Journal of Business and Economics, ISSN 2155-7950, USA
August 2014, Volume 5, No. 8, pp. 1383-1394
DOI: 10.15341/jbe(2155-7950)/08.05.2014/017

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The Moderating Effect of Unfairness and Short-term Strategy on Thai Family Business: Conceptual Framework

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Abstract: It is extensively known that global economics are driven by family businesses. However, only 5% can survive until the third generation. The recent researches focus on effects of size of family firms, conflicts, family values, leadership in family firms, and number of non-family members in the family companies and ignore to figure out how family firms can sustain their business in long term. The knowledge to achieve the sustainable business performance of family businesses is therefore becoming the interesting topic. This paper aims to contribute the academic understanding of factors that make family businesses fail to sustain in the dynamic competitive world. According to the literature gaps, most family firms fail to transfer their ownership to the next generation because they always apply short-term strategy. In addition, the characteristic of family businesses inherently causes a lot of unfairness within the firms which can decrease their competitiveness. They have less cautious that they are inherited by unfairness and short-term strategy. Therefore, they always face with the difficulties to survive in long term. Nevertheless, family businesses have the uniqueness which allows the companies to overcome the weaknesses and can protect their enterprises. It is widespread perceived that competitive advantage of the family business is the commitment of the owner. The commitment has been studying by several researchers. It is believed that commitment is caused by managerial trust. Accordingly, the conceptual framework is generated to study how family business can survive in long term. There are two main objectives of the proposed conceptual framework. First, the relationship between managerial trust and commitment and the relationship between commitment and business performance will be verified. Second, the impact of moderating effect of unfairness and short-term strategy will be examined. Furthermore, the four hypotheses are developed and tested by using regression analysis to examine the relationships between five constructs. The data were obtained through the pilot test with 30 owners of family business in Thailand. The samples are from different industries which are chosen randomly from Department of Business Development Ministry of Commerce (DBD). The findings demonstrate that the measures of each construct have the strong reliability and validity. Next, the conceptual framework will be used to conduct the empirical study with the companies which the contacts are provided by DBD. The results will benefit the practitioners and academia in family business in several ways which lead to the knowledge of how family business can survive sustainably.

Key words: family business; trust; commitment; unfairness; strategy
JEL code: M100

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1. Introduction

About one-third of the world economy is driven by family businesses but most of them could not survive in long term (Hamilton, 2011). The importance of family business is widely well known. Collins and O'Regan (2011) mentioned that family business is perceived as the backbone of most countries' economics. Interestingly, Rodríguez (2009) identified that Gross National Product (GNP) is generated appreciably by family businesses (40-45 percent of GNP in North America, 35-65 percent of GNP in EU members, and 65-82 percent of GNP in Asia). Additionally, the number of family business is large compared with non-family business which eighty percent of US business is family business. More than 50 percent of businesses in many countries are family companies but less than 5% can be survived until the fourth generation and beyond (Basu, 2004; Lussier & Sonfield, 2006; Cater III & Justis, 2010). It can be seen that the importance of family business is worldwide perceived but its survival rate is significantly low. This is why family businesses are interesting and have been studying by many researchers. It is exciting to find the factors a family business needs to focus to enhance its sustainable business performance.

Family business has been studied in academic researches less than 30 years (Collins & O'Regan, 2011). In addition, many researchers said that the growth in study on family business topic has the great momentum (Basu, 2004; Rodríguez, 2009; Collins & O'Regan, 2011). Consequently, there are still several gaps of studying in family businesses to be explored. First, only little knowledge supports the effect of unfairness within family businesses. In general, family business is known that the owner has the strong level of commitment which allows them to achieve the goal (Collins & O'Regan, 2011). Commitment can be influenced by managerial trust. Leaders who gain managerial trust from their subordinates will have more commitment. The managerial trust encourages the leaders spiritually. They will put more effort to manage the firms because they feel they are trusted by the employees. Nevertheless, the relationships between them can be affected by unfairness which is inherent in the characteristic of family business. Second, family business is known as the short business cycle but researchers pay attention on only succession process. They do not explore why the family business fail to exist in the business. This research proposes that family business have the short business life because it tends to apply short-term strategies. Third, family businesses are playing the significant roles not only in developed countries, but also in developing countries. Economics in developing countries are driven by family businesses (Brice & Richardson, 2009). Swierczek and Onishi (2003) signified that Thailand is one of the Asian countries that have the fastest growing economies. However, there are very few studies on Thai family business. Fourth, another limitation in the recent literatures is the measurement of family business performance. Most family business researchers measure the performance of family business with objective measurement such as profit and return on asset (ROA). Ibrahim, Soufani, and Lam (2003) stated that family business is concerned with the emotional issue such as family relationship. Therefore, business performance must consider the subjective indicators too. This research aims to develop multidimensional indicators to investigate family business performance. Accordingly, the research question is developed to address the literature gap as "How the unfairness and short-term strategy affect the business performance of Thai family companies?" Additionally, the research aims to develop a conceptual framework of the relationship between managerial trust, commitment, unfairness, short-term strategy, and business performance of family business.

1.1 Definition of Family Business

The definition of family business has been given by many researchers. For example, Ng and Thorpe (2010) defined the family business as the firm that family members are shareholders which hold the voting right and decision-making right. The definition which was pointed out by Cater and Justis (2010) is the company that the ownership is belonged to multiple family members and the management level is controlled by several family members. Moreover, Sreih (2009) Handler (1989); Elman (1988) give the definition as a business that is owned, managed and controlled by one or more family members. Collins and O'Regan (2011) indicated that there are more than 90 definitions of family business are used by researchers which can be divided into four main categories (strategic process, governance, human resources and succession). Succession and governance categories are the definition that is often used in family business researches. Bigliardi and Dormio (2009) showed the several definitions of family business in their research as illustrated in Table 1.

Table 1 Family Business's Definitions

Author(s)	Year	Definitions
Claessens et al.	2002	Firm where there is the presence of a group of people related by blood or marriage with large ownership stakes
Anderson and Reeb	2003	Firm where there exists fractional equity ownership of the founding family and/or the presence of family members serving on the board of directors
Barontini and Caprio	2005	Firm where the largest shareholder owns at least 10 percent of ownership rights and either family or largest shareholder controls more than 51 percent of direct voting rights or controls more than the double of the direct voting rights of the second largest shareholder
Fahlenbrach	2006	Firm where the CEO is the founder or co-founder
Miller et al.	2007	Firm in which multiple members of the same family are involved as major owners or managers, either contemporaneously or over time

Erdem and Başer (2010) indicated that family business is complicated and concerned with many variables; therefore, the definition of family businesses is difficult to be clarified. Cater III and Justis (2010) and Zachary (2011) mentioned that definitions of "family business" are defined under three factors which are the degree of family ownership, the degree of family control in management, and the intention of the succession. Normally, researchers do not include the intention of the succession in the definition of family business. Laakkonen and Kansikas (2011) supported that the definition of the family firm must include the issue of succession because family business generally wants to transfer the leadership to their heirs. Therefore, the succession should be considered and included in the definition. Consequently, the definition of family business must be narrowed down which consisted of all three factors. This research is conducted by adaptation of the definition of Claessens et al. (2002), Barontini and Caprio (2005) and Fahlenbrach (2006) as "The firm that has been controlled by family members and want to securely transfer their businesses to the next generations with major shareholders, voting right and decision-making right".

2. Literature Reviews

2.1 The Relationship between Managerial Trust and Commitment

Dayan (2010) mentioned that managerial trust is the essential basis for the sustainable performance because it is the factor for long term achievement. The definition of managerial trust, which is used for this research, is defined by Rousseau et al. (1998), Parayitam and Dooley (2007) as "the willingness of the subordinates to engage in risk-taking behaviors of their supervisor whose behavior and actions he or she cannot control". In other words, managerial trust leads the company to achieve the goal by the cooperation of employees. Therefore, company that has trust environment can be run with good cooperation which dynamically drives the firm.

Entrepreneurs whom have got trust from their employees will have more commitment to the firm. They will be moral supported and encouraged which make them put more effort to manage the firm. However, many entrepreneurs do not gain the employees' trust. Laakkonen and Kansikas (2011) said that the owner's skills are the topic to be discussed because lack of adequate skill of owner leads to low managerial trust which can devastate the business. Trust will not able to be built if the abilities are not accepted by the subordinates. Ibrahim, Soufani, and Lam (2003) mentioned that good successors must be selected by the leadership skill. The followers will trust in leaders when they feel that the leaders have the good competence to lead the firms. Therefore, leadership skill becomes very important to create managerial trust. Conflict management is one of the necessary skills. Owners must have the competence of managing conflict within their organizations (Ibrahim, Soufani, & Lam, 2003). To gain trust, owners must able to minimize conflicts.

Moreover, managerial trust can be achieved by accurate and honest communication. The interpersonal communication is the crucial process to attain the trust from employees. Furthermore, telling the truth is one of the factors for developing trust within the companies (Veninga, 2002). In contradiction, false promise is the factor that leads to the low managerial trust (Fairholm & Fairholm, 2000). Additionally, Fairholm and Fairholm (2000) stated that managerial trust can be gained from subordinates by the sensitivity of leader to follower needs. Sensitivity to follower needs means the ability of leader to foresee the effect of his or her behavior toward others. In addition, Joseph and Winston (2005) and Fairholm and Fairholm (2000) illustrated that empowerment leads to trust environment. When leaders encourage their staff to work and decide by themselves, they feel that they are trusted. As a result, they will trust their leaders in return. Therefore, leaders should empower their followers to build trust environment in workplace. Moreover, Joseph and Winston (2005) clarified that consistent, integrity, and competence can lead to trust building.

Collins and O'Regan (2011) indicated that one of the subjects family business needs to focus in future is the competitive advantage. This is because competitiveness of family business can lead the company to achieve the sustainable performance. Family business has the unique competitive advantages which researchers had been studying for years. Collins and O'Regan (2011) signified that the combination between the family and the business approaches is the distinctive dynamic process that creates the commitment which is believed as the sustainable competitive advantage of family business. Commitment is naturally created by the family because the owner has been inherent the entrepreneurial instinct from the prior generation. Furthermore, family business illustrates the strong level of commitment. Zachary (2011) said that family business spends their personal time and energy for their businesses. They have the great competitiveness when they dedicate to their firms. This is because the more commitment they have, the higher return they attain.

This research will verify the effect of trust on the commitment of family business. Many researchers argued that commitment leads to trust. For example, Rampersad et al. (2010) mentioned that commitment affects directly on trust. They indicated that owners will gain trust when they commit to the firm. On the other hand, the effect of trust on commitment was supported by many researchers. Swierczek and Onishi (2003) and Malcolm and Hartley (2010) said that managerial trust which is created by the leader results in the commitment. In addition, managerial trust is studied by Dayan (2010) and the result showed that commitment is significantly influenced by managerial trust. He said that when trust is built within the company, the commitment is increased and turnover rate will be decreased which finally leads to the higher business performance.

Proposition 1: The higher level of managerial trust leads to the higher level of commitment

2.2 The Moderating Effect of Unfairness

Family business has the unique characteristics in terms of the mixture of family and business. The uniqueness leads to several competitive advantages such as commitment. However, family businesses are frequently affected by emotional issue (Collins & O'Regan, 2011). Because many employees in family business are family members; so, the interactions within the firm are very sensitive. For example, non-family member employees feel uncomfortable to work with colleagues who are their boss' relatives. Unfairness is naturally inherent in family business; nevertheless, it has been studied by very few researches. Dayan (2010) studied on the moderating between trust and commitment. He investigated the environmental turbulence as the moderator and has found that the relationship between them can be influenced by other factors. However, the knowledge of the moderating effect on their relationship has very few been studied by the existing researches. Additionally, the literatures show that unfairness is important and usually inherent in family businesses. Therefore, this research studies on the unfairness and focuses on its moderating effect.

Swierczek and Onishi (2003) stated that there are three causes of unfairness which are human resource policies, management style, and leadership style. Human resource policies of family business always show the unfairness between family member employees and non-family member employees. There are several unfair polices clarified in this research. Non-family employees may feel the unfairness in human resource policies because family firms tend to hire family members even they are unqualified (Lutz & Schraml, 2012). Swierczek and Onishi (2003) signified that unfair human resource policy can lead to employee discouragement. They also mentioned that family businesses' policies regularly make staffs feel that they are treated discriminately. Besides, family members have much more working time flexibility. They are normally allowed to absent to do family activities or personal activities. This unequal human resource policy leads to the negative feeling of non-family member employees because they have less flexible time than family member staff. Furthermore, Thai companies pay attention to staffs' experience instead of the employees' performances. Swierczek and Onishi (2003) said that Thai employees have the strong trust in seniority which is similar to many Asian countries. This makes the family businesses have the unfair annual assessment which all employees should be assessed by performance-based evaluation.

The second source of unfairness in family firm is management style. The top management team of family businesses constantly shows the lack of responsibility to their employees. They always pass the problems to their subordinates. The staffs often feel that they are meaningless when the performance of the firms is good but they are always blamed when the firms are in trouble. Consequently, management level should participate with subordinates and share the corporate responsibility (Swierczek & Onishi, 2003). Finally, the leadership style is the third cause of the unfairness in family business. This is because the leadership of family business is extremely complex. Many family firms owned by more than one family member and the management level are controlled by several family members. Zachary (2011) mentioned that the involvement of several family members affects on the leadership issue in family business. The shared leadership can cause the unfairness because the company is influenced by the family members. The influence of different leaders leads to unfairness because they have the different leadership style which can separate staffs into many groups with conflicts. In conclusion, unfairness is believed to have the moderating effect on the relationship between managerial trust and commitment. This research proposes that the more unfairness a family business has, the less commitment the company gains.

Proposition 2: The relationship between trust and commitment is moderated by unfairness

2.3 The Relationship between Commitment and Business Performance

Family business performance is the dependent variable of this research. Business performance can be defined as the achievements or outcomes of an organization (Elbanna & Naguib, 2009). All companies want to acquire the performance as high as they can. They want to have the high profit, high growth, and so on. Most of researchers assess the business performance by the objective measurement. The return on assets (ROA) is the most frequently used as the measure of firm performance (Elsaid & Ursel, 2011). The indicator shows how effective the company exploits its resources to generate company's revenue. Moreover, researchers usually measure the business performance with growth rate and profit of the firm. Growth rate shows that company can expand its sales. Laakkonen and Kansikas (2011) indicated in their research that founder generation makes firm grow more rapidly than the next generation but the next generation generates more profit. In addition, the increasing number of employee also shows the growth rate of the company. This is because the company needs to hire more staff to perform more production and to increase the sales. However, only objective measures are not the good measurements because family business is the complex organization. It is needed to be studied and measured by multidimensional view. Therefore, this research intends to fulfill the gap by developing the suitable indicators for sustainable family business performance.

The competitive advantage is studied by several researchers. The higher competiveness a company has the higher business performance it gains. Commitment is one of the competitive advantages a company might have but family firm shows the significant higher level of commitment than non-family business. Therefore, this research focuses on the commitment instead of other competitive advantages. The results will reinforce the relationship between them. Family business that wants to have more sustainable performance should pay more focus on the commitment.

Proposition 3: The higher level of owner's commitment leads to the better business performance

2.4 The Moderating Effect of Short Term Strategy

Short term strategy is the key factor that makes family business has the short business life cycle. Lutz and Schraml (2012) stated that family businesses are typically achieved short term performance compared with non-family business. This implies that family firms are more likely to develop the short-term strategies than long-term strategies. They figured out that non-family member managers' view aims to achieve the long-term goal but family member managers always think about family wealth. Furthermore, Swierczek and Onishi (2003) indicated that Thai workers have the short-term goals. They describe that Thai companies try to develop strategy to attain their goals within one year which reflects that the firms have short-term view. This is why family enterprises always face with the difficulties when they want to be in the market in long term (Lutz & Schraml, 2012). Accordingly, they should plan for long term rather than their wealth.

Planning for succession is one of the long term strategies of family business (Hamilton, 2011). Collins and O'Regan (2011) stated that most of family firms fail to transfer their ownership to the next generation because the owners do not well plan for the succession. Moreover, Sambrook (2005) defined the succession planning as the preparation for qualified staff to continue the business. Therefore, development of potential successors is the key issue of the succession planning. Nevertheless, there are several obstacles inherent in family business culture to train the potential successor. Often, the prior generations still influence and take control the business even if they have already retired (Chung & Yuen, 2003). This makes the next generations feel uncomfortable and cannot improve their abilities. This is because they do not let their children to make mistakes by themselves. This leads to the long term disadvantage and let the company led by incapable leaders. Additionally, personal preference of the next generation is another obstacle of the planning for succession (Chung & Yuen, 2003). It can be seen frequently that successors do not want to continue the family business. They are interested in other professions rather than what their parents do.

Another issue which shows that family firm always applies short term strategy is the risk aversion. Normally, the higher risk the company take, the higher return they get. Elsaid and Ursel (2011) signified that risk taking benefits the company with the positively economic advantage. Nevertheless, family business always takes the lower risk. The key factor to sustain the family business is the growth of the company. Kotey (2003) stated that growth is perceived as the risk taking action but family businesses are risk averse companies. They do not want to perform risk activities such as fast growth.

This research is going to study about the moderating effect of short-term strategy because the characteristic of family business is the significant short term company. Family business has the strong level of commitment which leads to the great business performance but its business cycle is very short. The short-term strategy is believed as the cause of the collapse of the family business. The short-term strategy will be investigated its effect on the relationship between commitment and business performance. This research focuses on the short term strategy as the moderator which researchers normally neglect its importance.

Proposition 4: The relationship between commitment and business performance is weakened by the short-term strategy

3. Conceptual Framework

Five variables studied by this research have been described in the previous part. After reviewing the literatures, the propositions and the conceptual framework of the research have been developed and shown in the Figure 1. The center line shows the relationship between managerial trust, commitment, and business performance. The relationships between these variables are proposed to be positive relationship. In addition, the moderators which are unfairness and short-term strategy are included in the framework. They will be monitored the moderating effects which cause the lower business performance.

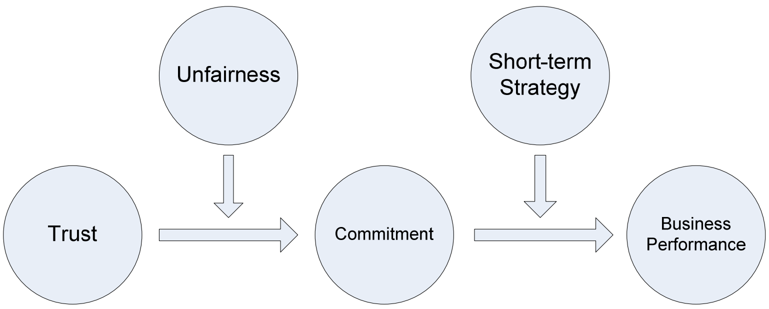

Figure 1 Conceptual Framework of the Research

4. Methodology

This empirical study is the cross-sectional design rather than longitudinal design because of time and cost constraints. The strategy of this research is to execute both qualitative and quantitative approaches. The combination of qualitative and quantitative method will benefit the research because each of them has its own limitations. Qualitative approach has the advantage of getting the deep information; however, it has the weakness to generalize its findings. In contrast, quantitative approach is used to explain relationship among variables but it cannot get the deep explanation of the relationship. Therefore, this research exploits the advantages of both methods to explain the relationships of studied variables of family business. Because the understanding of every measure is crucial, qualitative method will be used to verify the measures before the quantitative method is performed. The developed measures will be proved their validity by the experts whom have operated their family business more than ten years. Moreover, in-depth interviews will be conducted with family business owners regarding to the developed questionnaire. Accordingly, researcher will better understand each construct in family business view and the measures will be verified and adjusted afterward.

After the measure adjustment, this research will collect the data from pre-tested samples by postal survey. They will be asked to complete and return the questionnaire to the researcher by post. The advantage of postal survey is the lower cost and it can get the large samples. Moreover, it offers high level of standardized wording and no interview bias. In addition, the questionnaires can be distributed and returned quickly. The set of questions will be sent to informants by the addresses the researcher got from the Department of Business Development Ministry of Commerce (DBD). Then, the data are analyzed by SPSS and AMOS computer program. The pilot test is used to confirm the reliability of the measures, the Cronbrach's alpha indexes of each measure will be determined after the mails are returned. After the pilot test, the results show that the validity and reliability of measures are trustworthy. The questionnaire is therefore qualified to use for the field survey because its research design is carefully developed.

4.1 Sample and Instruments

The studied companies are registered and operated in Thailand. The researcher will investigate with the family business' owners in Thailand as the target population of this empirical study. Moreover, the subjects can be any generation because the results of this research are able to apply in all generations. The target sample for the pilot test is attained by Department of Business Development Ministry of Commerce (DBD). 30 firms are the sample for the pilot test to investigate the reliability of the measures before they can be used for the field survey.

The questionnaire is developed regarding to the literature reviews. The measures are checked their reliability and validity by pilot test before they are used in the field survey. The questionnaire is developed in English language according to the review of international published journals. However, this research will be conducted with Thai participants. Therefore, it is translated into Thai language which the translation accuracy will be checked by native Thai academic researchers from Thai well-known universities. After that, it will be back-translated into the English language by native Thai academic researchers whom are familiar with family businesses. The back-translated version will be compared with the original version generated by the researcher. The purpose of the back translation method is to prevent the respondents from the misunderstanding of the questions which will lead the researcher to the incorrect information collection.

There are two parts in the questionnaire which the general background is asked in the first part and the measures for five constructs are investigated in the second part. In the first part, the characteristics of respondents are asked. In addition, the screening questions to monitor respondents who are suitable for complete this survey are asked by the confirmation of the type of business. The business type can be clarified whether the company is family firm or non-family firm by the eight measures of Claessens et al. (2002), Barontini and Caprio (2005), Fahlenbrach (2006), and Kotey (2003). In the second parts, there are five groups of measures to examine five variables which are managerial trust, commitment, unfairness, business performance, and short-term strategies. The second part is consisted of 73 questions in five-point Likert scale. First, 19 questions ask about managerial trust. The investigation on this variable focuses on how strong the managerial trust has been gotten from the staffs. Second, ways of measuring commitment are examined by 9 measures. These measurements show the commitment of the respondents within their family firms. Third, 12 questions are used to assess the unfairness within the family businesses. Fourth, strategies of the family businesses are investigated by the 15 questions. Last, 18 business performances are asked to consider the competence of the respondents' company. They are the multidimensional measures which have both objective and subjective measurements.

After the questionnaires are returned, the data will be analyzed their reliability through the utilization of statistical methods such as descriptive statistics and multiple regressions by using the SPSS computer program. Moreover, Cronbrach's alpha value (expected to be more than 0.7) will be checked to examine the reliability of the measures.

5. Results and Discussions

First, the measures of managerial trust are investigated their reliability. They are divided into five categories which are consistency (Cronbach's Alpha 0.791), integrity (Cronbach's Alpha 0.763), communication (Cronbach's Alpha 0.899), sensitivity (Cronbach's Alpha 0.667), and competency (Cronbach's Alpha 0.763). The measures illustrated that they have the high reliability and reasonable to be implemented in the field survey. However, the reliability of measures of sensitivity category is a little bit lower than expectation which it can be higher when the researcher collects more data with more informants (sample of pilot test is only 30 informants).

Second, the Cronbach's Alpha value of measures of commitment is examined. The value is evaluated as 0.654 which is acceptable. The value is expected to be higher when the data are more collected from the field survey. Moreover, the value can be enhanced to be 0.718 by deleting the last measure of commitment. Third, measures of unfairness showed the Cronbach's Alpha value as 0.785. The result illustrated the notable reliability of the measures. Next, the measures of short-term strategy demonstrated the strong reliability which Cronbach's Alpha value is 0.801. Last, business performance measures are divided into two groups which are objective performance and subjective performance. Both of them showed the robust reliability. Measures of objective performance have the Cronbach's Alpha value as 0.919. In addition, measures of subjective performance have the Cronbach's Alpha value as 0.760.

In conclusion, the designed questionnaire has the agreeable validity and reliability to conduct with the field survey. The subsequent research will be investigated to verify the relationship between managerial trust, commitment, and business performance. Furthermore, the moderating effect of unfairness and short-term strategy will be examined.

6. Contributions of the Research

The expected result of this research is to confirm the reliability of the measures before the field survey has done. The subsequent paper will make the contribution to academic understanding of sustainable business performance in family business. The research has the main objective to examine the effect on business performance which the results will generate new findings as the analytical tool for family firms to gain the sustainable business performance. The variables which will be investigated are managerial trust, commitment, unfairness, and short-term strategy. According to the previous family business researches, the unfairness and short-term strategy are very important factors and have rarely been researched. The incomplete view of family business will be filled and researchers can use the findings as the reference for the future researches.

The research will contribute the facts to the current knowledge in sustainable family business in many aspects. Firstly, it fulfills the literature gap by conceptualizing the factors that generate the sustainability for family business. The competitive advantage of family firms (commitment) will be confirmed that it can be increased by managerial trust. In addition, the indicators of managerial trust which are developed by this research can be used as the tool to enhance the competitiveness. Secondly, this research proposes the unfairness as the new factor family business must pay attention on. The findings will generate and empirically validates the influence of unfairness on the relationship between managerial trust and commitment. Family companies can efficiently increase their competitiveness when they well manage the unfairness within the companies. To control the unfairness, this research develops the measures to monitor the several kinds of unfairness of family business.

Thirdly, commitment which is the significant competitiveness of family firms is verified as the key factor to improve the business performance. The results will show that family business performance is significantly related to the owners' commitment. Family businesses that focus on their leaders' commitment are able to increase their business performance. Lastly, sustainable performance must be developed to be survived in the dynamic competitions. Family businesses are miserably inherent by short-term strategy. The study of short term strategies of family business is neglected by many researchers. The sustainable performance will be better predicted when the strategy of the companies is careful managed. This research will indicate that family businesses can be survived longer if they better handle with the strategy.

7. Limitations and Future Research Direction

This empirical study has been conducted carefully. The related literatures are reviewed cautiously to support the studied variables and their relationships. Additionally, the research methodology has been developed with the awareness of the researcher's own judgment. Nevertheless, there are some limitations of the research. First, this research investigates the five constructs to confirm the hypotheses and theoretical model proposed by the researcher. However, its objectives only focus on the family business' sustainable business performance. Collins and O'Regan (2011) stated that comparing the performance between family and non-family business is suggested to be examined for filling gap in existing researches. Nevertheless, this research's findings contribute the knowledge of family business in many circumstances which has not been fully demonstrated by the recent literatures. Second, the size of family firm is not controlled. Although firm's sizes can affect the business performance (Kotey, 2003), the researcher conducts the research without controlling them. This is because the researcher wants to apply the developed model with all family firms' sizes. Nonetheless, the research also illustrates the descriptive results which explain the differences between the different firm's sizes. Third, this research has been designed as the cross-sectional research. Succession is the long term process as discussed before; therefore, it is more appropriate to apply the longitudinal research approach. However, it consumes a lot of time and cost to conduct the longitudinal research.

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