472***
		(0.1188)	(0.1183)	(0.1384)
High Protection Dummy			0.4454***	0.1286
			(0.1265)	(0.2198)
Family Involvement Dummy *				0.4313*
High Protection Dummy				(0.2597)
Firms	4,387	1,237	1,237	1,237
Observations	27,861	7,656	7,656	7,656
Panel C: Controlling for the Effect of Board Structure (Unitary versus Two-Tier Boards)				
Dep. Var.: Acquisition Dummy	**(1)**	**(2)**	**(3)**	**(4)**
Constant	-4.8967***	-4.9473***	-5.1992***	-5.0317***
	(0.7486)	(1.6627)	(1.6385)	(1.6432)
Two-Tier Board Dummy	-0.3184***	-0.2057*	0.0148	0.0022
	(0.0616)	(0.1161)	(0.1257)	(0.1265)
Independent Variables:				
Family Firm Dummy	-0.1384**			
	(0.0594)			
Family Involvement Dummy		-0.3620***	-0.2910**	-0.4541***
		(0.1174)	(0.1179)	(0.1379)
High Protection Dummy			0.5333***	0.1995
			(0.1356)	(0.2253)
Family Involvement Dummy *				0.4463*
High Protection Dummy				(0.2588)
Firms	4,387	1,237	1,237	1,237
Observations	27,861	7,656	7,656	7,656

Notes: (i) Robust standard errors in parentheses; (ii) ***, **, and * indicate significance at the 1%, 5%, and 10% level, respectively; (iii) all models include time and sector dummies as control variables; (iv) to save space, the estimated coefficients on the control variables and the results of the tests of joint significance are not reported.

It should be noted that heterogeneity among the family firms in this study comes from both micro (i.e., firm) and macro (i.e., country) levels. On the one hand, family involvement in the business (a firm-level characteristic) reduces family firms' acquisition propensity. On the other hand, more protective legal systems (a country-level dimension) increase the likelihood of acquisitions among family firms. Therefore, our focus on two different levels of analysis (i.e., micro and macro) provides a suitable setting for multilevel regressions (Snijders & Bosker, 1999), and we use a multilevel mixed-effects logit estimator to re-estimate the parsimonious models presented in columns 1 and 2 of Panel A in Table 4.6.

The random-effects panel data logit estimator used in our previous regressions already considers the panel structure of the data. Multilevel analysis has the advantage of enabling us to account for the existence of nested clusters (e.g., countries) in the sample, and for possible correlations between observations in the same cluster (Kanol, 2015). In our particular case, given that we have panel data, we consider three different levels of analysis, with lower levels nested in upper levels. Firm-year observations comprise the first level, firms represent the second level, and countries constitute the third level. The regression results from the multilevel analyses are presented in columns 3 and 4 of Panel A in Table 4.6. The findings confirm our hypotheses, and are in line with our previous empirical evidence.

Finally, we re-estimate the parsimonious empirical models that enable us to test our hypotheses by including two additional factors as control variables. First, we control for the business life-cycle effect. To this end, we define a Founder variable that equals 1 if the family firm is still controlled by the founder, and zero otherwise. We use a 30-year threshold to capture generational effects. If the firm is less than 30 years old, we consider it to be in the hands of the founder generation. The 30-year cutoff point has also been used in previous family business research (Fernández & Nieto, 2005; Fiss & Zajac, 2004; Pindado, Requejo, & la Torre, 2015). Panel B in Table 4.6 presents the new regression results showing that the relationships found continue to hold when we control for founder influence. We are therefore confident that our results are not due to this effect. Interestingly, we find that the Founder variable has a positive impact on acquisition propensity.

Second, we analyze the protection afforded to shareholders by the law, and we capture this country-level characteristic by focusing on a country's legal system (i.e., common law, Scandinavian civil law, German civil law, and French civil law). Yet the European countries covered in our sample also differ from each other across other dimensions. Given our analyses of family involvement in the business (including family presence in the boardroom), there is a specific country characteristic that we should take into account, namely, whether firms have a unitary (one-tier) or two-tier board of directors. In some European countries, unitary boards are the norm, but there are other countries in which firms have boards of directors with a dual structure: a management board and a supervisory one.

We therefore set out to identify those countries in the sample in which two-tier boards are the original board structure. This information is primarily obtained from the work by (Belot, Ginglinger, Slovin, & Sushka, 2014), although other sources are used for some countries. We should also note that legislation has been passed in some countries to allow firms to choose between a unitary and a two-tier board. In such cases, we consider that the original board structure is the more prevalent one. We then define a Two-Tier Board Dummy that equals 1 for countries in which two-tier boards are the norm, and zero otherwise. This variable is then included in the models as an additional control variable.

The new regression results are presented in Panel C in Table 4.6. The Two-Tier Board Dummy variable is only significant in column 1, in which the full sample is used. The negative estimated coefficient suggests that the interests of various stakeholders, such as employees, play a more important role in firms with two-tier boards, which is then reflected in a greater reluctance to engage in acquisitions. Given that acquisitions may sometimes lead to downsizing decisions, current employees, who are expected to have more power in firms with two-tier boards, will use their influence within the company to prevent acquisitions. More importantly, and focusing on the variables of interest, the analyses confirm our initial findings, and so we continue to find support for our hypotheses.

4.4. Discussion and Conclusions

Previous research highlights the need to further advance our understanding of strategic decisions such as M&A in the family business field (e.g., Haleblian, Devers, McNamara, Carpenter, & Davison, 2009; Lebedev et al., 2015; Worek, 2017). While most prior research differentiates between family and non-family firms in M&A (e.g., Caprio et al., 2011; Gómez-Mejía et al., 2015; Miller et al., 2010; Shim & Okamuro, 2011), to the best of our knowledge there is scant research that analyzes heterogeneity within family firms regarding this strategic choice (e.g., Boellis et al., 2016; Strike et al., 2015). We thus endeavor to shed new light on how family firm heterogeneity affects acquisition propensity by exploring whether decisions made by family owners are affected by the legal system that exists at country-level. Specifically, an effort is made here to extend our understanding of how aspects of the institutional environment affect the relationship between the family nature of firms and their acquisition propensity. The empirical evidence we provide is consistent with previous studies contending that family firms may behave differently depending on family involvement and the legal system (e.g., Berrone et al., 2012; Chen et al., 2014; Feito-Ruiz & Menéndez-Requejo, 2010; Nordqvist et al., 2014; Peng & Jiang, 2010; Peng et al., 2018).

Consistent with related research conducted in different countries (e.g., Caprio et al., 2011; Gómez-Mejía et al., 2015; Miller et al., 2010; Shim & Okamuro, 2011), we confirm that family firms are less likely to participate in acquisitions than their non-family counterparts. This result supports the view that acquisitions may potentially compromise the family's affective needs (Gómez-Mejía et al., 2015).

More importantly, we show that acquisition propensity may vary within the family business category because not all family firms have the same priorities. Our baseline argument focuses on how family involvement influences family firms' acquisition propensity. Along these lines, Miller, Minichilli, et al. (2013) call for research that considers family involvement before generalizing about family business behaviour. In line with SEW considerations, our findings indicate that family firms with high family involvement in the business have greater aversion towards acquisitions. Family members' intentions to fulfill their affective needs may explain these findings. The possibility that family ownership and control may become diluted, and that family identity, reputation, and autonomy will be lost in acquisitions, are the reasons for family firms' reluctance to engage in such activities (Gómez-Mejía et al., 2015; Miller et al., 2010). However, as our results suggest, while the pursuit of family-centered non-economic goals is a unique and common feature of family firms, the emphasis placed to SEW considerations may vary depending on family involvement.

Our work also advances the institution-based literature by addressing the question of whether family firms' acquisition propensity differs across legal systems. Recent studies show that the legal and regulatory environment influences family firm decisions, such as employment and sales growth (Chen et al., 2014), downsizing and wage reduction during a crisis (van Essen et al., 2015), and corporate social responsibility activity (Labelle, Hafsi, Francoeur, & Amar, 2015). Our study contributes to this strand of research by emphasizing that family firms' strategic decisions, such as acquisitions, are sensitive to the legal system. Based on the notion that heterogeneity among family firms is also informed by the legal system in which they operate, our results specifically confirm that acquisitions by family firms are more likely in institutional environments characterized by stronger shareholder orientation. Consequently, some family firms are not as reluctant towards acquisitions as commonly thought. In light of the empirical evidence we provide, we can conclude that findings on family firms in one context may not be readily applicable to other contexts (Chen et al., 2014). Our study suggests cross-country variations in family firms' acquisition propensity, and identifies institutional factors as an important boundary condition to be considered in family business studies (Burkart et al., 2003; Jiang & Peng, 2011; Peng & Jiang, 2010; Peng et al., 2018).

We go a step further and show that the legal system moderates the relationship between family involvement and acquisition propensity. Our findings indicate that macro-governance conditions may alleviate the factors that influence the decision-making capabilities of family owners concerning strategic choices such as acquisitions. Thus, the consideration of shareholder vs. stakeholder-oriented legal systems may help to explain why some family firms find it easier to preserve their SEW. When the legal context itself affords stronger protection to family owners and directors' rights, the fear of damaging their SEW does not impose constraints on their strategic choices, and so their aversion to engage in acquisitions is mitigated. Therefore, concerns over SEW protection, as captured by family involvement in the business, play a less important role as a predictor of family firms' strategic decisions in legal systems in which shareholders are more strongly protected by the law. Along these lines, our study on the acquisition decisions of family firms supports the insight by Peng et al. (2018) whereby the SEW perspective works better as a predictive model in less developed institutional settings. We also suggest that institutional factors may help to fully understand why some family firms are guided more by SEW concerns than others (Berrone et al., 2012; Peng et al., 2018).

Our focus on the legal system and its implications allows us to link macro-level institutional logics with micro-level family firm behaviour. The theoretical model we propose and empirically test considers that family firms' reluctance towards acquisitions is a result of the combined effects arising from these two levels of analysis (i.e., macro and micro). Family businesses need to consider the interplay between institutional and affective considerations, and their effects on strategic decisions, because the decision-making process will depend both on family involvement and on dimensions that are external to the company (Peng et al., 2018).

From an empirical point of view, this paper also advances previous research by providing new insights into whether the conclusions drawn from U.S.-based studies can be extended to the European context. We understand that Europe is a suitable and interesting setting for the analysis of family firm behaviour for several reasons. First, because European listed companies have a high level of ownership concentration, and family control prevails over other ownership structures (Croci, Gonenc, & Ozkan, 2012; Faccio & Lang, 2002). Second, and more importantly, because European countries differ from each other in their legal systems, thus enabling us to conduct a cross-country study on how different institutional contexts influence family firms' acquisition propensity.

Our study is not without its limitations, which suggest a number of avenues for future research. First, we should recognize that we are unable to measure SEW directly. Instead, we propose a binary measure that enables us to split family firms into two groups that differ from each other in terms of family involvement in the business, so we consider two governance dimensions (e.g., ownership and board presence). Like prior research on family firms and acquisitions, our definition of family firm and our measure of family involvement are based on archival data (Gómez-Mejía et al., 2015; Miller et al., 2010; Strike et al., 2015). We call for future studies that use more fine-grained proxies of SEW. For instance, it could be interesting to use the validated measures proposed by Berrone et al. (2012), by Debicki et al. (2016) or by Hauck, Suess-Reyes, Beck, Prügl, and Frank (2016), and examine variations in this business characteristic across different institutional environments.

Second, this paper does not explore the specific characteristics of M&A deals in depth. Thus, future studies may focus on the differences between acquisitions by family and non-family firms (and by different family firm categories) in terms of the volume of the deal, the method of payment, organizational and cultural aspects, as well as other M&A dimensions (e.g., related versus unrelated, majority versus minority) to gain a better understanding of the family business model. For a case-based example that offers unique insights into the cultural dynamics surrounding family firm M&A transactions, the reader is referred to Astrachan (1988). Furthermore, a more detailed analysis of family firms' acquisition decisions should consider a broader perspective that considers various growth methods (e.g., *greenfield* investments or cooperative agreement versus acquisitions) (Boellis et al., 2016).

Finally, we call for more studies that use multilevel analysis to investigate how macro-level institutional factors interact with micro-level determinants to influence family firm behaviour (e.g., Peng & Luo, 2000; Sauerwald, van Oosterhout, Van Essen, & Peng, 2016). Considering both the direct and moderating effects of country-level and firm-level characteristics could provide new insights into family members' objectives and their influence on strategic decisions. As recently pointed out by Jaskiewicz and Gibb Dyer, 2017, p. 115, the "implications of cross-country differences of families [still] are at the margins".

To conclude, this study uses a large sample of Western European publicly traded firms to report on family firms' acquisition propensity. Our findings confirm that family involvement in the business has a negative impact on acquisition propensity. We highlight the meaningful role the legal system in which the firm operates plays for better understanding family firms' acquisition propensity. Family involvement reinforces the aversion towards acquisitions, whereas stronger legal protection encourages family firms to acquire other businesses. Interestingly, we also find that the negative relationship between family involvement in the business and acquisition propensity is mitigated in legal systems in which shareholders are better protected.

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CAPÍTULO 6

CONCLUSIONES GENERALES

Esta tesis doctoral se ha centrado en la creciente importancia de las fusiones y adquisiciones como método de crecimiento en el contexto europeo, junto con la relevancia económica de las empresas familiares en este entorno institucional. Hemos examinado la relación entre fusiones y adquisiciones y empresas familiares al analizar las posibles implicaciones que las dimensiones internas y externas pueden tener sobre la asociación anterior. La investigación ya ha demostrado que las particularidades de la interacción entre la familia y la empresa son responsables de la singularidad de la empresa familiar. Si bien esto realmente ha ayudado al desarrollo del campo de las empresas familiares, distinguiéndolo claramente de las empresas no familiares, también ha presentado una descripción incompleta de las empresas familiares. Ahora que el campo de la empresa familiar ha pasado su período de adolescencia (Gedajlovic, Carney, Chrisman y Kellermanns, 2012), la investigación debería centrarse en una interpretación más precisa de los argumentos teóricos. Esto no solo permitirá avanzar en el campo de la investigación, sino que también proporcionará a los investigadores y profesionales una comprensión más completa de las preferencias y los comportamientos con respecto a cada aspecto específico de las empresas familiares.

Esta tesis aborda la variabilidad y la heterogeneidad dentro de las empresas familiares. Si bien abordamos de forma sucinta las diferencias entre las empresas familiares y las no familiares, nos centramos con mayor profundidad en las características específicas de las empresas familiares para analizar su relación con las decisiones estratégicas, como las fusiones y adquisiciones. Investigaciones previas sostienen que las diferencias entre las empresas familiares son potencialmente al menos tan grandes como las diferencias entre las empresas familiares y las no familiares (Chua, Chrisman, Steier y Rau, 2012). La mayor parte de las investigaciones previas sobre empresas familiares y elecciones estratégicas abogan por tratar de comprender la si la diferente involucración de la familia en la propiedad del negocio afecta a estas decisiones, y en caso afirmativo, como las afecta, asumiendo el comportamiento homogéneo de las empresas familiares. Cennamo, Berrone, Cruz y Gómez-Mejía (2012) proponen que las empresas familiares son asimétricas en la importancia que otorgan a las diferentes dimensiones de SEW. Esto nos lleva a pensar que la participación familiar en la empresa no sólo afecta sus decisiones de crecimiento, como las fusiones y adquisiciones, sino también las peculiaridades de la empresa familiar.

El objetivo general de la tesis doctoral es examinar con rigor el comportamiento en torno a las fusiones y adquisiciones de las empresas familiares. Para alcanzar este propósito, utilizado el enfoque de la riqueza socioemocional y un punto de vista institucional para interpretar los resultados y considerar el contexto empresarial al responder la pregunta principal de investigación. En general, los resultados sugieren que existe una relación negativa entre las empresas familiares y la participación en fusiones y adquisiciones como decisiones estratégicas. Esta relación negativa probablemente se explica por una aversión a la pérdida de riqueza socioemocional (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson y Moyano-Fuentes, 2007), y no sólo se ve afectada por la heterogeneidad interna de la empresa familiar, sino que también es susceptible a la heterogeneidad marcada por factores institucionales.

Primero, el Capítulo 2 delimita los campos de interés. Repasamos algunos de los conceptos esenciales de esta tesis y sintetizamos el marco teórico que luego usamos en los siguientes capítulos. Al proporcionar una revisión teórica de las empresas familiares y el desarrollo de la investigación de campo sobre las decisiones estratégicas, este estudio lleva la discusión académica sobre empresas familiares y fusiones y adquisiciones un paso más cerca de una comprensión más completa de fusiones y adquisiciones. Esta revisión de la literatura contribuye a la aclaración de los conceptos esenciales con respecto a las empresas familiares, resume la base teórica de la tesis y presenta una descripción general de las fusiones y adquisiciones en el campo de las empresas familiares. El Capítulo 2 proporciona una perspectiva amplia de la investigación previa sobre empresas familiares y decisiones estratégicas, centrándose en fusiones y adquisiciones. La identificación de investigaciones previas sobre empresas familiares y fusiones y adquisiciones destaca los avances previos desde diversas perspectivas, ámbitos geográficos y objetivos de investigación. Este retrato del estado del arte actual en el campo permite que la tesis avance hacia sus propios objetivos de investigación.

En el primer trabajo académico, titulado "La propensión de las empresas familiares europeas hacia las fusiones y adquisiciones: el papel de los determinantes internos en la heterogeneidad familiar", presentado en el Capítulo 3, primero examinamos la influencia de los tipos de propiedad en decisiones estratégicas como fusiones y adquisiciones en un contexto europeo. Nuestro primer propósito de investigación fue revisar y validar la propensión general de las empresas familiares a participar en fusiones y adquisiciones aplicándolo a un entorno europeo. En respuesta a este objetivo, nuestros resultados indican que, como maniobra defensiva para preservar la riqueza socioemocional, las empresas familiares europeas generalmente son más reacias a participar en fusiones y adquisiciones que las no familiares. Esto está en línea con investigaciones previas sobre fusiones y adquisiciones en un contexto europeo (Caprio, Croci y Del Giudice, 2011), así como con investigaciones sobre otros países como Estados Unidos (Gómez-Mejía, Patel y Zellweger, 2015; Miller, Le Breton-Miller, y Lester, 2010). Después de abordar brevemente esta decisión estratégica desde un enfoque amplio que distingue las diferencias entre empresas familiares y no familiares desde una perspectiva macro, este enfoque se desplaza y recurrimos a fuentes internas de heterogeneidad de empresas familiares. El siguiente paso se concentra en otro objetivo específico, que es, determinar las fuentes de heterogeneidad y revisar cómo los elementos centrales dentro de las empresas familiares afectan las decisiones de fusiones y adquisiciones. Este estudio también muestra evidencias sobre la diferente propensión hacia ciertas decisiones estratégicas, e identifica tres antecedentes familiares que pueden influir sobre dicha probabilidad. Estos tres elementos centrales de las empresas familiares modifican la composición y las interacciones de la convivencia familiar y empresarial, y por lo tanto la importancia que otorga a las dimensiones de la riqueza socioemocional. Los hallazgos en este punto indican que esta relación puede verse obstaculizada por el hecho de que las empresas se encuentran en una etapa generacional inicial o están gestionadas por los fundadores, así como por la participación de la familia en el Consejo de Administración, mientras que se ve impulsada por la concentración de la propiedad familiar. Llevamos a cabo análisis empíricos para abordar la heterogeneidad a nivel de empresa de las empresas familiares en una muestra que incluye empresas adquirentes de 32 países europeos en un período de nueve años (2007-2015). Realizamos una serie de regresiones logit de datos de panel para estimar la propensión de las empresas familiares a participar en fusiones y adquisiciones. Este documento tiene como objetivo ampliar nuestra comprensión actual de las decisiones estratégicas de crecimiento en el contexto de la empresa familiar, y considerar la heterogeneidad de la empresa familiar a través de una lente de riqueza socioemocional. Identificamos las características de la empresa familiar central como factores que alteran la dotación de riqueza socioemocional y, por lo tanto, podemos hacer eco de su disposición a participar en decisiones estratégicas.

El segundo artículo académico lleva por título "Las empresas familiares europeas y la propensión hacia la adquisición: el papel del contexto legal". Este capítulo agrega otra capa a la pregunta principal de investigación. Este estudio combina dos elementos centrales de las empresas familiares que también son mecanismos fundamentales dentro del gobierno de una organización (Denis y McConnell, 2003) para capturar la participación de la empresa familiar. En respuesta a las llamadas realizadas para explicar la heterogeneidad de las empresas familiares de cualquier manera relacionada con la empresa (Chrisman, Sharma y Taggar, 2007), buscamos comprender cómo otras configuraciones posibles de la heterogeneidad de las empresas familiares pueden obstaculizar o alentar las decisiones estratégicas. Si bien el capítulo anterior considera cómo los elementos centrales de propiedad y control familiar pueden alterar por separado la propensión a participar en fusiones y adquisiciones, este estudio explora estos elementos conjuntamente a través del desarrollo de un índice de participación familiar que combina tanto la participación en la propiedad como la participación en el control como una sola medida.

Esta tesis comprende un análisis a nivel de empresa de la heterogeneidad de la empresa familiar. Sin embargo, la visión institucional sugiere que la heterogeneidad también se puede encontrar a nivel de país (Peng, 2002; Peng y Jiang, 2010). Por lo tanto, analizamos el papel de las dimensiones externas de la heterogeneidad de la empresa familiar. Para testar nuestras hipótesis sobre esta cuestión de investigación, nuestra evidencia empírica se sustenta en una muestra que incluye 13 países de Europa Occidental con diferentes sistemas legales en un período de nueve años (2007-2015). Este análisis utiliza varias regresiones logit de datos de panel con efectos aleatorios, así como una estimación logit de efecto mixto multinivel y varias pruebas de robustez. Este análisis empírico combina el análisis tradicional de datos de panel con análisis multinivel más modernos. La interacción entre los determinantes internos e institucionales de la empresa familiar se revisa a medida que se aborda la moderación de estos factores a la propensión a participar en fusiones y adquisiciones. El segundo artículo presentado también brinda una respuesta al objetivo de la investigación que pregunta si la propensión de las empresas familiares al compromiso de fusiones y adquisiciones está basada en el contexto. Este capítulo también hace un examen en profundidad de las instituciones formales desarrolladas, como la protección legal de los accionistas minoritarios. En cuanto a la pregunta de investigación específica sobre las posibles influencias institucionales, nuestros resultados nos llevan a inferir que existe una influencia institucional en las decisiones de fusiones y adquisiciones de las empresas familiares. Investigaciones anteriores de Feito-Ruiz y Menéndez-Requejo (2010) informan que el nivel de protección de los accionistas es una característica de los sistemas legales que tiene un efecto en la valoración de fusiones y adquisiciones de empresas familiares. Por lo tanto, desde un punto de vista institucional y basado en la argumentación de SEW, respondemos a otro objetivo específico aquí y concluimos que el contexto legal es otro elemento que afecta la relación entre empresas familiares y la propensión a fusiones y adquisiciones. Con base en la evidencia que presentamos, apoyamos la suposición hecha por Chen, Hou, Li, Wilson y Wu (2014) de que los hallazgos de la empresa familiar están relacionados con el contexto.

Finalmente, el tercer y último trabajo académico presentado en esta tesis: "Empresas familiares y la selección de la empresa objetivo en fusiones y adquisiciones internacionales" también se centra en el papel del contexto institucional. El capítulo anterior resalta la importancia del contexto institucional para examinar el comportamiento estratégico de las empresas familiares. Este capítulo se centra en un tipo particular de fusiones y adquisiciones, a saber, fusiones y adquisiciones internacionales. Al revisar las fusiones y adquisiciones internacionales, incorporamos la heterogeneidad del contexto en el análisis de las decisiones estratégicas de las empresas familiares. El papel del contexto es un tema que se ha considerado esencial para comprender el comportamiento de las empresas familiares (Lumpkin, Steier y Wright, 2011; Wright, Chrisman, Chua y Steier, 2014). Además de la heterogeneidad de las empresas, los investigadores institucionales señalan que la influencia institucional del país de origen puede moldear la actividad de fusiones y adquisiciones (Zhu, Ma, Sauerwald y Peng, 2017). Este estudio utiliza datos que incluyen empresas familiares adquirentes europeas en 31 contextos nacionales diferentes en acuerdos con empresas objetivo en 80 países diferentes a nivel global durante un período de nueve años (2007-2015). Utilizamos la estimación de regresión de mínimos cuadrados ordinarios (MCO) para analizar las preferencias institucionales de distancia de las empresas familiares al seleccionar su empresa objetivo en fusiones y adquisiciones internacionales. Por lo tanto, los resultados presentados incluyen un alto nivel de variabilidad institucional, y es poco probable que sean impulsados por la idiosincrasia de un país determinado.

Otro objetivo específico consistió en examinar cómo los factores institucionales afectan la relación entre las empresas familiares y el comportamiento en términos de fusiones y adquisiciones. El marco institucional consta de dos categorías principales: instituciones formales e informales que rigen las decisiones firmes y configuran su comportamiento (North, 1990; Peng, Wang y Jiang, 2008). El capítulo 5 incluye un enfoque de dos niveles que examina por separado y simultáneamente las variables a nivel de país (distancia institucional y cultural) y las variables a nivel de empresa (propiedad de la familia). Se realiza una revisión de referencias institucionales informales (cultura) y formales (regulaciones reglamentarias y regulaciones de desarrollo comercial), y los resultados indican que las empresas familiares adquirentes que participan en fusiones y adquisiciones internacionales prefieren empresas objetivo que estén más cerca en los niveles institucionales formales e informales.

Las conclusiones generales pueden resumirse de la siguiente manera. En primer lugar, nuestros resultados muestran que las empresas familiares que cotizan en bolsa son más reticentes que las no familiares a participar en fusiones y adquisiciones con el fin de proteger sus objetivos de riqueza socioemocional (SEW) más allá de las consideraciones financieras. Además, observamos no sólo diferencias entre empresas familiares y empresas no familiares, sino también dentro de las empresas familiares, destacando la relevancia de considerar a las empresas familiares como un grupo heterogéneo de empresas. Por un lado, nuestro trabajo encuentra que una concentración de propiedad familiar fortalece la relación negativa entre empresas familiares y fusiones y adquisiciones. Es probable que un aumento en la participación de la familia refuerce la aversión a la pérdida de la dotación de riqueza socioemocional y que pueda generar una falta de voluntad para diluir la propiedad y el control a través de las fusiones y adquisiciones. Por otro lado, concluimos que las empresas familiares en una etapa generacional inicial parecen tener más probabilidades de participar en fusiones y adquisiciones. Estos hallazgos pueden explicarse a través de los postulados de la riqueza socioemocional vinculados a los beneficios privados para la familia controladora y los objetivos a largo plazo de los fundadores de las empresas familiares. Los resultados apuntan al deseo del fundador de las empresas familiares para mantener su legado y traspasar el negocio a las generaciones futuras (importancia de la sucesión), una consideración clave para las empresas familiares (Berrone, Cruz y Gómez-Mejía, 2012).

En segundo lugar, la propensión de las empresas familiares a adoptar fusiones y adquisiciones está relacionada con combinaciones idiosincrásicas entre los diferentes factores que impulsan la heterogeneidad de las empresas familiares y la riqueza socioemocional (Chua et al., 2012). La importancia que las empresas familiares otorgan a las dimensiones de la riqueza socioemocional varía de una empresa familiar a otra (Cennamo et al., 2012). Por lo tanto, la propensión de la empresa familiar a participar en fusiones y adquisiciones debería revisarse teniendo en cuenta los factores internos de heterogeneidad, como la propiedad, el control y la generación a cargo, también incluyendo los externos, basados en el contexto y en las instituciones (Chua et al., 2012, Daspit, Chrisman, Sharma, Pearson y Mahto, 2018). El primer nivel de análisis incluye fuentes internas de heterogeneidad, que son factores a nivel de la empresa. Nos enfocamos en el sistema legal como un factor institucional a nivel de país que ha sido considerado como una fuente externa de heterogeneidad, y cuya importancia para las fusiones y adquisiciones de las empresas familiares ha sido enfatizada recientemente (Worek, 2017). El sistema legal y los elementos característicos de estos sistemas regulatorios, es decir, el nivel de protección de los accionistas minoritarios en los países donde opera la empresa familiar, probablemente estén relacionados con el comportamiento de adquisición de estas empresas. Si bien existe una relación negativa entre el grado de participación familiar y la probabilidad de fusiones y adquisiciones, esta relación es sensible al sistema legal. La relación negativa antes mencionada se mitiga en los sistemas legales con una mayor protección de los accionistas.

En tercer lugar, la elección de la empresa objetivo en fusiones y adquisiciones internacionales se ve afectada por las configuraciones de las empresas familiares y por el contexto institucional de la empresa familiar adquirente. Un principio de la visión de base institucional postula que las organizaciones están conformadas en gran medida por su entorno estatal y sociocultural más amplio (Wright et al., 2014). Las instituciones del país de origen limitan la integración de las empresas en las fusiones y adquisiciones internacionales (Peng et al., 2008; Zhu et al., 2017). Al aplicar una premisa basada en un enfoque institucional, la configuración de dos dimensiones principales del contexto institucional puede influir en el comportamiento estratégico: las instituciones formales y las instituciones informales (Estrin, Baghdasaryan y Meyer, 2009). Utilizando las características legales de los países de acogida como las dimensiones institucionales formales y las características culturales como las informales, nuestros resultados apuntan a la importancia de considerar estas dimensiones como factores distintivos de las empresas familiares que persiguen fusiones y adquisiciones internacionales. En este sentido, las empresas familiares adquirentes prefieren empresas objetivo de países con una menor distancia institucional informal. Sin embargo, dado que estas dimensiones institucionales no funcionan aisladamente, al considerar la influencia institucional formal también es importante incluir la informal. Los resultados sobre la distancia institucional conjunta son mixtos, indican una preferencia por los países con una distancia institucional menos formal, aunque con resultados mixtos al considerar la distancia cultural.

Contribuciones

Los hallazgos presentados aquí contribuyen teórica y empíricamente a la literatura sobre la heterogeneidad de la empresa familiar mediante la identificación de características relevantes (factores internos y externos) que pueden alterar sus decisiones estratégicas, como su comportamiento hacia las fusiones y adquisiciones. Esperamos que las investigaciones futuras identifiquen más claramente las diferencias existentes dentro de las empresas familiares para proporcionar resultados más generalizables. Un análisis de cómo la participación de la familia puede afectar las políticas, el comportamiento, las metas y las decisiones de las empresas familiares es un tema de investigación actual que llama cada vez más la atención en el campo de la empresa familiar (Daspit et al., 2018). Los resultados contradictorios en las decisiones de fusiones y adquisiciones de empresas familiares indican la necesidad de una comprensión más profunda del comportamiento estratégico de las empresas familiares. Esta tesis enfatiza la importancia de la heterogeneidad de las empresas familiares y enfatiza que la singularidad de las empresas familiares hace que sea imposible establecer un comportamiento estratégico dado. Esta visión única para todos considera que las empresas familiares son un colectivo homogéneo, sin tener en cuenta las particularidades que brindan una explicación matizada. Para analizar el comportamiento estratégico esperado, se debe considerar una revisión de las características de los elementos heterogéneos esenciales que afectan a la empresa familiar (tanto a nivel de empresa como a nivel de país). Esta tesis ofrece nuevas implicaciones teóricas respaldadas por evidencia empírica sobre la relación entre empresas familiares y fusiones y adquisiciones.

La evidencia presentada está centrada en Europa, un contexto geográfico que es relevante para las empresas familiares y cada vez más importante para las fusiones y adquisiciones, y que difiere del enfoque de investigación tradicional basado en investigaciones en los Estados Unidos sobre estos temas. Examinamos las empresas europeas y presentamos una revisión de varios países para capturar un contexto legal, cultural e institucional más amplio. La incorporación del espacio geográfico es necesaria para desarrollar teorías que expliquen las interacciones entre las empresas familiares y las dimensiones espaciales a nivel agregado (Basco, 2015). Esto podría ayudar a aumentar el poder explicativo de los hallazgos presentados aquí.

Esta tesis amplía nuestro conocimiento actual sobre una importante decisión estratégica en empresas familiares, y se centra en extender la comprensión de estudios previos sobre esta decisión de crecimiento estratégico (Gómez-Mejía et al., 2015; Miller et al., 2010) proporcionando una perspectiva teórica diferente y nuevos argumentos para mejorar el conocimiento actual. Esto se logra considerando los factores internos y externos de la heterogeneidad, así como adoptando una perspectiva coevolutiva de la dinámica familiar (Soleimanof, Rutherford y Webb, 2017), a través de postulados de riqueza socioemocional y factores institucionales..

Contribuimos a la teoría institucional, ya que muy pocos estudios sobre empresas familiares (por ejemplo, Peng y Jiang, 2010) han considerado explícitamente el efecto que las instituciones tienen en la estrategia de la empresa familiar (Wright et al., 2014). Revisamos los factores a nivel de empresa y de país, y cómo su interacción nos ayuda a comprender el comportamiento estratégico de las empresas familiares. Estos dos niveles de influencia institucional (formal e informal) representan una comprensión más completa que los resultados de los estudios de un solo país (van Essen, Heugens, Otten y van Oosterhout, 2012). Además, el análisis empírico con varios métodos de escrutinio, incluyendo regresiones lineales de mínimos cuadrados ordinarios, regresiones logit de datos de panel, datos de panel de efectos aleatorios y análisis multinivel, proporciona un soporte sólido para las diferentes hipótesis y una mayor confianza en la generalización de los resultados de la tesis.

Nuestros hallazgos también proporcionan información para los inversores. Los resultados empíricos significan que las decisiones de crecimiento de la empresa familiar, como fusiones y adquisiciones, no se pueden tomar en alineación con los objetivos estratégicos de las empresas tradicionales. Esto puede parecer ineficiente para los accionistas minoritarios, ya que pueden encontrar que la empresa está interesada en decisiones estratégicas orientadas a la familia. Por lo tanto, es posible que las inversiones realizadas por accionistas minoritarios no proporcionen los rendimientos deseados para los accionistas de firmas no familiares, ya que el objetivo principal podría no estar basado financieramente, y podría ser impulsado por la dotación de riqueza socioemocional. Los inversionistas deben conocer los elementos centrales de las empresas familiares, ya que los diferentes arreglos de heterogeneidad de las empresas familiares (gobierno familiar y etapa generacional) podrían impulsar el comportamiento estratégico de las empresas familiares.

Limitaciones e Investigación Futura

A pesar de los esfuerzos realizados en la revisión teórica, así como en el análisis empírico, esta tesis doctoral tiene ciertas limitaciones que presentan posibles vías para futuras investigaciones. Las limitaciones aquí encontradas nos llevan a aconsejar al lector que analice los resultados obtenidos con cierta precaución.

Primero, si bien revisamos la heterogeneidad de las empresas familiares y abordamos este tema, reconocemos que hay ciertos elementos que no tomamos en consideración. Debido a la complejidad de la relación entre la familia y la empresa, gran parte de la heterogeneidad de las empresas familiares aún no se ha revisado (Daspit, Chrisman, Sharma, Pearson y Long, 2017). Algunos de los elementos que no hemos incluido en este estudio podrían proporcionar nuevos resultados sobre el comportamiento de fusiones y adquisiciones de las empresas familiares. A pesar de no considerar otros factores heterogéneos que pueden afectan a la toma de decisiones estratégicas de las empresas familiares, nos hemos centrado en aquellos elementos que la literatura ha considerado como centrales en este campo (p.e, involucración en la propiedad, control y dirección). Las revisiones de heterogeneidad previas seleccionan consistentemente los elementos centrales que consideramos que son las características distintivas centrales de las empresas familiares, enfatizando su influencia en la toma de decisiones estratégicas (Cano-Rubio, Fuentes-Lombardo, y Vallejo-Martos, 2017; Chua et al. 2012; Daspit et al., 2018; Hernández-Linares, Sarkar, y López-Fernández, 2017; Jaskiewicz y Gibb Dyer, 2017; Steiger, Duller, y Hiebl, 2015). Otras fuentes de heterogeneidad que podrían considerarse son las siguientes: el número de miembros de la familia involucrados en propiedad o control (Dawson & Mussolino, 2014), las características demográficas de los propietarios (p. ej., género, etnia, edad) (Daspit et al., 2018), las diferencias en el Consejo de Administración o las Juntas de Accionistas, es decir, configuración de los equipos de dirección, la presencia de miembros no familiares en la dirección, como CEO o consejero (Chrisman, Chua, Steier, Wright y D'Lisa, 2012; Minichilli, Corbetta y MacMillan, 2010), e incluso el tamaño de la Junta de Accionistas (Jaskiewicz & Klein, 2007).

Reconocemos que no podemos medir directamente el concepto de riqueza socioemocional. En cambio, en línea con muchos estudios previos en el campo de la empresa familiar, por ejemplo, Miller et al. (2010) y Strike, Berrone, Sapp y Congiu (2015), basamos la medida de la participación familiar en los datos de archivo. Sin embargo, investigaciones previas advierten que construcciones tales como riqueza socioemocional y *familiness* aún requieren el desarrollo de medidas válidas y confiables (Dawson & Mussolino, 2014; Pearson & Lumpkin, 2011). Una revisión de la heterogeneidad entre las empresas familiares que mide la riqueza socioemocional según lo propuesto por Berrone et al. (2012), o construido sobre medidas validadas como el F-PEC propuesto por Astrachan, Klein y Smyrnios (2002), la escala SEWi sugerida por Debicki, Kellermanns, Chrisman, Pearson y Spencer (2016) o incluso la escala FIBS presentada en Hauck, Suess-Reyes, Beck, Prügl y Frank (2016), o varios de ellos juntos, podrían revelarse elementos importantes de la heterogeneidad de la empresa familiar que faltan en esta tesis.

El uso de fuentes de datos secundarias a partir de conjuntos de datos también constituye una limitación con respecto a la medición de la empresa familiar y la generalización de estos resultados a empresas privadas. En línea con la mayoría de los estudios previos sobre el tema de empresas familiares y fusiones y adquisiciones, y la investigación general sobre fusiones y adquisiciones, la muestra utilizada aquí incluye empresas públicas y no analiza el caso de empresas privadas (Worek, 2017). Las empresas de propiedad privada son más frecuentes en todo el mundo, pero generalmente no están obligadas a divulgar información, lo que conduce a una escasez de información financiera confiable sobre este tipo de organizaciones familiares. Sin embargo, estas empresas también son objetivos más frecuentes que las empresas públicas en adquisiciones (Gonenc, Hermes y van Sinderen, 2013). Cambiar el enfoque de las empresas públicas a las privadas podría producir resultados diferentes, ya que las varias características importantes difieren entre las empresas familiares públicas y privadas. Algunas características importantes que podrían variar los resultados de la relación de fusiones y adquisiciones son que las empresas privadas tienen menos incentivos para mostrar un comportamiento oportunista (Stockmans, Lybaert y Voordeckers, 2010), las empresas privadas tienen, en promedio, menores costos de integración (Gonenc et al.., 2013), y el patrimonio familiar está especialmente relacionado con el SEW de la familia (Gómez-Mejía et al., 2007). Animamos a los futuros investigadores a que incluyan empresas familiares privadas en su muestra, y de esta manera se pueda analizar cómo los factores de heterogeneidad internos y externos pueden afectar el comportamiento de las fusiones y adquisiciones.

El alcance geográfico de esta tesis, si bien es importante, puede presentar una menor variabilidad en el contexto que otras áreas. Aunque utilizar un contexto europeo implica varios países y diferentes influencias nacionales e institucionales, la Unión Europea ha buscado desarrollar políticas públicas que corrijan los desequilibrios en la región y reduzcan la distancia reguladora para permitir un crecimiento económico más rápido de las empresas de la región (Basco & Bartkevičiūtė, 2016). Los estudios futuros que se centren en una muestra más diversa contextualmente pueden obtener resultados contrastantes. En cuanto a las dimensiones institucionales, si bien abordamos las dimensiones formales e informales, existen otros niveles de influencia social (Williamson, 2000) que también representan fuentes de heterogeneidad firme que deberían revisarse más a fondo.

Nos hemos centrado en la influencia de la heterogeneidad de la empresa familiar en el comportamiento estratégico; sin embargo, una oportunidad de investigación interesante podría ser incluir una revisión de cómo esta heterogeneidad afecta el desempeño de las empresas familiares que participan en fusiones y adquisiciones. Además, al revisar el desempeño de la empresa familiar en fusiones y adquisiciones a la luz de la heterogeneidad, una línea de estudio interesante sería descubrir si existe una configuración óptima que pueda impulsar los resultados de fusiones y adquisiciones de la empresa familiar. Investigaciones previas sobre rendimiento de fusiones y adquisiciones de empresas familiares, desempeño de negocios familiares y desempeño de fusiones y adquisiciones generan continuamente resultados contradictorios (Ellis, Reus y Lamont, 2009, O'Boyle Jr, Pollack y Rutherford, 2012; Worek, 2017). La creación de valor de las empresas familiares bajo diferentes configuraciones heterogéneas es un tema potencial que podría beneficiarse al considerar la heterogeneidad de la empresa familiar y la influencia institucional.

CHAPTER 6

GENERAL CONCLUSIONS

This Doctoral Dissertation has been informed by the increasing importance of M&A as a growth method in the European context, together with the economic relevance of family firms in this institutional setting. We have examined the relationship between M&A and family firms by analysing the possible implications that internal and external dimensions may have on the previous association. Research has already proven that the particularities of the interaction between family and firm are responsible for the uniqueness of the family firm. While this has indeed helped the field of family firms to develop, clearly distinguishing them from non-family firms, it has also presented an incomplete depiction of family firms. Now that the family firm field has passed its adolescence period (Gedajlovic, Carney, Chrisman, & Kellermanns, 2012), research should focus on a more precise rendition of theoretical arguments. This will not only allow the research field to move forward, but will also provide researchers and practitioners with a more complete understanding of the preferences and behaviours regarding each specific aspect of family firms.

This dissertation addresses variability and heterogeneity within family firms. While we summarily address the differences between family and non-family firms, we focus on the specifics within family firms to review their relationship to strategic decisions such as M&A behaviour. Previous research contends that differences among family firms are potentially at least as large as, or even larger than, the differences between family and non-family firms (Chua, Chrisman, Steier, & Rau, 2012). The bulk of previous research on family firms and strategic choices draws attention to the distinction between whether or not, and if so how, family ownership affects these decisions, assuming the homogeneous behaviour of family firms. Cennamo, Berrone, Cruz, and Gómez-Mejía (2012) propose that family firms are asymmetrical in the importance they give to the different dimensions of SEW. This leads us to believe that not only does family involvement in the firm affect their growth decisions, such as M&A, but the peculiarities of the family firm do so as well.

The dissertation's general objective is to examine the M&A behaviour of family firms in greater detail. We use a SEW theoretical lens and an institutional-based view to interpret the results, and consider firm context in answering the main research question. In general, the results suggest there is a negative relationship between family firms and engaging in M&A decisions as strategic decisions. This negative relationship is probably explained by an aversion to SEW losses (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007), and is not only affected by family firm internal heterogeneity, but is also susceptible to institutional factors.

First, Chapter 2 delimits the fields of interest. We review some of this dissertation's essential concepts and synthesize the theoretical framework we then use in the following chapters. By providing a theoretical review of family firms and the field's research development concerning strategic decisions, this study takes the academic discussion on family firms and M&A one step closer to a more comprehensive understanding of M&A. This literature review contributes to the clarification of the essential concepts regarding family firms, summarizes the theoretical basis of the dissertation, and presents an overview of M&A in the family firm field. Chapter 2 provides a broad perspective on previous research on family firms and strategic decisions, focusing on M&A. The identification of previous research on family firms and M&A highlights previous advances from diverse perspectives, geographical scopes, and research objectives. This snapshot of the current state-of-the-art in the field allows the dissertation to move toward its own research objectives.

In the first academic paper, called "*European family firm propensity toward mergers and acquisitions: the role of internal drivers of family firm heterogeneity*" and presented here in Chapter 3, we first review the influence of ownership types on strategic decisions such as M&A in a European context. Our first research purpose was to review and validate the general propensity of family firms to engage in M&A in a European context. In response to this objective, our results indicate that as a defensive manoeuvre to preserve SEW, European family firms are generally more reluctant to engage in M&A than non-family ones. This is in line with previous research on M&A in a European context (Caprio, Croci, & Del Giudice, 2011), as well as with research on other countries such as the United States (Gómez-Mejía, Patel, & Zellweger, 2015; Miller, Le Breton-Miller, & Lester, 2010). After briefly addressing this strategic decision in a broad approach that singles out the differences between family and their non-family firm counterparts from a macro perspective, this focus is shifted, and we turn to internal sources of family firm heterogeneity. This next step concentrates on another specific objective, namely, to determine sources of heterogeneity and review how core elements within family firms affect M&A decisions. This study also reports evidence on the variance in strategic decisions, and identifies three family-related antecedents of this variance. These three core elements of family firms modify the composition and interactions of family and firm co-existence, and thus the importance it places on SEW dimensions. The findings here indicate that this relationship can be hampered by founder stage firms and family board participation, while being boosted by family ownership concentration. We conduct empirical analyses to address the firm-level heterogeneity of family firms on a sample that includes acquirer firms from 32 European countries over a nine-year period (2007-2015). We perform a series of panel data logit regressions to estimate family firm propensity to engage in M&A. This paper aims to further our present understanding of strategic growth decisions in the family firm context, and consider family firm heterogeneity through a SEW lens. We identify central family firm features as factors that alter SEW endowment, and may therefore echo their willingness to engage in strategic decisions.

The second academic paper is *"European family firms and acquisition propensity: the role of the legal context"*. It adds another layer to the main research question. This study combines two core elements of family firms that are also fundamental governance mechanisms (Denis & McConnell, 2003) for capturing family firm involvement. In response to calls made to explain family firm heterogeneity in any firm-related way (Chrisman, Sharma, & Taggar, 2007), we seek to understand how other possible configurations of family firm heterogeneity might hamper or encourage strategic decisions. While the previous academic paper considers how the core elements of family ownership and control may separately alter the propensity to engage in M&A, this study explores these elements jointly through the development of a family involvement index that combines both involvement in ownership and participation on the board as a single measure.

This dissertation comprises a firm-level analysis of family firm heterogeneity. However, the institutional-based view suggests that heterogeneity can also be found at country level (Peng, 2002; Peng & Jiang, 2010). We then analyse the role of the external dimensions of family firm heterogeneity. The theoretical framework is tested in a sample that includes 13 Western European countries with different legal systems over a nine-year period (2007-2015). This analysis uses several random-effects panel data logit regressions, as well as a multi-level mixed effect logit estimation and several robustness tests. This empirical analysis combines traditional panel data analysis with more modern multilevel analyses. The interplay between the internal and institutional drivers of the family firm is reviewed as the moderation of these drivers to M&A propensity is addressed. The second academic paper presented also provides a response to the research objective that asked whether family firm propensity to M&A engagement was context-based. This paper also makes an in-depth examination of developed formal institutions, such as the legal protection of minority shareholders. Regarding the specific research question of possible institutional influences, our results lead us to infer there is an institutional influence on the M&A decisions of family firms. Previous research by Feito-Ruiz and Menéndez-Requejo (2010) reports that the level of shareholder protection is a characteristic of legal systems that has an effect on family firm M&A valuation. Thus, from an institutional-based view and based on SEW argumentation, we respond to another specific objective here and conclude that legal context is another element that affects the relationship between family firms and M&A propensity. Based on the evidence we present, we support the assumption made by Chen, Hou, Li, Wilson, and Wu (2014) that family firm findings are context-related.

Finally, the third and last academic paper presented in this dissertation: "*Family firms and target selection in international mergers and acquisitions*" also focuses on the role of the institutional context. The previous chapter highlights the importance of the institutional context in examining the strategic behaviour of family firms. This academic paper focuses on a particular type of M&A, namely, international M&A. By reviewing international mergers and acquisitions, we incorporate context heterogeneity into the analysis of the strategic decisions of family firms. The role of context is an issue that has been deemed essential for understanding the behaviour of family firms (Lumpkin, Steier, & Wright, 2011; Wright, Chrisman, Chua, & Steier, 2014). In addition to firm heterogeneity, institutional researchers report that home-country institutional influence can shape M&A activity (Zhu, Ma, Sauerwald, & Peng, 2017). This study uses data that include European acquiring family firms in 31 different national contexts in deals with target firms in 80 different countries worldwide over a nine-year period (2007-2015). We use OLS regression estimation to analyse the institutional distance preferences of family firms when selecting their target in international M&A. The results presented therefore include a high level of institutional variation, and are unlikely to be driven by a given country's idiosyncrasies.

Another specific objective involved examining how institutional factors affect the relationship between family firms and M&A behaviour. The institutional framework consists of two mayor categories: formal and informal institutions that govern firm decisions and shape their behaviour (North, 1990; Peng, Wang, & Jiang, 2008). This academic paper includes a two-level approach that both separately and simultaneously examines country-level variables (institutional and cultural distance) and firm-level variables (family ownership). A review is conducted of informal institutional references (culture) and of formal ones (regulatory protection and business development regulations), and the results indicate that acquirer family firms engaging in international M&A prefer target firms that are closer in formal and informal institutional levels.

The conclusions here may be summarized as follows: firstly, our results show that publicly traded family firms are more reluctant than non-family firms to engage in M&A in order to protect their emotional concerns (SEW) over and above financial considerations. Furthermore, we observe not only differences between family firms and non-family firms, but also within family firms, highlighting the relevance of considering family firms as a heterogeneous group of companies. On the one hand, our work finds that a concentration of family ownership strengthens the negative relationship between family firms and M&A. An increase in family involvement is likely to reinforce the loss aversion to SEW endowment, and which could bring along an unwillingness to dilute ownership and control through the M&A. On the other hand, we conclude that family firms at the early generational stage seem to be more likely to participate in M&A. These findings can be explained through SEW postulates with ties to the private benefits for the controlling family and the long-term goals of family firm founders. The results point to the goal founder stage family firms have to maintain the business for future generations and the importance of succession, a key consideration for family firms (Berrone, Cruz, & Gómez-Mejía, 2012).

Second, family firm propensity toward engaging in M&A is related to idiosyncratic combinations between the different drivers of family firm heterogeneity and SEW (Chua et al., 2012). The importance family firms place on SEW dimensions varies from one family firm to another (Cennamo et al., 2012). Thus, family firm propensity toward engaging in M&A should be reviewed considering the internal drivers of heterogeneity, such as ownership, control, and the generation in charge, while also considering the external ones, which are contextual and institutional-based (Chua et al., 2012; Daspit, Chrisman, Sharma, Pearson, & Mahto, 2018). The first level of analysis includes internal sources of heterogeneity, which are firm-level factors. We focus on the legal system as a country-level institutional factor that has been considered an external source of heterogeneity, and whose importance to family firm M&A has been documented (Worek, 2017). Concerns such as legal system and elements that are characteristic of these regulatory systems, i.e., the level of shareholder protection in the countries where the family firm operates, are likely to be related to the acquisition behaviour of these firms. While there is a negative relationship between the degree of family involvement and the likelihood of M&A, this relationship is sensitive to the legal system. The aforesaid negative relationship is mitigated in legal systems with strong shareholder protection.

Third, the target choice in international M&A is affected by family firm configurations and by the institutional context of the acquirer family firm. A principle of the institutional based-view posits that organisations are largely shaped by their broader state and sociocultural environments (Wright et al., 2014). Home-country institutions constrain the integration of firms in international M&A (Peng et al., 2008; Zhu et al., 2017). Applying an institutional-based view premise, the configuration of two major dimensions of the institutional context can influence strategic behaviour: formal institutions and informal institutions (Estrin, Baghdasaryan, & Meyer, 2009). Using the legal characteristics of host-countries as the formal institutional dimensions, and cultural characteristics as the informal ones, our results point to the importance of considering these dimensions as distinguishing factors of family firms pursuing international M&A. In this regard, acquirer family firms prefer target firms from countries with less informal institutional distance. However, since these institutional dimensions do not work in isolation, when considering formal institutional influence it is also important to include the informal one. The results on the joint institutional distance are mixed, pointing to a preference for countries with less formal institutional distance, albeit with mixed results when considering cultural distance.

6.1 Contributions

The findings presented here contribute theoretically and empirically to the literature on family firm heterogeneity by identifying relevant characteristics (internal and external factors) that may alter their strategic decisions, such as their M&A behaviour. We expect future research to more clearly identify the distinctions within family firms to provide more generalizable results. An analysis of how family involvement can affect the policies, behaviour, goals and decisions of family firms is a current research topic that is increasingly drawing attention in the family firm field (Daspit et al., 2018). Contradictory results in family firm M&A decisions indicate the need for a more profound understanding of family firm strategic behaviour. This dissertation emphasizes the importance of family firm heterogeneity, and stresses that the uniqueness of family firms makes it impossible to establish a given strategic behaviour. This one-size-fits-all view considers family firms to be a homogeneous collective, while disregarding those particularities that provide a nuanced explanation. In order to analyse the strategic behaviour expected, a review of the characteristics of essential heterogeneous elements that affect the family firm (at both firm and country-level) should be considered. This dissertation provides new theoretical implications supported by empirical evidence on the relationship between family firms and M&A.

The evidence presented involves Europe, a geographical context that is relevant to family firms and increasingly important to M&A, and which differs from the traditional US-based research focus on these topics. We cover European firms and present a multi-country review to capture a wider legal, cultural and institutional context. The incorporation of geographical space is needed to develop theories explaining the interactions between family firms and spatial dimensions at the aggregate level (Basco, 2015). This might help to heighten the explanatory power of the findings presented here.

This dissertation extends our current knowledge on an important strategic decision in family firms, and focuses on broadening the understanding of previous studies on this particular strategic growth decision (M&A) (Gómez-Mejía et al., 2015; Miller et al., 2010) by providing a different theoretical perspective and new arguments to enhance current knowledge. This is achieved by considering the internal and external drivers of heterogeneity, as well as by adopting a coevolutionary perspective of family dynamics (Soleimanof, Rutherford, & Webb, 2017), through SEW postulates and institutional based-view factors that affect family firm strategic decision-making.

We contribute to institutional-based theory, as very few studies on family firms (e.g., Peng & Jiang, 2010) have explicitly considered the effect institutions have on family firm strategy (Wright et al., 2014). We review both firm and country-level factors, and how their interaction helps us to comprehend the strategic behaviour of family firms. These two levels of institutional influence represent a more rounded understanding than the results from single-country studies (van Essen, Heugens, Otten, & van Oosterhout, 2012). Furthermore, the empirical analysis with several methods of scrutiny, including ordinary least squares linear regressions, panel data logit regressions, random effects panel data and multilevel analysis, provide robust support for our different hypotheses and greater confidence in the generalisation of the results.

Our findings also provide insights for investors. The empirical results mean that family firm growth decisions, such as M&A, may not be taken in alignment with the strategic objectives of traditional firms. This may appear inefficient to minority shareholders, as they might find that the firm is interested in family-oriented strategic decisions. Therefore, investments made by minority shareholders may not provide the desired returns for non-family firm shareholders, as the main objective might not be financially based, and might be driven by SEW endowment. Investors should be aware of the core elements of family firms, as different arrangements of family firm heterogeneity (family governance and generational stage) might drive the strategic behaviour of family firms.

6.2 Limitations and Future Research

Despite the efforts made in the theoretical review, as well as in the empirical analysis, this dissertation has certain limitations that present possible avenues for future research. The limitations here lead us to advise the reader to analyse the results with some caution.

First, while we review the heterogeneity of family firms and address this issue, we acknowledge there are many elements that we do not take into consideration. Due to the complexity of the relationship between family and firm, much of family firm heterogeneity remains to be reviewed (Daspit, Chrisman, Sharma, Pearson, & Long, 2017). Some of the elements we have not considered in this study might provide different and conflicting results on the M&A behaviour of family firms and the relationship we analyse between family firms and M&A. Despite not considering other heterogeneous factors that affect the strategic decision-making of family firms, we have focused on the core elements of family firms. Previous heterogeneity reviews consistently pick out the core elements we consider to be the central distinguishing features of family firms, stressing their influence in strategic decision-making (Cano-Rubio, Fuentes-Lombardo, & Vallejo-Martos, 2017; Chua et al., 2012; Daspit et al., 2018; Hernández-Linares, Sarkar, & López-Fernández, 2017; Jaskiewicz & Gibb Dyer, 2017; Steiger, Duller, & Hiebl, 2015) Other sources of heterogeneity that might be considered are as follows: the number of family members involved in ownership or control (Dawson & Mussolino, 2014), the demographic characteristics of owners (e.g., gender, ethnicity, age) (Daspit et al., 2018), variance in management or boards, i.e., configuration of TMT, presence of non-family members on the board, as CEO, or in management (Chrisman, Chua, Steier, Wright, & D'Lisa, 2012; Minichilli, Corbetta, & MacMillan, 2010), and even board size (Jaskiewicz & Klein, 2007).

We recognize that we are unable to directly measure SEW. Instead, in line with many previous studies in the family firm field, (e.g., Miller et al., 2010; Strike, Berrone, Sapp, & Congiu, 2015), we base the measure of family involvement on archival data. However, previous research cautions that constructs such as SEW and *familiness* still require the development of valid and reliable measures (Dawson & Mussolino, 2014; Pearson & Lumpkin, 2011). A review of heterogeneity among family firms that measures SEW as proposed by Berrone et al. (2012), or constructed on validated measures as the F-PEC proposed by Astrachan, Klein, and Smyrnios (2002), the SEWi scale suggested by Debicki, Kellermanns, Chrisman, Pearson, and Spencer (2016) or even the FIBS scale presented in Hauck, Suess-Reyes, Beck, Prügl, and Frank (2016), or several of them together, might reveal important elements of family firm heterogeneity that are missing in this dissertation.

The use of secondary data sources from datasets also constitutes a limitation regarding the measurement of family firm and the generalization of these results to private firms. In line with a majority of previous studies on both the topic of family firms and M&A, and general research on M&A, the sample used here includes public firms in detriment to private ones (Worek, 2017). Privately held firms are more prevalent worldwide, but are not usually obliged to disclose privileged information, thereby leading to a shortage of reliable financial information on this type of family organisations. However, these firms are also more prevalent targets than public firms in acquisitions (Gonenc, Hermes, & van Sinderen, 2013). Shifting the focus from public to private firms might produce different results, as important characteristics differ between public and private family firms. A few important characteristics that could vary the results of the M&A relationship are that private firms have less incentive to engage in opportunistic behaviour (Stockmans, Lybaert, & Voordeckers, 2010), private firms have, on average, lower integration costs (Gonenc et al., 2013), and family wealth is especially linked to the family's SEW (Gómez-Mejía et al., 2007). We encourage future researchers to include private family firms, and review how internal and external drivers of heterogeneity can impact on M&A behaviour.

The geographical scope of this dissertation, while important, may present less variability in context than other areas. Even though using a European context involves several countries and different national-institutional influences, the European Union has increasingly sought to develop public policies that correct imbalances in the region and reduce regulatory distance to allow the faster economic growth of firms (Basco & Bartkevičiūtė, 2016). Future studies focusing on a more contextually diverse sample may obtain contrasting results. Regarding the institutional dimensions, while we address both formal and informal dimensions, there are other levels of social influence (Williamson, 2000) that also represent sources of firm heterogeneity that should be more thoroughly reviewed.

We have focused on the influence of family firm heterogeneity on strategic behaviour; however, an interesting research opportunity could involve a review of how this heterogeneity affects the performance of family firms that engage in M&A. In addition, while reviewing family firm performance in M&A in the light of heterogeneity, an exciting research prospect would be to discover whether there is an optimal configuration that can drive family firm M&A performance. Previous research on family firm M&A performance, family business performance, and M&A performance continuously generates contradictory results (Ellis, Reus, & Lamont, 2009; O'Boyle Jr, Pollack, & Rutherford, 2012; Worek, 2017). The value creation of family firms under different heterogeneous configurations is a potential topic that could benefit from considering family firm heterogeneity and institutional influence.

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