

Organizational Effectiveness of Family Firms in Java Island: The Role of Family Essence and Socioemotional Wealth

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Abstract

The influence of socioemotional wealth in the family business is substantial, but conflicting findings exist. Furthermore, there is a lack of research addressing it in the family business at Java Island. The research aims to analyze the relationship between family essence, socioemotional wealth, and organizational effectiveness in family businesses at Java Island. This quantitative research used a purposive sampling technique for data collection by distributing questionnaires to owners, successors, or management of family businesses in Java Island. The hypotheses were tested using Partial Least Square. The results indicate that family essence positively influences socioemotional wealth and organizational effectiveness, while socioemotional wealth positively influences organizational effectiveness. This study helps family businesses improve organizational effectiveness by identifying family essence and socioemotional wealth as essential variables to focus on. They can increase organizational effectiveness by forming a strategy based on strengthening family essence and socioemotional wealth.

Keywords: Organizational Effectiveness, Family Business, Family Essence, Socioemotional Wealth, Java Island



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Introduction

Indonesia is a developing country that aims to become a robust industrial country with higher productivity by 2035 (Kementrian Perindustrian, 2017). Indonesia is moving toward this target, as shown by research conducted by Bank Indonesia (2020), which concludes that Indonesia's economic stability will be maintained in 2021, bolstered by a projected surplus in the 2021 balance of payments. A large capital account surplus will define the balance of payment performance, which will be partially offset by a current deficit in the 1.0 to 2.0 percent range.

The Jakarta Post (2019) reveals that 95% of business entities in Indonesia are family businesses. From the 2018 survey, 44% of Indonesian family businesses have one dominant owner, 22% have siblings as owners, around 10% have ownership shared between cousins or an extended family, and 57% have a member of the next generation family members working in the business (PwC, 2018). Based on these data, the influence of family members in the family business is substantial. However, according to Deloitte (2019), only 30% of family businesses survive up to the third generation. The low survival rate raises the issue of the importance of organizational effectiveness in the family business.

Organizational effectiveness is the organization's effectiveness in reaching the goal (Manzoor, 2011). According to Manzoor (2011), this effectiveness is defined as not wasting resources and not burdening its members or the public. Organizational effectiveness must focus on human resources and

organization to help individuals gain skills and self-esteem to manage the new environment and feel safe inside the firm (Ashraf & Abd Kadir, 2012). According to Denison and Mishra (1989), indicators of organizational effectiveness are the development of new products, sales growth, and overall organizational performance.

One of the critical factors in the family business is socioemotional wealth, which relates to the non-financial goal that the family expects from the firm (Stockmans et al., 2010). Socioemotional wealth is a non-financial aspect of the business that fulfills the non-economic element needed by the family (Stockmans et al., 2010). Socioemotional wealth includes the affective endowment of the family owners, including the need of the family to exercise authority, enjoy family influence, manage firm members, and elect trusted persons (Gómez-Mejía et al., 2007). According to Berrone et al. (2012), socioemotional wealth relates to the process of decision-making in the firm; the indicators are control/influence, identification with the firm, binding social ties, emotional attachment, and renewal of bonds to the firm through dynastic succession.

Socioemotional wealth can influence decision-making, which is crucial in defining the future of the business (Morgan & Gomez-Mejia, 2014). In a crisis, socioemotional wealth can lead family members to sacrifice personal economic wealth to save the sustainability of the family business, firm redevelopment, and recuperation of the organization (Martin and Gomez-Mejia, 2016; Barros et al., 2017). Despite its popularity, research on socioemotional wealth is highly disorganized and dispersed; it is suggested that research on socioemotional wealth is investigated in other regions or cultural settings; it is also recommended that the impact of socioemotional wealth on innovativeness, financial outcomes, and overall performance (Smajić et al., 2022).

The study by Barros et al. (2017) shows a significant relation between socioemotional wealth and organizational effectiveness of the family business in Spain; maintaining socioemotional wealth will ensure organizational effectiveness and good firm performance. Berrone et al. (2010) also found that family businesses are less likely to reduce organizational effectiveness, such as polluting the environment, which will hurt the family image if they want to protect the socioemotional wealth of family members. Socioemotional wealth in family firms is a source of competitive advantage, which aligns with the resource-based view theory (de Castro et al., 2016; Debicki et al., 2016). In addition, socioemotional wealth causes family members to act as servants willing to sacrifice their interests for the sustainability of the family firms, which is in line with stewardship theory (Kuttner et al., 2020).

However, according to Vandekerckhof et al. (2015), socioemotional wealth can reduce the efficacy of non-family member managers if there is a goal related to the family's interest; furthermore, Memili et al. (2020) found a significant negative effect of socioemotional wealth on organizational effectiveness related to sales in hospitality and tourism sector. Gomez-Mejia et al. (2018) also found that when a family firm only involves a small number of qualified family members, the financial profit increases, but it reduces socioemotional wealth. The research of Memili et al. (2020) found the same result, as socioemotional wealth negatively influences organizational effectiveness related to sales in the hospitality and tourism sector.

Another critical factor in the family business is family essence, which is the family's willingness to use their influence on the family business to help reach the organization's goal (Barros-Contreras et al., 2021). Family essence is the willingness of family members to use their influence on the firm to achieve specific goals (Chrisman et al., 2012) or the organization's goal (Barros-Contreras et al., 2021). Meanwhile, according to Dyer Jr (2006), the family essence is the family's influence on how the organization is managed. Family essence is essential in the family business as the family's influence defines the company's goal (Chrisman et al., 2012). According to Barros et al. (2017), indicators of family essence are the family members' loyalty toward the firm, goal alignment with the firm, shared value with the firm, concern for the firm's future, and willingness to develop the firm.

In their research, Barros et al. (2017) found that family essence or involvement significantly influences the socioemotional wealth of family members in Spain. Meanwhile, according to Gomez-Mejia et al. (2011), family essence is the critical factor determining socioemotional wealth, as the increase of family influence on family business significantly increases the socioemotional wealth of the family members. Family essence can determine the degree of socioemotional wealth, especially in ownership and involvement (Zellweger & Astrachan, 2008).

Previous research regarding the relationship between family essence and organizational research still needs to be explored. Rodríguez-Aceves, Baños-Monroy, and Ramírez-Solís (2018), who use family essence as process resources, a dimension of familiness, found that this dimension positively influences the organizational performance of effectiveness. In line with Barros et al. (2017), family essence indirectly positively influences organizational effectiveness with socioemotional wealth as an intervening variable. However, according to Firfiray et al. (2018), nepotism occurs when family essence becomes too essential and detrimental to the firm. Family essence can also be detrimental if family members have different interests from non-family members, thus preventing profitable investment (Miller & Le Breton-Miller, 2014).

Furthermore, the lack of research and conflicting results from previous studies regarding the role of socioemotional wealth in organizational effectiveness means this topic still needs further analysis. Previous research had yet to be done in Indonesia, specifically on Java Island, in Indonesia. This research addresses this gap by analyzing the influence of family essence on organizational effectiveness and the intervening role of socioemotional wealth in the family business at Java Island. This research also provides insight into the state of family essence, socioemotional wealth, and organizational effectiveness of family business on Java Island. Based on the literature review, this research hypothesized that family essence positively influences organizational performance (see Figure 1).

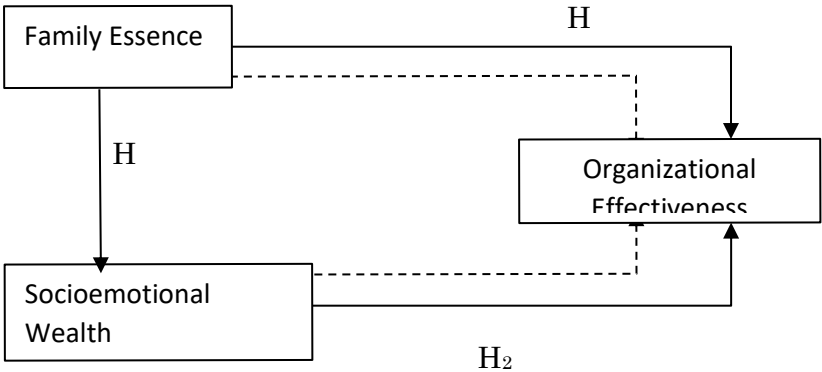


Figure 1. Research Framework
 Source: Authors Work (2021)

This study tests the direct and indirect effect of socioemotional wealth on the relationship of family essence to organizational effectiveness:

- H1: Family essence positively influences socioemotional wealth.
- H2: Socioemotional wealth positively impacts organizational effectiveness.
- H3: Family essence positively impacts organizational effectiveness.
- H4: Family essence positively impacts organizational effectiveness with socioemotional wealth as an intervening variable.

Methods

This study uses statistical numbers in the data process and collection; this quantitative research uses an explanatory method with a causal relationship. The population of this study is family businesses in Java Island, Indonesia. A purposive sampling with a questionnaire was used to collect data for this study. The respondents must be family members involved in managing a family business that had been established for at least one year; furthermore, the respondents must be at least 21 years old and have been working in the firm for at least a year.

The questionnaire contains questions regarding respondent profiles, family business profiles, and questions regarding the research indicators. Indicators of this study can be seen in Table I. Indicators of family essence are adapted from the study of Barros et al. (2017), indicators of socioemotional wealth are adapted from the study of Berrone et al. (2012), while indicators of organizational effectiveness are adapted from the study of Denison and Mishra (1989). A five-point Likert scale (from "1-Strongly disagree" to "5-Strongly agree") was used to respond to all variables. The total number of questionnaires distributed to family businesses at Java Island was 94, but only 75 were returned and qualified to be used as data.

The data was then analyzed using SmartPLS 3.0. The instrument reliability was tested using loading factor value; the convergent validity was tested using AVE value; the discriminant validity was tested using cross-loading value; the reliability was tested using Cronbach's Alpha value, while the internal consistency was tested using composite reliability value. Only valid variables and reliable instruments were then used to answer the hypotheses.

Table 1.
Indicators of the Study

Variables	Indicators	Statement
Family Essence	FE1	Family members have loyalty toward the firm
	FE2	Family members agree to the goal of the firm
	FE3	Family members share similar values with the firm
	FE4	Family members think about the future of the firm
	FE5	Family members are willing to grow the firm to be more successful
Socioemotional Wealth	SW1	Family members occupy many essential executive positions in the firm
	SW2	Family members are proud to be part of the firms
	SW3	Family members treat non-family members as part of the family of the firm
	SW4	Family members feel that the firm protects their well-being
	SW5	Family members prepare the next generation to become the leader of the firm
	OE1	The firm has developed new products in the last five years

Organizational Effectiveness	OE2	The sales of the firm grow in the last five years
	OE3	The overall performance of the firm has increased in the last five years

Result and Discussion

Table 2 shows the profile of the respondents. Both genders are equally represented, with 39 males and 36 females. Most of the respondents are young people between 21 and 30 years old, and only four respondents are over 50 years old. As most respondents are still young, the length of service reflected this, with more than fifty percent having been part of the company only for one to three years. The majority of the family businesses are one to three years old, indicating that most of them are new businesses, and none of the family businesses are more than nine years old. The respondents are distributed across the provinces of Java Island, with West Java being the most populous province, contributing to the highest number of respondents compared to other provinces. The family business sector is dominated by retail, food and beverages, garment, and electronic sectors, contributing to 73.3 percent of the respondents.

Table 2.
Profile of the Respondent

Gender	Number of Respondents	Percentage (%)
Male	39	52.0
Female	36	48.0
Total	75	100.0
Age	Number of Respondents	Percentage (%)
21 to 30 years old	48	64.0
31 to 40 years old	16	21.3
41 to 50 years old	7	9.3
51 years old or more	4	5.3
Total	75	100.0
Length of Service	Number of Respondents	Percentage (%)
1 to 3 years	38	50.7
4 to 6 years	23	30.7
7 to 9 years	7	9.3
10 years or more	7	9.3
Total	75	100.0
Family Business Age	Number of Respondents	Percentage (%)
1 to 3 years	48	64.0

4 to 6 years	18	24.0
7 to 9 years	9	12.0
Total	75	100.0
Location (Province)	Number of Respondents	Percentage (%)
DKI Jakarta	4	5.3
Banten	12	16.0
West Java	26	34.7
Central Java	19	25.3
East Java	14	18.7
Total	75	100.0

Table 3.
Profile of the Respondent (continue)

Business Sector	Number of Respondents	Percentage (%)
Food & Beverage	16	21.3
Electronic	8	10.7
Automotive	2	2.7
Garment	11	14.7
Retail	20	26.7
Printing	2	2.7
Construction Materials	2	2.7
Beauty & Cosmetics	3	4.0
Home Furniture	4	5.3
Service	4	5.3
Handicraft	2	2.7
Distillery	1	1.3
Total	75	100.0

Source: Data Processed (2021)

Table 3 shows the values of each variable and indicator. All indicators except FE3 have a loading factor above 0.50; after removing this indicator, the loading factors of all measured items are more than 0.50. The family businesses at Java Island have high family essence as its mean is above 4.0; the indicator with the highest mean is FE4, which states that family members think about the future of the firm, while the indicator with the lowest mean is FE1, which states that family members have loyalty toward the firm, this indicator also has the highest standard deviation, showing considerable variation between firms.

The family businesses at Java Island have high socioemotional wealth as its mean is above 4.0; the indicator with the highest mean is SW2, which states that family members are proud to be part of the firms, while the indicator with the lowest mean is SW5, which state that family members prepare the next generation to become the leader of the firm, this indicator also has the highest standard deviation, showing significant variation between firms. The family businesses at Java Island have high organizational effectiveness as their mean is close to 4.0; the indicator with the highest mean is OE1, which states that the firm has developed new products in the last five years.

Table 3.
Value of Variables and Indicators

Variables	Indicators	Mean	Standard Deviation	Loading Factor
Family Essence	FE1	3.973	0.832	0.768
	FE2	4.027	0.692	0.712
	FE4	4.187	0.778	0.772
	FE5	4.093	0.657	0.671
	Family Essence Mean		4.072	
Socioemotional Wealth	SW1	4.053	0.764	0.703
	SW2	4.187	0.706	0.740
	SW3	4.133	0.754	0.774
	SW4	4.067	0.680	0.734
	SW5	3.893	0.918	0.656
Socioemotional Wealth Mean		4.066		
Organizational Effectiveness	OE1	4.120	0.765	0.834
	OE2	3.933	0.699	0.892
	OE3	3.933	0.789	0.870
Organizational Effectiveness Mean		3.955		

Source: Data Processed (2021)

Table 4 shows the values used to check the validity and reliability. To fulfill convergent validity, the AVE value should be greater than 0.50. The cross-loading factor is used to test discriminant validity. Cross-loading values of each variable are greater on their construct than on other constructs; therefore, all variables pass the discriminant validity test. Cronbach's Alpha value is used to test reliability; all variables have Cronbach's Alpha value of more than 0.60, which means the reliability can be accepted. Composite reliability value is used to test internal consistency reliability; all variables have composite reliability values of more than 0.70, which means the reliability can be accepted. Therefore, all research variables are valid, and the research instruments are reliable.

Table 5.
Convergent Validity and Reliability

Variables	AVE	Cronbach's Alpha	Composite Reliability
Family Essence	0.536	0.713	0.822
Socioemotional Wealth	0.522	0.772	0.845
Organizational Effectiveness	0.750	0.833	0.900

Source: Data Processed (2021)

Table 5 shows the R2 value of the variables. The R2 value of socioemotional wealth is 0.503, which means that family essence explains 50.3% of the variance in socioemotional wealth, while the remaining 49.7% comes from variables not observed in the model. The R2 value of organizational effectiveness is 0.611, which means family essence and socioemotional wealth explain 61.1% of the variance in continuance intention. In comparison, the remaining 38.9% comes from variables not observed in the model. The Q2 value calculated from those R2 values is 0.807 or 80.7%, which means this research model has high predictive relevance.

Table 6.
R-square (R2)

Variables	R-square
Socioemotional Wealth	0.503
Organizational Effectiveness	0.611

Source: Data Processed (2021)

Figure 2 shows the results of the bootstrapping obtained using SmartPLS 3.0, and Table 6 shows that the path coefficient value for the effect of family essence on socioemotional wealth (H1) is 0.782 with the p-value of 0.000 and t-statistic value > 1.64 (significant value 5%). This implies that the influence is positive; therefore, family essence positively influences socioemotional wealth. Furthermore, the path coefficient values recorded a positive ($\beta = 0.344$) and significant (p-value = 0.046; t-statistic value > 1.64; significant value 5%) effect of socioemotional wealth on organizational effectiveness (H2). This indicates that the influence is positive; therefore, socioemotional wealth positively influences organizational effectiveness.

Finally, the path coefficient value for the effect of family essence on organizational effectiveness (H3) is 0.407, with a p-value of 0.002 and a t-statistic value > 1.64 (significant value 5%). This means that H3 is accurate and the path coefficient is 0.407, which means that the influence is positive; therefore, family essence positively influences organizational effectiveness.

Family essence has a significant positive influence on socioemotional wealth. In contrast, socioemotional wealth has a significant positive influence on organizational effectiveness, which means socioemotional wealth is an intervening variable in the relation between family essence and organizational performance. Family essence also has a direct, significant positive effect on organizational effectiveness, which means the mediation is partial. Furthermore, the direct coefficient of family essence toward organizational effectiveness is 0.407, higher than the coefficient mediated by socioemotional wealth, which is 0.269; it means the intervening role is partial mediation.

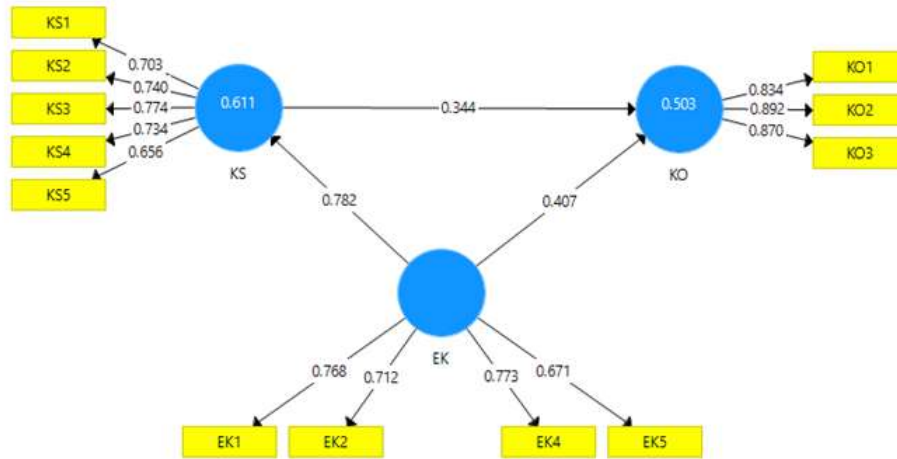


Figure 2. SmartPLS 3.0 Model Output Results
Source: Authors Work (2021)

Table 7.
Hypothesis Testing Results

Hypothesis	Path Coefficient	T-Statistics	P-Values
H ₁ . Family essence → socioemotional wealth	0.782	19.976	0.000
H ₂ . Socioemotional wealth → organizational effectiveness	0.344	2.617	0.046
H ₃ . Family essence → organizational effectiveness	0.407	3.325	0.002
H ₄ . Family essence → socioemotional wealth → organizational effectiveness	0.269	2.488	0.007

Source: Data Processed (2021)

Family essence positively influences socioemotional wealth; this result supports Barros et al.'s (2017) and Marett et al. (2020) research. Increasing family essence in family firms will increase their socioemotional wealth. In the early years of family firms, family members' involvement will positively impact the company (Miroshnychenko et al., 2021). The positive impact is formed from the availability of unique resources that benefit family companies, such as human capital, social capital, patient capital, and survivability capital (Chrisman & Holt, 2016).

Human capital includes family members' skills, tacit knowledge, and experience. This capital is difficult to find outside the family and can create a significant competitive advantage for family firms. Family members' social capital, such as connections, networks, trust, image, and relationships, can open up new opportunities, strengthen customer relationships, and build strategic partnerships.

Patient capital owned by family members provides its advantages in providing the capital needed by family firms. Family members tend to be willing to wait for long-term results compared to external investors, who often focus on short-term gains. Patient capital owned by family firms allows family firms to make more strategic decisions. Survivability capital includes resources that allow the company to survive in difficult conditions, such as flexibility in performance arrangements, financial and emotional support, and a long-term commitment to maintain the sustainability of the company. This capital can provide greater resilience for family firms than non-family firms.

Family essence also positively influences organizational effectiveness; this result is similar to the study of Memili et al. (2020). An increase in family essence will lead to higher socioemotional wealth and organizational effectiveness; it means family essence is an essential factor that needs to be considered to increase socioemotional wealth within the family business and in the firm's strategy to increase organizational effectiveness. Loyal family members share similar goals and values with the firm, are willing to grow it, and are more likely to regard the firm as not merely a source of income but also an integral part of their emotional needs (Kuttner et al., 2020).

The willingness of family members to exert their influence to help the firm achieve its goal is vital to the organization's effectiveness in reaching its destination. Following the resource-based view theory, this close relationship between family members can significantly contribute to competitive advantage in family firms (de Castro et al., 2016; Debicki et al., 2016). The results of this study are also in line with stewardship theory, which emphasizes that family members act as servants who sacrifice personal interests to achieve the goals of a more prominent and sustainable family firm (Kuttner et al., 2020).

Socioemotional wealth positively influences organizational effectiveness; this result supports the research of Barros et al. (2017), Newbert and Craig (2017), and Berrone et al. (2010). Socioemotional wealth encourages family firms to be more innovative in facing market challenges (Chrisman & Holt, 2016). According to the resource-based view theory, socioemotional wealth can give family businesses a competitive edge (de Castro et al., 2016; Debicki et al., 2016). Socioemotional wealth distinguishes family firms from non-family businesses (Chrisman & Holt, 2016). In the long run, socioemotional wealth is the glue that keeps the company from using its resources wisely, efficiently, and effectively to maintain long-term sustainability (Lai Kuan et al., 2021).

Socioemotional wealth encourages family firms to manage their resources wisely, for example, by treating people as assets rather than burdens (Debicki et al., 2017). Human capital is the most critical component in family firms to achieve sustainability (Debicki et al., 2017). The existence of socioemotional wealth also can increase employee loyalty and strengthen a more positive corporate culture (Cruz et al., 2011; Debicki et al., 2017). This can be seen from employee turnover in family firms, which tends to be lower due to high involvement with company values and a close relationship with the owner/manager.

Socioemotional wealth helps family firms focus on long-term rather than short-term goals (Memili et al., 2018). This allows family companies to make long-term-oriented decisions (Memili et al., 2018). This aligns with stewardship theory (Kuttner et al., 2020). Family members who possess socioemotional wealth behave as servants, sacrificing their interests to ensure the longevity of the family businesses (Kuttner et al., 2020). Family members tend to be more committed to the company's sustainability because they see the company as part of their family identity and heritage (de Castro et al., 2017).

As family essence influences both socioemotional wealth and organizational effectiveness, it also means socioemotional wealth is an intervening variable that partially mediates the influence of family essence on organizational effectiveness. An increase in family essence will lead to an increase in socioemotional wealth, which in turn will lead to higher organizational effectiveness; it means socioemotional wealth is an important variable to be considered in pursuit of better organizational effectiveness.

However, this result contrasts several previous studies highlighting the negative impact of socioemotional wealth on the firm. Das (2022) finds that preserving socioemotional wealth might come at the expense of diversity, which has an essential role in the performance of a firm, especially in a firm with an internationalization initiative; it is argued that the preservation of socioemotional wealth must

be balanced with organizational diversity introduced through higher participation of non-family managers, shareholding by institutions, and affiliation with larger business groups.

The majority of the sample in this research is still at an early stage as they had only operated for 1 to 3 years, so they are unlikely to have internalization initiatives requiring diversity. Family businesses in which members are emotionally attached, socially tied, and identify themselves with the firms are more likely to perform better, including innovating new products and increasing sales; however, the socioemotional wealth preservation needs to be balanced with organizational diversity as the firm moves toward globalization.

Family essence and socioemotional wealth are essential factors in developing the family business, and they also apply to family businesses in Java islands. Family businesses in Java Island generally have a moderately high level of family essence. Many family enterprises in Java Island were initially established by individuals in the form of MSMEs and then developed into larger businesses involving other family members. The tendency in Indonesia is for family businesses to be managed by the family so that business secrets are not shared with outsiders.

However, because Java is one of the largest islands in Indonesia and the majority of respondents come from big cities, the loyalty of family members of younger ages is more likely to choose a job according to their passion rather than continuing the family business. There might still be room for improvement in family essence, especially regarding the family member's loyalty, as the data shows that it is the indicator of family essence with the lowest score.

Increasing loyalty in family companies can be started with children from an early age by involving children in simple activities or simple decision-making in family companies. The involvement of children who are the next generation in the family company from an early age will create a sense of belonging to the family company. This sense of belonging can grow to achieve long-term orientation in the family company.

Family businesses in Java Island can also do well to improve their socioemotional wealth; even though they have a moderately high level of socioemotional wealth, there is still room for improvement, especially in enhancing the succession aspect, as the data shows that it is the indicator of socioemotional wealth with the lowest score. Succession must be well planned for conditions that force succession due to trigger events such as the founder's death or disability.

In succession planning, the role of parents is vital in realizing the limitations of family business management at a certain age, for example, due to limited business ideas as the founder gets older or the founder can no longer see business opportunities. Rapidly evolving technological and business advancements increase the need for relevance in family businesses. Therefore, a well-planned transition of leadership to the next generation will help the organization's effectiveness in terms of development, growth, and overall performance.

Conclusion

The result shows that family essence has a direct positive influence on organizational effectiveness. Socioemotional wealth also has an immediate positive impact on organizational effectiveness. Furthermore, the result also shows that family essence has a direct positive influence on socioemotional wealth. It means family essence has both a direct impact on organizational effectiveness and an indirect effect on organizational effectiveness mediated by socioemotional wealth; as such, socioemotional wealth partially mediates the relation between family essence and organizational effectiveness. Both family essence and socioemotional wealth are essential factors that need to be focused on in strategy to increase organizational effectiveness.

The role of family essence and socioemotional wealth, especially for newly established family companies, is vital and positively impacts the organization. The positive impact can be seen from the

availability of unique resources such as human capital, social capital, patient capital, and survivability capital. The existence of unique resources is a competitive advantage for family companies and encourages the achievement of organizational effectiveness.

Family businesses in Java face challenges, with younger members preferring careers aligned with their passions over continuing the family business. This indicates a need to enhance family loyalty, which scores lowest in family essence. To foster loyalty, involving children in simple company activities from an early age can instill a sense of belonging and long-term commitment. Additionally, while socioemotional wealth is moderately high, improving succession planning is crucial, as it scores lowest in this area. Effective succession planning, recognizing the founder's limitations due to age or evolving business landscapes, and a well-planned leadership transition can enhance organizational development, growth, and performance.

The study has limitations. The finding reveals that unobserved variables might explain the socioemotional wealth and organizational effectiveness. Future research should consider additional variables that might influence socioemotional wealth and organizational effectiveness, such as family governance, leadership style, organizational diversity, psychological capital, etc. Future research can also broaden the scope of samples and research samples to obtain more generalizable results or focus on smaller areas such as family businesses with internalization initiatives. Qualitative or mixed research can deepen the research results related to family companies in Indonesia because data related to family companies are quite challenging to obtain.

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