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COMMENTARY

Paradox of Family Firms: Comment on Fang, Singh, Kim, Marler, and Chrisman (2022)

Vitaliy Skorodziyevskiy

University of Louisville, USA
(vitaliy.skorodziyevskiy@louisville.edu)

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Introduction

The flourishing nature of family business research is evident not only in the growth of the number of studies published in top-tier journals over the past several decades (Daspit, Madison, Nordqvist, & Sieger, 2024; Rovelli, Ferasso, De Massis, & Kraus, 2022) but also in the number of studies that explore family business research outside Western contexts (e.g., primarily the US). An excellent example of such pioneering research is the literature review by Fang, Singh, Kim, Marler, and Chrisman (2022), published in the *Asia Pacific Journal of Management*. Their paper not only accumulates knowledge about Asian and particularly Chinese family firms (over 30% of articles in Fang et al. (2022) are on Chinese family firms) but also compares the findings to those in Western contexts, inspiring further exploration and theorization.

Specifically, Fang et al. (2022) review 114 articles on family firms in Asia (e.g., China, Japan, India, Turkey, and UAE) by utilizing the goals, governance, and resources (GGR) framework (Chrisman, Sharma, Steier, & Chua, 2013). Their approach is twofold. First, they examine GGR as independent variables and firm behaviors, such as risk-taking, financial activities, and firm performance (e.g., return on investment (ROI), return on assets (ROA), and Tobin's Q), as dependent variables. Then, they review the literature on family firms in Asia that captures governance and resources as dependent variables.[1] Finally, they identify seven research gaps that could be grouped into three distinct categories: (1) context as an antecedent, (2) interaction between GGR, and (3) reverse causality.

The authors significantly contribute to family business research beyond Western contexts by reviewing the literature on Asian family firms. Their work highlights the importance of global research in building a comprehensive theory of the family firm. Understanding the differences between family and nonfamily firms (Markin, Skorodziyevskiy, Zhu, Chrisman, & Fang, 2022), as well as the heterogeneity of family firms (Daspit et al., 2021, 2023), could provide scholars with the breadth and depth necessary to, as Fang et al. (2022: 1248) argue, 'theorize the context' and 'contextualize the theory'. This enlightening perspective informs our future research directions.

The findings of Fang et al. (2022) that research on Asian family firms is generally consistent with the findings on Western family firms are paradoxical. The paradox is that despite the belief that Asian family firms (or family firms from other regions of the world) operate substantially differently from Western family firms, Fang et al.'s (2022) findings challenge this notion. Out of 114 reviewed studies, Fang et al. (2022) show that only 44 articles (∼38.6%) are inconsistent with the findings from the West or are unique to the Asian context, while the majority of findings on Asian family firms align with the findings on Western family firms (70 studies; ∼61.5%). Since most of the findings on Asian family firms are consistent with the findings in the West, it begs the question of whether family firms worldwide actually differ that much from one another, as scholars tend to suggest. Moreover, when comparing the findings from studies on China with those conducted in the West, there are only 13 studies with inconsistent or unique findings, again only 38% of the total number of studies on China they examined.

Therefore, this commentary serves multiple purposes. First, I attempt to explain the inconsistencies Fang et al. (2022) found and elaborate on whether those are true anomalies. In other words, I decompose the findings of Fang et al. (2022) utilizing the framework of Skorodziyevskiy, Sherlock, Su, Chrisman, and Dibrell (2024). This allows me to utilize the robustness of Fang et al.'s (2022) framework while considering other important dimensions – institutional environment and firm size. By considering the frameworks of Fang et al. (2022) and Skorodziyevskiy, Sherlock, et al. (2024) simultaneously, richer insights into the literature on Chinese and other Asian family firms are possible.

Second, by utilizing a novel framework, I contribute to the Special Issue on 'Family Dynamics and Entrepreneurship'. Importantly, while Fang et al. (2022) provide a comprehensive review of family firms across Asia, my analysis considers China's unique cultural, business, and governmental dynamics – Confucian values, *guanxi*, and state-driven entrepreneurship – as shaping family business practices in ways that may extend beyond China's borders. Although I do not directly assess China's influence on neighboring countries, this perspective aligns with *Management and Organization Review's* mission to provide insights on management and organizations in China within a global and comparative context, which enhances our understanding of family business dynamics.

Family Businesses in China (Asia) and the West

To better understand the research on family business, family dynamics, and entrepreneurship in China, it is valuable to highlight general similarities and differences between institutional environments in Asia, specifically in China, and in the West, which impact family dynamics and entrepreneurial endeavors. According to Hofstede (2011), Asian cultures can be characterized as highly collectivistic, in which individuals have high long-term orientation with high power distance and low indulgence (Fang et al., 2022; Mehrotra, Morck, Shim, & Wiwattanakantang, 2011). Many Asian countries are also heavily influenced by Confucian values (Chen, Xiao, & Zhao, 2021), which advocate collectivism, familism (i.e., the value of putting the family above the individual), and hierarchies based on age and seniority. These values significantly impact interpersonal relationships, which are essential for successful entrepreneurial endeavors and especially for building strong family bonds in family firms.

Importantly, in the case of China, the integration of Confucian values, government influence, and unique relational structures such as *guanxi* – networks that are based on mutual trust as well as reciprocal relationships – distinguishes the approach of Chinese firms from the broader Asian context (Chen, Chen, & Huang, 2013). Notably, *guanxi* shares similarities with other relationship-based networks across Asia; however, Chinese firms have formalized it into a complex system of trust, loyalty, and reciprocity, which facilitates various business transactions and government interactions leading to an increase in organizational performance (Luo, Huang, & Wang, 2012). Thus, as China's economic influence grows, *guanxi* increasingly impacts neighboring Asian countries, where relational networks and loyalty are central to business practices, though often less formalized than in China (Rugman, Nguyen, & Wei, 2016).

The active role of the government in China in guiding entrepreneurial activity, particularly through policies such as the 'mass entrepreneurship and innovation' campaign, also highlights its unique approach to fostering private business development while maintaining close state oversight (He, Lu, & Qian, 2019: 564). This integration of state support with market-oriented growth has become a model throughout Asia, inferring that other governments have adopted similar policies to balance state involvement with private innovation (Blalock, Fan, & Lyu, 2023). Interestingly, China's approach, which is often termed 'network capitalism' or 'East Asian capitalism' (Boisot & Child, 1988; Hamilton & Biggart, 1988, 1991), leverages family-based kinship networks and government guidance as pillars of its entrepreneurial ecosystem, creating a framework that has an impact on the region (Liu, Xu, & Lim, 2024; Ross, 2019).

Therefore, these dynamics within Chinese family firms are also shaped by a strong emphasis on family lineage, traditionally involving close-knit and geographically concentrated clans who share resources and a collective family identity (Eastman, 1989; Freedman, 1966). This structure contrasts with the nuclear families common in Western business contexts, in which family involvement is rather individualized. For instance, the high levels of collectivism and power distance in Chinese culture mean that older family members frequently hold primary decision-making authority in family firms (cf., Moran, Abramson, & Moran, 2014), guiding business strategy in ways deeply influenced by a sense of duty to both family and state (Eddleston, Jaskiewicz, & Wright, 2020). In contrast, Western cultures are more individualistic, with a rather short-term orientation, low power distance, and high indulgence. Notably, since religious beliefs are not highly idiosyncratic in the West, the values of entrepreneurs, as well as the family businesses that they operate, may not always conform to traditionality with respect to the hierarchy of voices or the choice of the successor (Sharma, Chrisman, & Chua, 2003). The research on family firms in the West shows that because of the low power distance, family firms may primarily have egalitarian approaches to managing the firm (Dyer, 2006), such as being more open to flatter organization structures and using more democratic approaches to decision-making. Since many family firms in the West are argued to have higher levels of professionalization (Stewart & Hitt, 2012) with more formal structures (i.e., board of directors including independent directors), the succession decision could be more merit-driven than familial-based. Therefore, entrepreneurship in the West is primarily driven by individualism, with a strong focus on personal achievement and merit-based decision-making.

Moreover, China's influence extends to the Asian region through its demographic and policy shifts, specifically in response to its evolving family structure. The shift from extended family models to smaller nuclear households, driven by policies like the transition from the one-child policy to a multi-child policy (Attané, 2022; Wang, Zhao, & Zhao, 2017; Zeng & Hesketh, 2016), has already reshaped business dynamics as younger generations play increasingly active roles in family businesses (Liu, Zhu, Serapio, & Cavusgil, 2019). This demographic shift, therefore, resonates across other Asian countries (Bloom & Finlay, 2009), since other countries also face similar transformations such as aging populations (Chand, 2018) or the transition to smaller family units (De Silva, 2005). As China navigates these changes (and sometimes challenges), it provides a model for how not only Chinese, but also Asian family firms can adapt their succession planning, governance structures, and innovation approaches to align with shifting family roles and generational expectations.

Lastly, Chinese family firms are known to utilize fictive kinship (Barbalet, 2021; Nelson, 2013) – a situation in which close friendships or work-based relationships are often accepted as part of the extended family. Thus, fictive kin, or 'pseudo-family', integrates nonblood relationships into the family structure, creating support networks that enhance resilience and loyalty within business contexts. This extension of family ties resonates in neighboring Asian countries (Kim, 2009), where similar cultural practices are increasingly adopted, reinforcing the Chinese model of kinship networks as an effective nontangible resource. Culturally, fictive kinship could be less of an option for Western family firms.

Overall, while Chinese family firms emphasize long-term stability, hierarchical family involvement, and alignment with government strategies, entrepreneurs in the West often prioritize individualism, independence, and rapid growth. Yet, both Asian and Western family firms share some foundational goals, such as economic and noneconomic pursuits (Chrisman & Patel, 2012), as well as values like altruism (Fang, Shi, & Wu, 2021; Schulze, Lubatkin, & Dino, 2003), nepotism (Jeong, Kim, & Kim, 2022), and risk aversion to protect socioemotional wealth endowments (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007).

In sum, the unique blend of Confucian values, *guanxi*, and state-guided entrepreneurship in China provides an influential model for family businesses across Asia, inspiring and sometimes aspiring entrepreneurs in other countries to integrate family and community into their business approaches. Thus, considering the similarities and differences between the Asian and Western cultures and the impact that China has on the Asian region, I first review the findings of Fang et al. (2022) and then identify cross-country trends by utilizing Skorodziyevskiy, Sherlock, et al.'s (2024) framework.

Fang et al. (2022): Review of Consistent Findings

Using the GGR framework, Fang et al. (2022) directly link the findings of Asian family firms with the results of similar findings in the West. As mentioned above, I argue that the patterns that Asian family firms exhibit are virtually identical to the patterns that specifically Chinese family firms display. Here, I report the overarching consistencies that Fang et al. (2022) report following the GGR framework.

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Goals

The literature review suggests that when it comes to goals (specifically family-centered noneconomic [FCNE] goals), Asian family firms are concerned with longevity, family values, and succession, which have a positive impact on firm performance. Their findings suggest that family firms in Asia value FCNE goals no less than family firms value them in the West.

Governance

Reviewing studies on governance, the authors find that the impact of family governance on performance is mixed, with some studies reporting positive, negative, or even curvilinear relationships. With respect to heterogeneity, the authors suggest that family-managed and family-owned firms behave and perform differently when compared to professionally-managed, family-owned firms. Furthermore, the authors show that the financial activities, risk preferences, business ethics, and human resource management activities of Asian family firms do not substantially deviate from those of Western family firms.

Resources

Generally, studies on the resources of family firms focus on resource configurations, suggesting that such characteristics as reputation, social capital among family members in the firm, or relationship with financial institutions positively impact the performance of Asian family firms. Considering firm behavior, the paper argues that the findings of the studies on human and social capital align with those in the West, such as the studies on bifurcation bias, succession, education of successors, and relationships between family and nonfamily members. Lastly, the authors argue that family firms tend to use family resources (tangible), as opposed to resources from nonfamily parties, and tacit resources (intangible), which are passed through generations. Hence, the research suggests that the way Asian family firms utilize resources does not differ from the way Western family businesses utilize them.

Alternative Framework: Size and Environment

Thus, Fang et al.'s (2022) robust framework offers clear explanations for most of the findings of Asian (e.g., Chinese) family firms. Fang et al. (2022) identify 44 studies as having either inconsistent (i.e., 10 studies) or unique (i.e., 34 studies) results specific to the Asian context. Equipped with the goal of explaining these inconsistencies, I utilize the framework put forth by Skorodziyevskiy, Sherlock, et al. (2024). In their paper, the authors review the strategic choice literature (i.e., innovation, internationalization, and diversification) by utilizing the framework that simultaneously considers the firm size and the strength of the institutional environment in which firms operate. The authors strongly suggest that separating the two dimensions when conducting research on family firms could provide limiting and faulty findings. This can be succinctly summarized in the following way. First, family firms of different sizes may be involved in various kinds or amounts of strategic behaviors (i.e., innovation, internationalization, and diversification) and consequently experience different performance levels (see Skorodziyevskiy, Fang, Memili, & Chrisman, 2022; Stewart & Hitt, 2012). Second, institutional environments with varying strengths of property rights influence firm behavior and performance differently (see Lohwasser, Hoch, & Kellermanns, 2022). The most important aspect is that firm size serves as a proxy for the amount of resources that firms have (internally), while institutional environments represent the opportunities and threats that exist externally to the firm.

Therefore, Skorodziyevskiy, Sherlock, et al. (2024) suggest that simultaneously accounting for both dimensions (i.e., firm size and institutional environment) could provide a more nuanced understanding of the behavior and performance of family firms. The authors' findings support this assertion. For instance, the authors conclude that small- and medium-sized (hereafter SMEs) family firms in strong institutional environments are more aggressively engaged in innovation activities than family and

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nonfamily firms of any size in any other environment (e.g., weak and medium property rights). However, generally family firms in the medium institutional environment tend to invest less in innovation and internationalization, while in the strong institutional environment, family SMEs have a higher propensity to innovate in comparison to nonfamily SMEs. Regarding the large firms, the behavior of large family firms in medium and strong institutional environments does not seem to differ, but large family firms in both environments are less inclined to engage in strategic change than large nonfamily firms. Furthermore, the authors also conclude that there seem to be no behavioral differences between family SMEs and large family firms in medium institutional environments regarding their innovation or internationalization activities. However, they show that large family firms are more likely to innovate because they have more resources (the function of the firm size). In contrast, family SMEs are less inclined to be involved in strategic change endeavors related to innovation in comparison to nonfamily SMEs. Overall, family SMEs and large family firms are less prone to internationalization in comparison to nonfamily firms.

Thus, the findings of Skorodziyevskiy, Sherlock, et al. (2024) provide evidence that when the resources of family firms (proxied by firm size) and the opportunities and threats in the environment (proxied by the International Property Rights Index (IPRI))[2] are taken into consideration, the inconsistencies that Fang et al. (2022) find seem to be less like anomalies and more like consistencies with their framework. It is worth mentioning that the GGR framework considers the size proxied by the 'R' (resources), but not the institutional environment. Therefore, my analysis primarily focuses on how the strength of institutional environments in which family firms operate impacts their behavior and performance.

Consistent Inconsistencies

All studies that Fang et al. (2022) identify as inconsistent or unique are listed in Table 1 for clarity, transparency, and credibility. I also include information on the country from which the sample originated, report firm size, identify the strength of property rights in a given environment according to the IPRI index, and provide the quantile of the scores for that country. Fang et al. (2022) report that 8 out of 10 (i.e., 80%) studies with inconsistent results and 25 out of 34 (i.e., ~75%) studies with unique findings are a function of firm governance. The authors also imply that many of their inconsistent/unique findings are related to the cultural (informal) differences between Asia and the West. Skorodziyevskiy, Sherlock, et al. (2024) suggest that the opportunities and threats in institutional environments with various strengths of property rights are responsible for the alterations of behaviors and performance of family firms in different parts of the world. Therefore, the inconsistent and unique findings regarding governance essentially are the function of the strength of institutional environments where firms operate. According to the IPRI, the majority of countries with strong institutional environments are from the West, such as Finland, Sweden, Denmark, or the United States, while the majority of Asian countries are uniformly in medium or weak property rights environments (e.g., China, India, Thailand, South Korea). Therefore, I first elaborate on why some of the studies potentially had inconsistent or unique findings and later report a few notable patterns that persist and can be better explained after the alternative framework of Skorodziyevskiy, Sherlock, et al. (2024) is applied to the findings.

Potential Explanation: Mixed Environments or Firm Sizes

A mix of environments

As seen in Table 1, 8 studies use samples from multiple countries. Since the opportunities and threats in environments with different informal and formal institutions impact the behavior and performance of family firms differently, the mix of samples could have produced inconsistent or unique findings. For example, take the study by Ellul et al. (2010), whose sample includes more than 10,000 firms from 38 countries, or the paper by Xu and Hitt (2020), whose findings are based on 640 firms from 19 countries. In both studies, most sampled firms do not come from Asian countries. Hence, the findings of these papers may be misinterpreted since they apply to Asian family firms as much

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Table 1. Inconsistent studies and papers that have no parallel with the papers from the West from Fang et al. (2022)

Authors (Year)	Unique (U); Inconsistent (I)	Country	Firm Size	Environment	IPRI Quantile
Au, Chiang, Birtch, and Ding (2013)	U	Hong Kong	Large	Strong	1st
Ng and Roberts (2007)	U	Singapore	Large	Strong	1st
Yoshikawa and Rasheed (2010)	I	Japan	Large	Strong	1st
Sasaki, Kotlar, Ravasi, and Vaara (2020)	U	Japan	Mix	Strong	1st
Bodolica, Spraggon, and Zaidi (2015)	U	UAE	SME	Medium	3rd
Cao, Cumming, and Wang (2015)	U	China	SME	Medium	3rd
Amit, Ding, Villalonga, and Zhang (2015)	U	China	Large	Medium	3rd
Banalieva, Eddleston, and Zellweger (2015)	U	China	Large	Medium	3rd
Chen, Fang, MacKenzie, Carter, Chen, and Wu (2018)	U	China	Large	Medium	3rd
Choi, Zahra, Yoshikawa, and Han (2015)	I	Korea	Large	Medium	2nd
Chung and Chan (2012)	U	Taiwan	Large	Medium	2nd
Chung and Luo (2008)	U	Taiwan	Large	Medium	2nd
De Massis, Ding, Kotlar, and Wu (2018)	I	China	Large	Medium	3rd
Luo and Chung (2005)	U	Taiwan	Large	Medium	2nd
Luo, Li, Wang, and Liu (2021)	U	China	Large	Medium	3rd
Schenkel, Yoo, and Kim (2016)	U	Korea	Large	Medium	2nd
Xu, Yuan, Jiang, and Chan (2015)	U/I	China	Large	Medium	3rd
Yoo, Schenkel, and Kim (2014)	U	Korea	Large	Medium	2nd
Young and Tsai (2008)	U	Taiwan	Large	Medium	2nd
Deng (2015)	U	China	Mix	Medium	3rd
Dou and Li (2013)	U	China	Mix	Medium	3rd
Dou, Zhang, and Su (2014)	I	China	Mix	Medium	3rd
Du (2016)	U	China	Mix	Medium	3rd
Jiang, Jiang, Kim, and Zhang (2015)	U	China	Mix	Medium	3rd
Shen and Su (2017)	U	China	Mix	Medium	3rd
Lampel, Bhalla, and Ramachandran (2017)	U	India	SME	Weak	4th
Ashwin, Krishnan, and George (2015)	I	India	Large	Weak	4th
Bertrand, Johnson, Samphantharak, and Schoar (2008)	U	Thailand	Large	Weak	4th
El-Kassar, ElGammal, and Fahed-Sreih (2018)	I	Lebanon	Mix	Weak	5th
Santiago (2011)	U	Philippines	Mix	Weak	4th
Singla, Veliyath, and George (2014)	U	India	Mix	Weak	4th

(*Continued*)

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Table 1. (*Continued.*)

Authors (Year)	Unique (U); Inconsistent (I)	Country	Firm Size	Environment	IPRI Quantile
Arregle, Batjargal, Hitt, Webb, Miller, and Tsui (2015)	U	Multiple	SME		
Au and Kwan (2009)	I	Multiple	SME		
Jiang and Peng (2011)	U	Multiple	Large		
Lodh, Nandy, and Chen (2014)	I	Multiple	Large		
Peng and Jiang (2010)	U	Multiple	Large		
Ellul, Pagano, and Panunzi (2010)	U	Multiple	Mix		
Huang, Chen, Xu, Lu, and Tam (2020)	U	Multiple	Mix		
Xu and Hitt (2020)	I	Multiple	Mix		

Notes: 1. Unique (U) studies are those for which Fang et al. (2022) find no parallel studies in the West. Inconsistent studies are those whose results differ from the results of the studies in the West. 2. Firm size was directly derived from the original studies. 3. Studies are organized based on the strength of the environment according to the classification used by Skorodziyevskiy, Sherlock, et al. (2024). The IPRI quantile is identified by the IPRI according to the scores given to a given country for 2023. The IPRI (2023) can be found here: https://www.internationalpropertyrightsindex.org/ It is also available from the author upon request. 4. The number of studies differs from that of Fang et al. (2022). The reason is that Fang et al. (2022) reported the same article multiple times such as Peng and Jiang (2010) or Xu, Yuan, Jiang, and Chan (2015).

as they are relevant to Western ones, suggesting that family firms seem to be more similar than different worldwide. According to Skorodziyevskiy, Sherlock, et al. (2024), focusing on one institutional environment could enhance scholars' ability to draw clear conclusions and inferences. For instance, Xu and Hitt (2020) found that family firms may be less willing to expand internationally if there is a high availability of capital at home. However, it is worth considering the source of this capital. In China, for instance, it could be *guanxi*, while in Canada, a venture capital firm, both of which have different requirements and expectations. Hence, since the sources of capital differ, implications for our knowledge of entrepreneurship in China and Canada, for instance, also differ.

A mix of firm sizes

In addition to the mix of countries in the samples, 13 studies in Fang et al.'s (2022) review either mixed or did not report the size of firms, making it challenging to draw inferences. The family business literature argues that family SMEs and large family firms tend to behave and perform differently (Skorodziyevskiy, Sherlock, et al., 2024; Stewart & Hitt, 2012). In this case, the findings of studies with combined samples may simultaneously resemble the behaviors and performance of family SMEs and large family firms. Consequently, it becomes challenging to theorize whether the results are driven by a strong desire to pass the firm to future generations (Chua et al., 1999), a goal that is prevalent in family SMEs, or by a strong desire for a higher reputation and higher concern for shareholder satisfaction (Burkart et al., 2003), a common goal of large family firms.

Therefore, the differences in the strength of the institutional environment (La Porta et al., 1999) and firm size (Stewart & Hitt, 2012) play a significant role in how family firms behave and perform around the world. To build the theory of the family firm, scholars should focus on understanding the informal and formal structure of one region/country, given the size of family firms, to provide more robust results. Otherwise, several unidentified variables could inherently confound the results.

Consistent Commonalities in Inconsistent Findings of Fang et al. (2022)

The paradox that Fang et al. (2022) uncover challenges the idea that the behavior and performance of family firms in one part of the world substantially differ from that of family firms in some other parts of the world. The authors suggest that many family firms worldwide behave and perform similarly regardless of location. This means that our theories, especially those that originated in the West but are applied to family firms in other parts of the world (e.g., China), predictably explain the behavior and performance

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of these family firms. Even though I found some of the studies to be particularly difficult to interpret because of the mix of countries and firm sizes (and almost no studies on family SMEs), I was able to add more nuance to the findings of Fang et al. (2022) utilizing Skorodziyevskiy, Sherlock, et al.'s (2024) framework.

Unique goal

Four studies of large family firms by Ashwin et al. (2015), Choi et al. (2015), De Massis et al. (2018), and Lodh et al. (2014) similarly show that when there are growth opportunities or family firms place more importance on their economic goals, family involvement increases investments in R&D. The samples for these studies come from institutional environments with either weak or medium property rights (i.e., South Korea, China, India, a mix of countries, respectively). In those environments, compared with the strong institutional environments (i.e., West), family firms tend to take growth opportunities more seriously or swiftly. After considering the institutional environment, the goal dimension of the GGR framework would suggest that the economic goals of family firms tend to be prioritized over noneconomic goals when the external environment (e.g., China) is unable to provide a high level of property rights protection (Lohwasser et al., 2022) as it does in the West.

In addition, two studies in China (medium property rights; Dou, Zhang, & Su, 2014) and Lebanon (weak property rights; El-Kassar, ElGammal, & Fahed-Sreih, 2018) demonstrate that family ownership as well as the duration of family control (e.g., Skorodziyevskiy, Chandler, Chrisman, Daspit, & Petrenko, 2024) have a positive relationship with corporate social responsibility (CSR), charity donations, and social performance. Notably, in the recent literature review on CSR, Mariani, Al-Sultan, and De Massis (2023) argue that the behaviors of family firms differ in developing (e.g., many from Asia) and developed (e.g., many from the West) countries. Specifically, in developing countries, family firms are driven to be more philanthropic (Du, Pei, Du, & Zeng, 2019; Du, Zeng, & Chang, 2018) either because of their religious beliefs or because of a strong desire to contribute to the community in which they operate (Mariani et al., 2023). In contrast, in developed countries (i.e., West), family firms place more emphasis on business ethics (e.g., Déniz & Suárez, 2005) as well as economic and governmental issues (e.g., Doluca et al., 2018; Fehre & Weber, 2019). Therefore, the findings of Dou et al. (2014) and El-Kassar et al. (2018) are consistent with other studies conducted in institutional environments with weak and medium property rights (Chou, Chang, & Han, 2016; Singh & Mittal, 2019), suggesting that family firms value noneconomic goals such as investing in CSR or donating to philanthropy in Asia no less than family firms in the West, but for different reasons, which are a function of the institutional environment in which they operate.

Lastly, the value systems, shared beliefs, and norms (cf., Chen, Xiao, & Zhao, 2021; Schwartz et al., 2012) in Asia differ from those in the West, influencing the goals of family firms. For instance, several articles in Fang et al.'s (2022) review focus on religious beliefs and their impact on family firms (e.g., Jiang, Jiang, Kim, & Zhang, 2015; Shen & Su, 2017). As such, Jiang et al. (2015) suggest that family firms with founders who have strong religious beliefs are less risky than family firms with nonreligious founders. In addition, Shen and Su (2017) find that succession intentions tend to increase when founders of family firms have higher levels of religiosity. Ultimately, the environment in which family firms operate significantly influences the approach that family firms employ to pursue their goals.

Unique governance

The formal structure of institutional environments may dictate the appropriate governance mechanism. For instance, in studying large firms, the research by Amit et al. (2015; China), Chung and Chan (2012; Taiwan), Jiang and Peng (2011; multiple Asian countries), and Peng and Jiang (2010; multiple Asian countries) suggests that pyramidal ownership harms firm performance. These findings come from countries with weak or medium property rights, in which pyramidal ownership is common. The lack of studies in the West on pyramidal ownership stems from the notion that large firms in Asia typically have concentrated ownership. In contrast, these large firms in the West (and specifically the

US) are typically widely held (e.g., Burkart et al., 2003). Moreover, Morck (2005) further suggests that in the West (e.g., the US), pyramidal groups were common until the introduction of the double-taxation of inter-corporate dividends, making such governance structure financially limiting. However, in Asia (and specifically in China), pyramidal ownership acts as a lever, allowing family firms to increase their private benefits by soliciting political favors or strengthening the control of their tangible assets (Morck, Wolfenzon, & Yeung, 2005). This is particularly relevant in countries with weak or medium property rights environments because pyramidal ownership essentially acts as a substitute for the lack of strong protection of physical or intellectual property rights (Levy-Carciente, 2019). From the GGR's perspective (i.e., governance dimension), family firms utilize pyramidal ownership in environments in which other forms of firm governance may be less effective and even efficient for growth or survival (Chua et al., 1999).

Unique resources

The findings of Fang et al. (2022) also suggest that social capital plays a vital role for family firms in weak and medium property rights environments. For instance, Xu et al. (2015) find that the political ties of founders positively enhance firm performance, while Du (2017) suggests that political connections in Asia are more likely to be developed by family entrepreneurs with rather than without religious beliefs. Furthermore, there is a strong reliance on and importance of family-based social connections in Asia (Luo & Chung, 2005), especially for successors who benefit from family firms transferring social connections to them before succession (Dou & Li, 2013). Thus, from the GGR's perspective, after accounting for the strength of the institutional environment, it appears that the social capital of family firms, such as political connections, religious affiliations, or family-based social connections, have a greater impact on the behavior and performance of family firms in Asia than it does in the West. Notably, family firms in countries with weak and medium property rights rely more heavily on social capital because such environments may lack the necessary legal protections or support mechanisms for family firms to grow and prosper.

Discussion

Despite the belief that the behavior and performance of family firms substantially differ across countries, Fang et al.'s (2022) literature review challenges this assertion. In doing so, the authors find several findings inconsistent with the West or unique to Asia, which I attempt to explain by utilizing the framework put forth by Skorodziyevskiy, Sherlock, et al. (2024) and supplementing it with the GGR framework. Thus, I argue that there are several reasons why some of the findings were inconsistent. First, some of the reviewed papers utilize multi-country samples or combine firms of different sizes in the sample. This approach limits our understanding of how one institutional environment (i.e., China) or internal composition of a firm impacts family firms and instead creates general findings that may or may not apply to any particular environment or any particular firm. Second, I show that several studies with findings that are inconsistent with those in the West are consistent within the institutional environment in which family firms operate. Lastly, I argue that the differences that exist between Asia and the West or weak/medium and strong property rights environments may explain the uniqueness of the findings on family firms in Asia. Thus, many inconsistencies are a function of the differences in the strength of institutional environments, a theory that originated in the West but seems to apply to the Asian context.

In addition to commenting on Fang et al. (2022), I offer a contribution to the special issue on 'Family dynamics and entrepreneurship: Interaction between changes in families and changes in entrepreneurial activities in China'. Drawing from Fang et al. (2022), Skorodziyevskiy, Sherlock, et al. (2024), and family business literature, I propose that, given the firm size, the behavior and performance of Chinese family firms could be like that of other family firms in weak or medium institutional environments. For instance, family firms in China may behave and perform similarly to family firms in South Korea, Taiwan, or UAE since all four of these countries operate in environments with medium property rights environments. Therefore, while the Chinese context is unique in its historical

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background, scholars may be surprised to find that family firms or typical entrepreneurs who operate in environments with similar strengths of property rights tend to act relatively uniformly. This is a plausible assumption given how much impact Chinese culture and government policies have on other Asian countries. Therefore, Fang et al.'s (2022) review, along with my comment, highlights the interplay that exists between institutional environments and family dynamics in shaping entrepreneurship in Asia, considering the impact that China has on other Asian countries. This also aligns with the special issue's call to explore contextual variations and reciprocal impacts between family dynamics as well as entrepreneurship in China and beyond, contributing to the *Management and Organization Review* journal.

Therefore, using Fang et al.'s (2022) and Skorodziyevskiy, Sherlock, et al.'s (2024) frameworks, future research could focus on several promising research avenues. First, scholars could conduct a number of studies to explore the configurations of GGR that result in higher performance of family SMEs or large family firms in environments with weak, medium, or strong property rights. For instance, future scholars could compare the impact that various configurations of GGR of family SMEs have on their performance as opposed to large family firms in China. Second, the literature would also benefit from exploring how family firms that operate in institutional environments (but different countries) with similar strength of property rights behave and perform. An interesting study would be to explore whether Chinese *guanxi* delivers stronger values to family firms than, for example, Korean *chaebol*, since both China and South Korea operate in medium property rights environments. Lastly, more studies are needed to provide evidence for the paradox that Fang et al. (2022) identify. It is clear that family firms differ worldwide and among each other (Daspit et al., 2021, 2023); however, finding more similarities between family firms worldwide will bring us closer to the theory of the family firm. Very often, scholars focus on the differences rather than similarities of family firms, but examining similarities, for instance, between family firms in China, Japan, and South Korea is of huge value for the field of family business.

Conclusion

Understanding why and under what circumstances family firms tend to flourish is an important endeavor that family business scholars have been exploring. In recent decades, scholars have branched out to contexts that are not primarily Western to examine family firms. Undoubtedly, this makes family business research more relevant as well as credible. Fang et al.'s (2022) literature review is an example of scholarly work that pushes the boundaries beyond the Western context by adding more clarity and understanding to family firms in Asia. The authors' findings are paradoxical because they generally suggest that family firms worldwide behave and perform similarly. A small number of inconsistent or unique findings can be explained and/or predicted by utilizing the framework of Skorodziyevskiy, Sherlock, et al. (2024) that accounts for the size of firms (internal; strengths and weaknesses) and the institutional environment (external; opportunities and threats). With my conceptual note, I want to signal that the boundaries of firm size and institutional environment are important to consider in understanding the complex nature of the heterogeneity among family firms (Daspit et al., 2021, 2023).

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Notes

1. Fang et al. (2022) did not find any studies with goals as a dependent variable.
2. More information can be found on the IPRI's website: https://www.internationalpropertyrightsindex.org/

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Vitaliy Skorodziyevskiy (vitaliy.skorodziyevskiy@louisville.edu) is an assistant professor of Management and Entrepreneurship at the University of Louisville's College of Business. He earned his PhD in management from Mississippi State University in 2023. His research focuses on family business dynamics, property rights theory, entrepreneurial teams, nascent entrepreneurship, and replication studies in entrepreneurship. His work has been published in journals such as *Entrepreneurship Theory and Practice*, *Family Business Review*, *Journal of Family Business Strategy*, and the *Journal of Small Business Management*.

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