Chapter 44
Emergence of Familiness and Family Owned Business Performance:
The Case of Myanmar

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ABSTRACT

This article explores the concept of familiness in family-owned businesses (FOBs), identifying how families generate their own resources for business performance. Applying the resource-based view, the authors examined seven Myanmar businesses. Findings revealed that two factors influence familiness in Myanmar FOB: family unity and internal governance systems, which can be subdivided into traditional and collective systems. Moreover, evaluation revealed that FOB's business performance was affected by different family attitudes. A combination of family unity and a traditional internal governance system was conducive to controlling the internal business capabilities, whereas creating external opportunities were considered more effective for a combination of family unity and a collective internal governance system. Findings suggest that familiness emerges through embedded family resources that incorporates a sense of awareness with abilities for business advantages. These empirical results can provide insights and inputs that can help small and medium-sized FOBs safeguard their future.

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INTRODUCTION

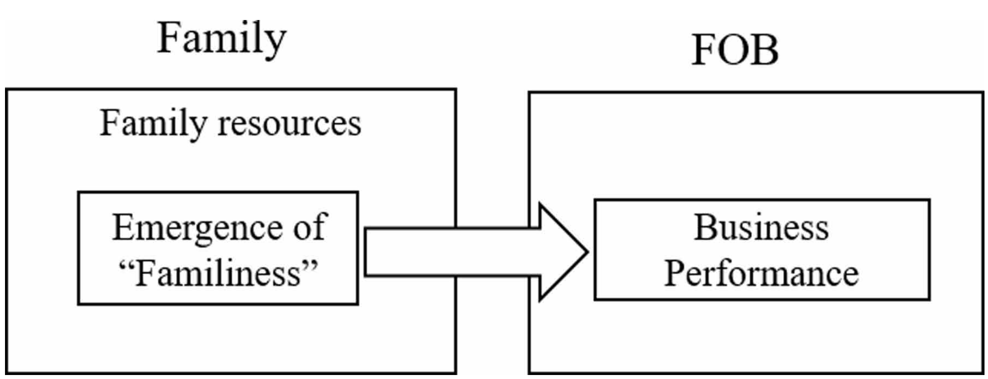
The global economy is currently experiencing increasing uncertainty entailing rapid changes in opportunities and diminishing resources within individual business sectors. Economic crises (e.g., Brexit) are causing fluctuations within international businesses. However, these conditions do not apply to family-owned businesses (FOBs) that differ entirely from private non-FOBs in their essential operating systems, namely business management and family involvement. FOBs are considered the oldest business model, globally (Irava & Moores, 2010) and continue to be predominant within business communities (Gersick, Davis, Hampton & Lansberg, 1997). According to Anderson and Reebe (2003), FOBs outperform other kinds of business in terms of their family members' efforts (Irava & Moores, 2010).

Resources and their attributes have important roles that are directly associated with business operation and performance. Within FOBs, families are the primary resources, and their nature or characteristics (e.g., family members' ties) are associated with the business performance of FOBs. Astrachan, Klein and Symyrnios (2002) developed the family influencing ways into business with three scales: F-PEC (F: family- power (family ownership), experience (generational transference value) and culture (family commitment) that address both tangible and intangible features of family integrating resources at business.

Applying a resource-based view (RBV) framework, Habbershon and William (1999) defined unique family business resources as familiness, which refers to family members' intrinsic mindsets that drive effective business performance. This distinctive mindset, which distinguishes FOBs from non-FOBs, has been explored within several studies applying diverse perspectives that are discussed in the literature review presented in the next section of this paper. However, although familiness has been investigated from multiple perspectives, few studies have focused on the specific family resources that generate familiness.

Therefore, the aim of this study was to develop an understanding of embedded family resources that are generative of familiness, which drives business performance. Adopting a family-centred approach, we applied the RBV aspect to examine tacit and explicit family resources relating to familiness within business. Thus, we developed a FOB model based on interactions between the family, familiness and business performance, depicted in Figure 1.

Figure 1. Emergence of familiness



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