

# **Familiness from the approach of Participation, Essence and Identity in Family Businesses of two municipalities in the Northern Zone of the State of Mexico: An Empirical Approach**

**Sayde Suárez Odilón**

Universidad Autónoma del Estado de México  
Centro Universitario Atlacomulco  
[saydesuarezodilon@yahoo.com.mx](mailto:saydesuarezodilon@yahoo.com.mx)

**Zugaide Escamilla Salazar**

Universidad Autónoma del Estado de México  
Centro Universitario Atlacomulco  
[zescamillas@uaemex.mx](mailto:zescamillas@uaemex.mx)

**Carlos Robles Acosta**

Universidad Autónoma del Estado de México  
Centro Universitario Ecatepec  
[croblesa@uaemex.mx](mailto:croblesa@uaemex.mx)

## **Abstract**

There is no doubt about the importance of the family business within the economic fabric, that is why public policies and the academy of researchers around the world focus on ensuring their subsistence, since this type of company is one of the enterprises that disappears when passing to the second generation. Because of this, it is necessary that researchers orient their efforts in those problems inherent to the operation of the organization, leaving aside intrinsic factors of the family-business circle, which are crucial for the survival of the company; thus, the literature review shows that said survival does not depend on economic issues but on other subjective factors.

The construct “familiness” refers to the interaction that the family has in the company and, which leads the business to develop distinctive characteristics, which can contribute both to knowledge and shed light on the field of study of family businesses. Therefore, the objective of this work is to analyze the relationship of the dimensions of the participation, essence and identity approaches of the business and the family business. The main results suggest that the dimensions of the participation, essence, as well as organizational identity approaches are related to the family business, that is, the influence of the family in the business is unavoidable, where from the level of participation of the family members the essence of the organization will depend on, allowing it to be distinguished from non-family members due to its unique, inseparable and synergistic characteristics.

## **Keywords**

Familiness, family business, participation approach, essence approach, and identity approach.

## **1. Introduction**

The importance of the family business within the economic fabric lies in the high percentage that they contribute to the gross domestic product (GDP) in the societies where they are established, such is the case of the Latin American continent and, in Mexico specifically, a high percentage of family businesses have as a characteristic they are small and medium-sized companies that also have an impact on the country's economy. However, both public policies and the academy of researchers around the world focus on guaranteeing its subsistence, since the family business is one of the enterprises that disappears when passing to the second generation.

The researchers' work regarding this construct is oriented towards issues such as succession, financing, strategic planning, marketing, production, and other issues related to the functioning of the organization, leaving aside the intrinsic factors of the organization family-company circle, which are undoubtedly essential for survival, as suggested by studies that are carried out and which affirm that the aforementioned survival does not depend on economic issues but on other subjective factors. In addition to the existence of possible incident factors in the subsistence and evolution of the family business, new constructs have been proposed such as "familiness" that refers to the interaction that the family has in the company and that leads to the business developing distinctive features. The research in the family business on this concept advances gradually, one of them refers to the influence exerted by the members of the family involved in the business that can influence decision making, for this, participation, essence and organizational identity approaches are proposed, where participation focuses on ownership, management and control that the family has in the organization, while the second approach captures the essence of participation, that is, it distinguishes how it affects the behavior and skills of family members in the company and, the organizational identity focuses on the company being perceived as a family business. All these arguments lead to the following objectives:

- Analyze the relationship between the participation approach and the family business.
- Analyze the relationship between the essence approach and the family business.
- Analyze the relationship between the business identity approach and the family business

It should be noted that this work is aimed at family businesses (micro, small and medium-sized businesses) in the northern area of the State of Mexico, according to data provided by the National Institute of Statistics and Geographic (INEGI) for the year 2018, in the State of Mexico there are a total of 52,231 companies, from these companies 48,276 correspond to micro-enterprises, 3,169 correspond to small and 786 correspond to medium companies.

The rest of this paper is organized as follows. Section 2 shows the importance of the business field and the evolution of the family business as a research area. Section 3 describes the method that was approached to achieve the fulfillment of the silver hypotheses. Section 4 shows the data collection that was carried out through the field study and, in section 5, the results and discussions are presented, and finally, the conclusions are shown.

## **2. Literature Review**

The business function is an important element for the progress of an economy (Cuervo, Ribeiro and Roig, 2006), economic development, rejuvenation of the socio-productive tissue, relaunch of regional spaces, revitalization of the innovative process and the generation of jobs (Brunet and Alarcón, 2004; Alonso and Galve, 2008), a fairly high percentage of these companies in the world correspond to family-type companies (Molina, Botero and Montoya, 2017a; Mani and Lakhali, 2015), specifically in Latin America, where nine of every ten companies are family-owned and contribute significantly to the Gross Domestic Product (GDP) (Belausteguigotia, 2005 cited in Peña and Mendoza, 2012), which also occurs in Mexico, where the family business is mainly made up of micro, small and medium-sized companies. companies according to Peña and Mendoza (2012). It is important to mention that the family is the main nucleus of society (Escobar, Arias, Torres, & Parra, 2013), where the actions of one member affect the others and the system (Arreola, Aguilar, & Rodríguez, 2020).

### **2.1 Evolution of the family business as a research area.**

Research regarding the family business faces great barriers, including the understanding and definition of the concept itself (Arenas and Rico, 2014; Quejada and Ávila, 2016; Soto, 2013). In this work, the definition of Barroso et al. (2012), who point out that the family business is one in which the members of the same family have a part of the property that allows them to influence through their culture in the direction and strategic control of the business, they share a vision of growth, as well as a desire for continuity in the hands of the next generation. Another barrier that the family business faces as a field of study is the high percentage of mortality that they present when passing to the second generation, the studies focus on the analysis of the survival of the family business, there being few works of those factors intrinsic to the family-company circle which are also crucial for survival, such is the case of López et al. (2012) and Baños, Ramírez and Rodríguez-Aceves (2015), who found that these companies not only depend on economic factors to survive but from other factors that are subjective in nature, therefore, they possess and acquire resources where they interact in each phase of the entrepreneurial process, called familiness, which is the set of intrinsic resources and capacities they possess and the social capital they have for continuity.

Habbershon (2006 cited in Román, 2009) points out that the analysis of familiness is necessary with the integration of all the subsystems of the family business; However, the familiness construct is in its initial stages, hence the scarcity of development of works on the subject (Barros, Hernangómez and Matín, 2016). In the theoretical review, in the work of Frank, Kessler, Rusch, Suess-Reyes and Weismeyer-Sammer (2017), the new Systems Theory (nTS) is addressed, which highlights the Influence of the Family through the Familiness Scale (FIFS), model that integrates a multidimensional vision of the influence of the family in the family business, measuring the familiness through the communication process existing between the members that could affect strategic decision-making, focusing on the “who” of the family, and thus describe the families most likely to develop it. The scale is made up of the participation, essence and organizational identity approaches, which uniquely reflect how the family can influence the company (Zellweger, Eddleston & Kellermans, 2010). Table 01 compares the characteristics of the approaches to participation, essence and organizational identity.

Table 01. Comparison among the approaches of the Influence of Family in the Familiness Scale

	<b>Participation approach</b>	<b>Essence approach</b>	<b>Organizational Identity approach</b>
Definition	It centers on the degrees of management, property and control of the family. It captures the presence of the family in the business.	It addresses the behavior and synergistic resources brought to the business by the family. It captures how family members behave in the company.	It focuses on the identity of the family business given that it is the unique idiosyncrasy of the family. It captures how family and business are defined.
Approach on Familiness	Family participation in management and / or ownership.	Unique and synergistic processes of resources and capabilities that contribute to the business and a transgenerational vision that can perpetuate values.	It projects an image of a family business towards internal and external stakeholders of the company.
Strengths	<ul style="list-style-type: none"> <li>+ Operational definition used in many studies to distinguish family from non-family businesses.</li> <li>+ Easy to measure.</li> <li>+ Suitable for comparative studies of family and non-family companies.</li> <li>+ It establishes the boundary condition for family participation.</li> </ul>	<ul style="list-style-type: none"> <li>+ Inclusive definition, covering a wide variety of family businesses.</li> <li>+ It investigates processes that transcend ownership and management to create competitive advantage.</li> <li>+ It recognizes the heterogeneity of family businesses.</li> <li>+ It includes the transgenerational vision as a defining characteristic.</li> </ul>	<ul style="list-style-type: none"> <li>+ It captures the idiosyncrasy of family businesses through the exploration of family identity.</li> <li>+ It captures the identity of the family beyond the limits of the participatory and essence focuses.</li> <li>+ Solid theoretical base, with well-defined ways through which it affects the performance of the business identity.</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>+ It explains only the potential family to influence the company.</li> <li>+ It is unable to capture how family participation affects the strategic processes that lead to competitive advantages and thus limits the theoretical validity of the approaches.</li> <li>+ It classifies the companies as family businesses, they are controlled by a family but in any other case the participation of the family is weak (or in its case strong).</li> </ul>	<ul style="list-style-type: none"> <li>+ The processes that lead to competitive advantages are difficult to detect given the multitude of resources, the distinctive characteristics of their use, and the idiosyncrasies of the influence of the family on the company's resource base.</li> <li>+ The transgenerational view raises questions about the transfer of resources across generations.</li> <li>+ Measuring and operationalizing family influenced resources poses challenges.</li> <li>+ A business can benefit from the family's influence on resources but will not yet see itself as a family business.</li> </ul>	<ul style="list-style-type: none"> <li>+ Narrow theoretical focus and prediction about the sources of familiness.</li> <li>+ Typologies of different identities of family businesses.</li> </ul>

Source: Prepared from Zellweger et al. (2010).

In the present investigation, the scale proposed by Frank et al. (2017), which is made up of the aforementioned approaches, as well as recent works similar to ours is that of Afonso and Matias (2020) and that of Rivas-Aceves, Davila-Aragon, and Castillo-Ramirez (2020). Next, some studies found and that have addressed the approaches that make up the Familiness scale are mentioned, by the dimensions of the approaches of participation, essence and organizational identity. First, the *participation approach* is conceptualized, which analyzes the collaboration of the family in terms of ownership, management and control, as well as the level of competence of the active members who work in the company (Frank et al., 2017). Within the work of Barros, Hernangómez and Martín (2014) and Chrisman et al. (2012) reference is made to the positive impact of this participatory approach. Specifically, ownership,

management and control terms (Frank et al, 2017), Kellermanns et al. (2012) and Sciascia and Mazzola (2008) affirm the importance of the practice of family participation in terms of ownership, management and control.

Regarding the dimensions that make up the *essence approach*, these focus on the typical behavior of the family business or the ability to influence behavior (Frank et al. 2017), which explains the alignment towards family goals and values in non-family members of the company. Chrisman et al. (2012) detected that the essence of the family influences the adoption of non-economic goals and the relationships of the company are partially mediated by the dimension of essence. However, the exchange of information between members and decision making comprise an internal structure of the company, while the link between family and employee, and the financing decision focuses on decisions regarding workers, as well as financial institutions, in addition to the dimension of transgenerational orientation directs a vision through generations. Studies that have addressed this approach are Kellermanns and Eddleston (2007), Ling and Kellermanns (2010), Ortiz, Olaz and Monreal (2014), and Carr et al. (2011), Williams et al. (2013), (Omaña and Briceño, 2013) Kellermanns and Eddleston (2007), Minichilli, Corbetta, MacMillan (2010), Basco (2013) and Baños et al. (2015), Berumen et al. (2012), Welsh et al., (2018), Cabrera and Olivares, (2012), and D'Aurizio, Oliviero and Romano (2015).

The *organizational identity approach* captures the influence of the family precisely, distinguishing when the family is substantive of the company (Zellweger et al., 2010). This approach is made up of the dimensions of family business identity and family entrepreneurial identity. The business family identity represents the business family identity (Frank et al., 2017), studies that have taken this approach show significant results in the analyzed sample Suess-Reyes (2017), Zellweger, Kellermanns, Eddleston, and Memili (2012).

Based on the theoretical arguments presented previously, the following hypotheses are established:

*H1: There is a positive relationship between the participation approach that integrates the property and the family business.*

*H2: There is a positive relationship between the participation approach that integrates the management and the family business.*

*H3: There is a positive relationship between the participation approach that integrates control and the family business.*

*H4: There is a positive relationship between the participation approach that integrates the level of competence of the active members of the family and the family business.*

*H5: There is a positive relationship between the essence approach that integrates the exchange of information and the family business.*

*H6: There is a positive relationship between the essence approach that integrates the transgenerational orientation and the family business.*

*H7: There is a positive relationship between the essence approach that integrates the bond between the family and the family business.*

*H8: There is a positive relationship between the essence approach that integrates the bond between the employee and the family business.*

*H9: There is a positive relationship between the essence approach that integrates decision-making and the family business.*

*H10: There is a positive relationship between the essence approach that integrates the financing decision and the family business.*

*H11: There is a positive relationship between the family identity approach of the business and the family business.*

*H12: There is a positive relationship between the family business identity approach and the family business.*

### 3. Methods

According to data provided by the Institute of Statistical and Geographic Information (INEGI) for the year 2018, in the State of Mexico there are a total of 52,231 companies, of these companies, 48,276 correspond to micro-enterprises, 3,169 correspond to small and 786 correspond to medium-sized companies. For this purpose, a probabilistic sample will be used under a formula calculating a margin of error of 5%, a confidence level of 95%, with a population size of 1413 and 50% heterogeneity, a sample size of 382 MSMEs.

For the development of the present investigation, the measurement instrument made up of 37 questions corresponding to the Familiness Scale was elaborated, structured as follows: a dichotomous question, a question about the active members of the family, a question about the location of the company; It should be noted that the questionnaire focused

on the municipalities of the North Zone of the State of Mexico. Likewise, thirty-four questions on a six-point scale corresponding to the Familiness Scale section, which were introduced with the question "how do the following statements apply to your family business", followed by the statement "in the family business, you are very careful...", affirming that said statement refers to the entire family involved in the company, these were evaluated on a six-point Likert<sup>1</sup> scale, according to the relevance of application in the company based on the premise of decision.

#### 4. Data Collection

Due to the current situation due to the COVID-19 pandemic, the questionnaire was uploaded to the Google Forms platform for data collection, the link was sent to 382 companies who were invited to respond, of which only 114 responded (N = 100%), and that after filtering the sample size was made up of 100 company instruments that covered the characteristics of being a family member (equivalent to 87.72%)<sup>1</sup>. The collection of data began on February 15 and ended on June 18, 2021.

Subsequently, the obtained data was recorded in an Excel data sheet, which was transported to the statistical program SPSS version 20.0 for the Social Sciences and the data was analyzed and codified. Likewise, Cronbach's alpha ( $\alpha$ ) reliability test was performed for the participation, essence and organizational identity approaches that make up the familiness scale.

The results obtained show that the three approaches exceed the level of reliability coefficient, where the essence and organizational identity approach represent an excellent alpha coefficient ( $\alpha = 0.950$  and  $0.946$  respectively), while the participation approach obtained  $0.827$  of reliability, corresponding to a good coefficient (See table 02), and that for significance effects according to Hair, Anderson, Tatham, and Black (1999) consider acceptable values ranging from  $0.05$  to  $0.08$ .

Table 02. Approaches' Reliability.

Approach	Cronbach's Alpha
Participation	0.827
Essence	0.950
Organizational Identity	0.946

Source: Own development.

#### 5. Results and Discussion

It should be noted that to perform the data analysis, the coding of the acronym in English developed by Frank et al. (2017) was resumed for the dimensions of the familiness scale. Therefore, it was recoded into two sub-groups where (1) integrates the values corresponding to 4 and 6 that refer to the fact that it is fully applied in the company, while the values of 1 a 3 correspond to (2), indicating that it is not applied in the company, consequently, a nominal variable was obtained.

Likewise, a univariate analysis<sup>2</sup> was carried out, which is presented in table 03 through the distributions of frequencies (f)<sup>3</sup> and absolute percentages (%) of the dimensions of the participation approaches (ownership, management and control, and level of competence of family members), of essence (information exchange, transgenerational orientation, bond between family and employee, decision-making and financing), and of organizational identity (family identity and business identity) of the Familiness Scale for Family Businesses.

Of the total of the companies surveyed in the two municipalities (n = 100) of the Northern Zone of the State of Mexico, in relation to the participation approach, it was obtained that in 86.0% of the companies it is fully applied that the ownership, management and control is in the power of a family member, while 81.0% of them refer that the active

<sup>1</sup> Therefore, the arguments of Rovira (s.f) are adopted, which states that more than 30 subjects are sufficient, explaining that: "if a sample is large enough ( $n > 30$ ), whatever the distribution of the variable of interest, the distribution of the sample mean will be approximately a normal one. In addition, the mean will be the same as that of the variable of interest, and the standard deviation of the sample mean will be approximately the standard error," arguments supported by Gorgas, Cardiel and Zamorano (2011).

<sup>2</sup> Technique used to analyze only one variable for descriptive purposes (Gorgas et al., 2011).

<sup>3</sup> Systematized set of numeric values, from the lowest to the highest, next to the number of times (frequency) in which the value was obtained (Gorgas et al., 2011).

members of the family who work in the company must have a level of competence equal to or better than that of non-family employees.

Table 03. Descriptive Statistics of the Familiness Scale (FIFS).

Approach	Dimension	Categories	Frequency	Percentage
PARTICIPACIÓN	Ownership, management and control (OMC)	From 1 to 3	14	14.0 %
		From 4 to 6	86	86.0 %
	Proficiency level among active family members (PAF)	From 1 to 3	19	19.0 %
		From 4 to 6	81	81.0 %
ESSENCE	Sharing of Information among members (SOI)	From 1 to 3	15	15.0 %
		From 4 to 6	85	85.0 %
	Transgenerational Orientation(TGO)	From 1 to 3	17	17.0 %
		From 4 to 6	83	83.0 %
	Family Employee Bond (FEB)	From 1 to 3	10	10.0 %
		From 4 to 6	90	90.0 %
	Decision-Making (DEM)	From 1 to 3	13	13.0 %
		From 4 to 6	87	87.0 %
	Financing Decision (FIN)	From 1 to 3	13	13.0 %
		From 4 to 6	87	87.0 %
ORGANIZATIONAL IDENTITY	Business Family Identity (BFI)	From 1 to 3	10	10.0 %
		From 4 to 6	90	90.0 %
	Family Business Identity (FBI)	From 1 to 3	10	10.0 %
		From 4 to 6	90	90.0 %

Fuente: Elaboración propia.

Regarding the essence approach, 90.0% of the entrepreneurs surveyed responded that there is a bond between employees and family members who work in the company, likewise 87.0% indicated that both decision-making and financing decisions are determined by an agreement between family members. On the other hand, an exchange of information between family members is fully applied in 85.0% of the companies, and only 83.0% think of passing the organization on to the next generation (Transgenerational Orientation). Meanwhile, from the organizational identity approach, 90% of family businesses reported that they have a family business identity, as well as a business identity.

Subsequently, a bivariate analysis<sup>4</sup> was performed by calculating the Pearson (r) correlation between the family business and the dimensions that make up the scale approaches; highlighting that most of the relationships are positive and significant at the level of 0.01 (bilateral), which implies a 99.0% confidence level that the correlation is true and a 1.0% probability of error. These results are presented in tables 6, 7 and 8, it is also observed that the family business variable is constant because it is dichotomous.

Regarding the ownership, management and control dimension, there is a positive relationship in which only family members are owners of the company, and that the management is exclusive to them (OMC\_1 and OMC\_2;  $r = 0.694$ ); in turn, the latter was correlated with  $r = 0.603$  to maintain family control and independence (OMC\_4). Meanwhile, in the dimension of competence level of active family members, there is a positive correlation between the fact that family members who work in the company have the same proficiency as non-family employees (PAF\_1) and that members of the family who work in the company show at least the same performance as non-family employees (PAF\_2;  $r = 0.592$ ). See table 04.

Table 04. Correlation of dimensions of the participation approach and the family business.

<sup>4</sup> The bivariate analysis' methods are used to study the correlations that exist among variables taken in sets of two. Taken from: [http://cv.uoc.edu/moduls/UW03\\_84003\\_01131/web/nwin/m1/medidas\\_3.pdf](http://cv.uoc.edu/moduls/UW03_84003_01131/web/nwin/m1/medidas_3.pdf).

Dimension		EM	OMC_1	OMC_2	OMC_3	OMC_4	PAF_1	PAF_2
	EF	.a						
<b>Ownership, management and control</b>	OMC_1	.a	1					
	OMC_2	.a	.694**	1				
	OMC_3	.a	.278**	.271**	1			
	OMC_4	.a	.480**	.603**	.367**	1		
<b>Proficiency level among active members of the family</b>	PAF_1	.a	.415**	.407**	.315**	.482**	1	
	PAF_2	.a	.581**	.463**	.253*	.504**	.592**	1

Family business (EF); is that only the family members are owners (OMC\_1); that the management of the company consists exclusively of family members (OMC\_2); that several family members are involved in the management of the company (OMC\_4); that the family members who work in the company have the same proficiency that non-family employees (PAF\_1); that members of the family who work in the company show at least the same performance as non-family employees (PAF\_2).

\*\* . Correlation is significative up to level 0.01 (bilateral).

\* . Correlation is significative up to level 0.05 (bilateral).

a. It cannot be calculated because, as a minimum, one of the variables is a constant.

**Source:** Own development

Regarding the dimensions that make up the essence approach, it was identified that there is a positive correlation between the indicators; highlighting, for example, that there is a relationship between thinking about future generations (TGO\_1), and that the company can pass on to the next generation (TGO\_3;  $r = 0.885$ ), as well as that family members who work in the company trust in the employees (FEB\_1), and having permanent and reliable staff (FEB\_3;  $r = 0.723$ ). Such as, the existence of a lively atmosphere between family members who work in the company and non-family employees (FEB\_6) is related to ensuring the work of employees in times of crisis (FEB\_4), as well as to safeguarding promotion and development of non-family employees (FEB\_5) ( $r = 0.778$  and  $0.807$  respectively). While the decision-making dimension was positively correlated with the existence of an agreement among the family members when it comes to an important decision (DEM\_1), as well as the existence of an agreement among the family members to avoid risky decisions (DEM\_2;  $r = 0.743$ ). And for financing decisions, keeping as much profit as possible in the company (FIN\_2) was related to having as much profit as possible in the company to maintain financial expenses (FIN\_3;  $r = 0.831$ ). See table 05.

Table 05. Correlation of the dimensions of the essence approach and the family business.

Dimension	EF	SOI_1	SOI_2	SOI_3	TCO_1	TCO_2	TCO_3	FEB_1	FEB_2	FEB_3	FEB_4	FEB_5	FEB_6	DEM_1	DEM_2	FIN_1	FIN_2	FIN_3	
Sharing of information	EF	.a																	
	SOI_1	.a	1																
	SOI_2	.a	.531**	1															
Transgenerational orientation	SOI_3	.a	.639**	.370**	1														
	TCO_1	.a	.530**	.409**	.464**	1													
	TCO_2	.a	.420**	.342**	.417**	.533**	1												
Family and employee bond	TCO_3	.a	.535**	.473**	.445**	.885**	.501**	1											
	FEB_1	.a	.643**	.522**	.634**	.701**	.426**	.693**	1										
	FEB_2	.a	.499**	.422**	.520**	.577**	.434**	.578**	.700**	1									
Decision-making	FEB_3	.a	.680**	.432**	.638**	.642**	.460**	.655**	.723**	.671**	1								
	FEB_4	.a	.715**	.425**	.654**	.546**	.487**	.575**	.549**	.781**	.671**	1							
	FEB_5	.a	.565**	.432**	.544**	.458**	.423**	.467**	.530**	.654**	.773**	.778**	1						
Financing decision	FEB_6	.a	.603**	.374**	.619**	.509**	.386**	.504**	.602**	.733**	.807**	.807**	.807**	1					
	DEM_1	.a	.581**	.403**	.655**	.593**	.290**	.675**	.680**	.639**	.671**	.566**	.622**	.743**	1				
Financing decision	DEM_2	.a	.592**	.414**	.539**	.445**	.325**	.539**	.608**	.637**	.679**	.646**	.656**	.743**	.743**	1			
	FIN_1	.a	.410**	.316**	.330**	.420**	.221*	.452**	.478**	.366**	.305**	.285**	.380**	.380**	.380**	.380**	1		
	FIN_2	.a	.576**	.570**	.575**	.512**	.436**	.584**	.634**	.621**	.705**	.604**	.665**	.607**	.685**	.593**	.355**	1	
FIN_3	.a	.605**	.458**	.615**	.549**	.378**	.593**	.713**	.668**	.785**	.692**	.604**	.644**	.750**	.643**	.382**	.831**	.831**	1

Family business (EF); that the members of the family who work in the company know the important events of the company (SOI\_1); that the family members who work in the company can use informal communication (SOI\_2); that the values of the company are communicated to the employees (SOI\_3); thinking on future generations (TCO\_1); to avoid selling the family business to non-family members (TCO\_2); that the company can pass on to the next generation (TCO\_3); that the family members who work in the company trust in the employees (FEB\_1); that the members of the family who work in the family business act as a role model to follow in the company (FEB\_2); to have reliable and permanent staff (FEB\_3); to ensure the work for employees in times of crisis (FEB\_4); safe guarding promotion and development of non-family employees (FEB\_5); that there is a lively atmosphere between family members who work in the company and non-family employees (FEB\_6); there is an agreement among the family members when in comes to an important decision (DEM\_1); there is an agreement among the family members to avoid risky decisions (DEM\_2); that Banks have the least possible influence (FIN\_1); keeping as much profit as possible in the company (FIN\_2); having as much profit as possible in the company to maintain financial expenses (FIN\_3).

\*\* Correlation is significant up to level 0.01 (bilateral).  
 \* Correlation is significant up to level 0.05 (bilateral).  
 a. If cannot be calculated because, as a minimum, one of the variables is a constant.  
 Source: Own development

On the other hand, from the indicators of the dimensions of organization identity, it stands out that there is a relationship in which family members stay together (BFI\_2) and that family members who work in the company give their best of themselves (BFI\_5;  $r = .845$ ); as well as that the family business is socially active in the community / region (FBI\_2) and that the reputation of the company is very good (FBI\_4;  $r = 0.798$ ); also as the correlation that exists between the family business being valued by the employees (FBI\_3) and when marketing the company as such is shown (FBI\_5;  $r = 0.855$ ). See table 06.

Table 06. Correlation of dimensions of the organizational identity approach and the family business.

Dimension		EF	BFI_1	BFI_2	BFI_3	BFI_4	BFI_5	FBI_1	FBI_2	FBI_3	FBI_4	FBI_5	FBI_6
	EF	.a											
Business Family Identity	BFI_1	.a	1										
	BFI_2	.a	.619**	1									
	BFI_3	.a	.475**	.759**	1								
	BFI_4	.a	.319**	.523**	.580**	1							
	BFI_5	.a	.537**	.845**	.746**	.531**	1						
Family Business Identity	FBI_1	.a	.582**	.762**	.690**	.534**	.768**	1					
	FBI_2	.a	.554**	.713**	.600**	.469**	.870**	.713**	1				
	FBI_3	.a	.503**	.719**	.618**	.467**	.837**	.639**	.784**	1			
	FBI_4	.a	.470**	.754**	.585**	.509**	.798**	.678**	.798**	.737**	1		
	FBI_5	.a	.528**	.775**	.681**	.577**	.840**	.692**	.790**	.738**	.855**	1	
	FBI_6	.a	.357**	.595**	.610**	.591**	.606**	.508**	.538**	.694**	.574**	.653**	1

Family Business (EF); that the family is emotionally linked to the company (BFI\_1); that family members stay together (BFI\_2); that the members of the family who work in the company also spend time as a family outside the company (BFI\_3); act as a family in public (BFI\_4); that family members who work in the company give their best of themselves (BFI\_5); that family stands up for the company (FBI\_1); that the family business is socially active in the community / region (FBI\_2); that the family business is valued by the employees (FBI\_3); that the reputation of the company is very good (FBI\_4); when marketing the company as such is shown (FBI\_5); that the history of the company can be known by the employees (FBI\_6).

\*\* . Correlation is significative up to level 0.01 (bilateral).

\* . Correlation is significative up to level 0.01 0.05 (bilateral).

a. It cannot be calculated because, as a minimum, one of the variables is a constant.

Source: Own development

## 6. Conclusion

Based on the objectives set for this work, which were: a) Analyze the relationship between the participation approach and the family business; b) Analyze the relationship between the essence approach and the family business; and c) Analyze the relationship between the identity approach of the business and the family business, in two companies in the Northern Zone of the State of Mexico, the following is concluded:

In relation to the first objective, which is, to analyze the relationship between the participation approach and the family business, it was found that the family influences both the ownership and the management of the company, in order to maintain family control and independence, fulfilling thus hypothesis 1 (*There is a positive relationship between the participation approach that integrates the property and the family business*), hypothesis 2 (*There is a positive relationship between the participation approach that integrates the management and the family business*), as well as the hypothesis 3 (*There is a positive relationship between the participation approach that integrates control and the family business*). This result is consistent with previous research, such as that of Sciascia and Mazzola (2008) and Kellermanns et al. (2012), the authors found that family participation in management and control is associated both negatively and positively with performance, this may be due to the lack of professional competence and conflicts on the part of family members, to growth barriers, as well as an orientation to personal goals (not economic); in the same way, Kellermanns et al. (2012) and Chrisman et al. (2012) stated that the family business is significantly associated with ownership. This is why the greater the ownership of the family, the greater its integration in management activities, influencing the formulation and implementation of strategies (Liang et al., 2013).

Regarding the aptitudes and performance of the family members (level of competence), a positive relationship was obtained, confirming hypothesis 4 (*There is a positive relationship between the participation approach that integrates the level of competence of the active members of the family and family business*), the family members who work in

the company have the same qualities and show at least the same performance as non-family employees, and as Jaramillo (2005) stated, the owner, the manager or administrator must collect all their skills and competence to act as a facilitator and leader of the personnel working in the organization.

While for the objective, to analyze the relationship between the essence approach and the family business, a positive relationship was identified between the dimensions of information exchange, transgenerational orientation, bond between family and employee, decision-making and financing decision with the family business; confirming hypothesis 5 (*There is a positive relationship between the essence approach that integrates the exchange of information and the family business*), hypothesis 6 (*There is a positive relationship between the essence approach that integrates the transgenerational orientation and the family business*), hypothesis 7 (*There is a positive relationship between the essence approach that integrates the link between the family and the family business*), hypothesis 8 (*There is a positive relationship between the essence approach that integrates the link between the employee and the family business*), hypothesis 9 (*There is a positive relationship between the essence approach that integrates decision making and the family business*), and hypothesis 10 (*There is a positive relationship between the essence approach that integrates the financing decision and the family business*).

It is important to note that the dimension of information sharing with the family business and the family members who work in the company is related to the values of the company and is also communicated to non-family employees, as it is evidenced by research from Ortiz et al. (2014), who identified that a high level of knowledge and information sharing between the family contributes to a greater transfer of values to the company. Meanwhile, the transgenerational orientation dimension is related as found by Williams et al. (2013), who identified in companies in the Southeastern United States that those managed by the family show a greater intention to transfer the business to future generations, as well as Omaña and Briceño (2013) in Mexican family companies.

However, regarding the dimension of the bond between family and employee, a relationship prevails between the existence of trust between family members and non-family members, in order to have permanent and reliable staff and, thus, be able to safeguard the promotion and development of non-family members. That is why this dimension focuses on creating a family culture and building solid relationships with its employees (Frank et al., 2017).

About decision-making and financing decisions, there is a relationship between having an agreement between family members when it comes to an important decision, with avoiding risky decisions; As well as the fact that the greatest possible amount of profits is left in the company was related to that the greatest possible amount of benefits of the company remain to maintain financial expenses, as found in previous studies such as those by Kellermanns and Eddleston (2007), Minichilli, Corbetta, MacMillan (2010), Basco (2013), Baños et al. (2015), these works affirm that decision-making is significant and is related to performance, and can be positive or negative, since friction affects them; on the other hand, Berumen et al. (2012) concluded that Mexican family SMEs tend to lack interest in financing.

Finally, the organizational identity approach confirms hypothesis 11 (*There is a positive relationship between the family identity of the business approach and the family business*) and hypothesis 12 (*There is a positive relationship between the family business identity approach and the family business*), since there is a positive and significant relationship with the family business. Where a link was identified between family members staying together to give the best of themselves; as well as that the family business is socially active in the community or region, to maintain a good reputation of the company, similar results as that of Zellweger et al. (2012) endorse ours.

Summarizing, it is concluded that the influence of the family in the company is unavoidable, where the essence of the organization will depend on the level of participation of the relatives, where values, culture and a long-term vision are impregnated, allowing Distinguishing oneself from unfamiliar ones, due to the unique, inseparable and synergistic characteristics allows them to be differentiated.

## References

- Afonso, C., and Matias, A. (2020). Family Business Performance: A Perspective of Family Influence. *Revista Brasileira de Gestão de Negócios*, 22 (01). 163-182. Doi: <https://doi.org/10.7819/rbgn.v22i1.4040>.
- Alonso, N. M.J., and Galve, G. C. (2008). The entrepreneur and the company: a theoretical review of the determinants of its constitution. *Actions and Social Investigations*, 26, 5-44. ISSN: 1132-192X. Doi: [https://doi.org/10.26754/ojs\\_ais/ais.200826332](https://doi.org/10.26754/ojs_ais/ais.200826332)

- Arenas, C. H.A. and Rico, B. D. (2014). Family Business, the protocol and family succession. *Management Studies* 30 (132), 252-258. Doi: <http://dx.doi.org/10.1016/j.estger.2014.02.013>.
- Baños, M. V.I., Ramírez, S. E.R., and Rodríguez-Aceves, L. (2015). Familiness and its relationship with performance in Mexican family firms. *Academy of Management Journal*, 14 (2), 1-21.
- Barros, C. I., Hernangómez, B. J., and Martín, C. N. (2014). Dynamic capabilities in Spanish family businesses: The accumulation of knowledge. Conference held at the XXIV National Congress of ACEDE.
- Barros, C. I., Hernangómez, B. J., and Martín, C. N. (2016). The dynamic capabilities approach and the family business. An analysis of Spanish family businesses. *Industrial economy*, (399), 121-130. ISSN 0422-2784.
- Barroso, M. A., Sanguino, G. R., and Bañegil, P. T.M. (2012). The knowledge-based approach in family businesses. *Administrative Investigation*, (109), 62-69. ISSN: 1870-6614.
- Berumen, G. J.G., García, S. P., and Domenge, M. R. (2012). Determinants of the capital structure in small and medium family businesses in Mexico. *Accounting and Administration*, 57 (3), 67-96.
- Brunet, I., and Alarcón, A. (2004). Theories about the figure of the entrepreneur, *Papers*, 73, 81-103. Recovered from: <http://www.raco.cat/index.php/Papers/article/viewFile/25785/25619>.
- Cabrera, S. M.K. and Olivares, M. A. (2012). The influence of human, social and financial capital resources on the speed of the export process of family businesses. *European Journal of Business Management and Economics*, 21, 306-315. Doi: <http://dx.doi.org/10.1016/j.redee.2012.07.003>
- Carr, J.C., Cole, M.S., Kirk, R. J., and Blettner, D.P. (2011). A Measure of Variations in Internal Social Capital Among Family Firms. *Entrepreneurship Theory and Practice*, 1207-1227. Doi: 10.1111/j.1540-6520.2011.00499.x
- Chrisman, J.J., Chua, J.H., Pearson, A.W., and Barnett, T. (2012). Family Involvement, Family Influence, and Family-Centered Non-Economic Goals in Small Firms. *Entrepreneurship Theory and Practice*, 36, 267-293. Doi: <https://doi.org/10.1111/j.1540-6520.2010.00407.x>
- Cuervo, Á., Ribeiro, D., and Roig, S. (2006). Entrepreneurship: concept, theory and perspective. Recovered from: <https://www.uv.es/bcjavueg/docs/LibroCuervoRibeiroRoigESP.pdf>.
- D'Aurizio, L., Oliviero, T., and Romano, L. (2015). Family firms, soft information and bank lending in a financial crisis. *Journal of Corporate Finance*. Doi: <http://dx.doi.org/10.1016/j.jcorpfin.2015.01.002>
- Frank, H., Kessler, A., Rusch, T., Suess-Reyes, J., and Weismeyer-Sammer, D. (2017). Capturing the Familiness of Family Businesses: Development of the Family Influence Familiness Scale (FIFS). *Entrepreneurship Theory and Practice*, 41 (5), 709-742. Doi: 10.1111 / etap.12229.
- Gorgas, G. J., Cardiel, L. N., and Zamorano, C. J. (2011). *Basic Statistics for Science Students*, Madrid. Recovered from: [http://webs.ucm.es/info/Astrof/users/jaz/ESTADISTICA/libro\\_GCZ2009.pdf](http://webs.ucm.es/info/Astrof/users/jaz/ESTADISTICA/libro_GCZ2009.pdf)
- Instituto Nacional de Estadística y Geografía (2018). *Directory of National Statistics of Economic Units*. Recovered from: <http://www.beta.inegi.org.mx/app/mapa/denue/>
- Jaramillo, N. O.L. (2005). Management of human talent in small and medium-sized companies linked to the Expopyme program of the Universidad del Norte in the clothing and food sectors. *Thinking & Management*, (18), 103-137.
- Kellermanns, F.W., Eddleston, K.A., Sarathy, R., and Murphy, F. (2012). Innovativeness in family firms: a family influence perspective. *Small Bus Econ*, 38, 85-101. Doi: 10.1007/s11187-010-9268-5.
- Kellermanns, F.W., and Eddleston, K.A. (2007). A family perspective on when conflict benefits family firm performance. *Journal of Business Research*, 60, 1048-1057. Doi: 10.1016/j.jbusres.2006.12.018
- Liang, Q., Li, X., Yang, X., Lin, D., and Zheng, D. (2013). How does family involvement affect innovation in China? *Asia Pac J Manag*, 30, 677-695. Doi: <https://doi.org/10.1007/s10490-012-9320-x>
- Ling, Y. and Kellermanns, F.W. (2010). The Effects of Family Firm Specific Sources of TMT Diversity: The Moderating Role of Information Exchange Frequency. *Journal of Management Studies*, 47 (2), 322-344. Doi: 10.1111/j.1467-6486.2009.00893.x.
- López, F. M. C., Serrano, B. A. M., Gómez, L. R., and García, P. G. (2012). The effect of familiness on the innovative performance of family businesses: an exploratory analysis, *Family Business Magazine*, 2 (2), 7-21.
- Mani, Y., and Lakhal, L. (2015). Exploring the family effect on firm performance, The impact of internal social capital dimensions on family firm performance. *International Journal Entrepreneurial Behavior & Research*, 21 (6), 898-917. Doi: 10.1108/IJEBR-06-2014-0100.
- Minichilli, A., Corbetta, G. and MacMillan, I.C. (2010). Top Management Teams in Family-Controlled Companies: 'Familiness', 'Faultlines', and Their Impact on Financial Performance. *Journal of Management Studies*, 47 (2), 205-222. Doi: 10.1111/j.1467-6486.2009.00888
- Molina, P. P.A., Botero, B. S., and Montoya, M. J.N. (2017a). Family businesses: concepts and models for their analysis. *Thinking & Management*, (41), 116-149. ISSN: 1657-6267.

- Omaña, G. L.M., and Briceño, B. M.A. (2013). Management of family and non-family businesses: comparative analysis. *Management Studies*, 29, 293-302.
- Ortiz, G. P., Olaz, C. A., and Monreal, M. J. (2014). Family and Cultural Capital. The perspective of familiness. *Family Business Magazine*, 4 (2), 47-59. Doi: 10.24310/ejfbefb.v4i2.5051
- Peña, H. A. and Mendoza, G. J. (2012). Factors for the study of the relationship between the degree of family control and the organizational performance of family MSMEs in the Monterrey Metropolitan Area. *Business Innovations*, 9 (18), 177-205. ISSN 2007-1191.
- Quejada, P. R.F. and Ávila, G. J.N. (2016). Family businesses: Concepts, theories and structures. *School of Business Administration Magazine*, (81), 149-158. ISSN: 0120-8160. Doi: <http://dx.doi.org/10.21158/01208160.n81.2016.1555>
- Rivas-Aceves, S., Davila-Aragon, G., and Castillo-Ramirez, C. (2020). Operational risk and family business elements. *Economic Outlook*, XVI (31).179-196. Doi: <https://doi.org/10.29201/pe-ipn.v16i31.268>.
- Román, C. R.E. (2009). A heterodox perspective suggested for the study of family businesses in Colombia. *Management Studies*, 25 (112), 101-129.
- Sciascia, S. and Mazzola, P. (2008). Family Involvement in Ownership and Management: Exploring Nonlinear Effects on Performance. *Family Business Review*, XXI (4), 331-345.
- Soto, M. A. (2013). The family business in Mexico: Current situation of the investigation. *Accounting and Administration*, 58 (2), 135-171.
- Suess-Reyes, J. (2017). Understanding the transgenerational orientation of family businesses: The role of family governance and business family identity. *Journal Business Economic*, 87, 749-777. Doi: <https://doi.org/10.1007/s11573-016-0835-3>
- Welsh, D.H.B., Kaciak, E., Trimi, S., and Wagner, M. E. (2018). Women Entrepreneurs and Family Firm Heterogeneity: Evidence from an Emerging Economy. *Group Decis Negot*, 27 (445). Doi: <https://doi.org/10.1007/s10726-017-9544-8>
- Williams, D.W., Zorn, M.L, Crook, T.R., and Combs, J.G. (2013). Passing the Torch: Factors Influencing Transgenerational Intent in Family Firms. *Family Relations*, 62, 415-428. Doi: 10.1111/fare.12016
- Zellweger, T.M., Eddleston, K.A., and Kellermanss, F.W. (2010). Exploring the concept of familiness: Introducing family firm identity. *Journal of Family Business Strategy*, 1, 54-63. Doi. 10.1016/j.jfbs.2009.12.003
- Zellweger, T.M., Kellermanss, F.W., Eddleston, K.A., and Memili, E. (2012). Building a family firm image: How family firms capitalize on their family ties. *Journal of Family Business Strategy*, (3), 239-250. Doi: <http://dx.doi.org/10.1016/j.jfbs.2012.10.001>

## Biographies

**Sayde Suárez Odilón.** Undergraduate of the Bachelor of Administration of the UAEM Atlacomulco University Center, Autonomous University of the State of Mexico, she is an Executive Assistant Technician. Entrepreneur and developer of business plans for micro-businesses. She is a Member of the Mexican Network of Organizational Studies Researchers (REMINEO) and has presented research papers at a national and international level. She also participated in a student stay in Business Administration and Management, at University of Granada, Spain.

**Zugaide Escamilla Salazar.** Doctor in Administration, Doctor Candidate in Methodologies and Lines of Research in Accounting and Auditing from the University of Cantabria, Spain. She currently works as a Full Time Professor at UAEM and is a certified academic by ANFECA. She is a member of various Research Networks. Her publications include scientific articles, book chapters, and she has presented papers in national and international forums. Her research revolves around the variables associated with entrepreneurship, family businesses and social responsibility. In the last five years, she has advised undergraduate theses awarded by ANFECA, creator of the National Research Contest "The taste of research" (CU UAEM Atlacomulco-ANFECA) she has PRODEP recognition and belongs to the National System of Candidate Level Researchers.

**Carlos Robles Acosta.** Doctor in Administrative Sciences from the IPN. Post-doctorate at the Université Jean Moulin Lyon 3, France. Post-doctorate at the National Autonomous University of Mexico. Diploma in Qualitative Research, U. de G.; Diploma in Evaluation of Investment Projects, UAEMex; Diploma in Data Analysis with R, UAEM. He is a Professor with PROMEP (SEP) recognition. He is a Member of the National System of Researchers of CONACYT Level 1. He is a Graduate Professor of the Latin American Technological Institute; he is also a Research Professor and Research Coordinator and Postgraduate of the CU Ecatepec of the Autonomous University of the State of Mexico. He is a Member of the Latin American Studies Network in Business and Administration (RELAYN) and is currently

in charge of coordinating the project "Characterization of the financial culture of micro and small entrepreneurs in Latin America" leading 106 academic bodies from Mexico, Colombia, Peru, Ecuador, Cuba, Argentina and Chile.