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Master of Business Administration (MBA) Program

The Impact of Family Power on the Family Business Performance

in Southern of the West Bank

أثر سلطة العائلة على أداء الشركات العائلية في جنوب الضفة الغربية

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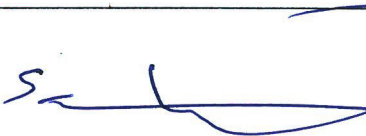

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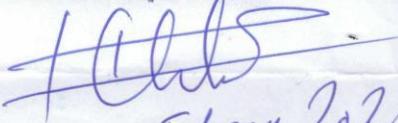
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Dedication

It is with great honor to present this accomplishment to my parents; the first ones who raised me, supported, encouraged, trusted, and always believed in me

To my father, the nobleman with a good heart

To the most beautiful, ambitious, and clever woman, my mother, who has always shared her dreams with her children.

To my half Jordanian part, to my oldest uncle, the great man Abdullah

To the dearest ones to my heart, the ones with whom we shared the same occasions, memories, and the same small room, my sisters, and brothers,

To my big family who always loved and supported, to my aunts, uncles, and my grandmother's soul. I know she would have been very proud of me

To my friends and relatives

To my childhood, school, university, and work friends

To the sweet friends whom I met during this scientific journey, you are and will be the best forever,

To the happiest and Unforgettable moment that brought and will bring happy moments later.

To my nephews and nieces, and to my neighbors, too.

Finally, to my city Hebron especially, to my quarter Al-Shuhda Quarter

To the Old City, and each historical place in Hebron

The Researcher: Anwar Al-Sharabti

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Peace and blessings are upon our Prophet Muhammad, who taught us the purpose of
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*I would also like to thank everyone who smiled at me and wished me goodness and
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Abstract

The purpose of this research is to investigate the impact of family power on the family businesses performance in the southern of the West Bank. The employed family power dimensions are family authority, governance, and management functions. To achieve the research objectives, the researcher used a descriptive-analytical methodology. The population of the research consists of 592 family businesses in Hebron and Bethlehem cities, and the chosen sample is a stratified relative random sample, which has reached 230 family businesses. To collect the data, the researcher used the questionnaire, which was given to the managers/owners of the business. As result, the research has reached for several results: first, there is a positive relationship between family authority and performance. Second, there is no relationship between the value of ownership and performance. Third, there is a positive relationship between governance and performance. Finally, there is no relationship between management and performance. On the other hand, the degree of family power was high. The highest factor was governance, family authority, and finally management functions. The research presented several recommendations, which included: the necessity of family businesses to adopt governance principals and give more attention to ensure that employees know about governance too. Let the family members share their opinions and thoughts toward the business and how it can be developed.

الملخص

يهدف هذا البحث إلى التعرف على أثر سلطة العائلة على أداء الشركات العائلية في جنوب الضفة الغربية وتم استخدام المنهج الوصفي التحليلي لإعداد البحث، وقد تكون مجتمع البحث من 592 شركة عائلية في مدينتي الخليل وبيت لحم، وتم استخدام الاستبانة كأداة لجمع البيانات حيث تم توجيهها الى مدراء و اصحاب الشركات حيث بلغت عينة الدراسة 230 شركة عائلية وهي عبارة عن عينة طبقية عشوائية. ومن أهم النتائج التي تم التوصل اليها درجة سلطة العائلة جاءت عالية لجميع المحاور من الاستبانة حيث جاءت الحوكمة بأعلى درجة وبعدها الاداء وبعدها نفوذ العائلة وبعدها الادارة أقل درجة أما بالنسبة لنتائج الاسئلة فاتضح أن هناك علاقة ايجابية بين نفوذ العائلة والاداء ولا يوجد علاقة بين قيمة الملكية والاداء وأخيرا هناك علاقة ايجابية بين الحوكمة والاداء، ونتيجة لذلك تم وضع بعض التوصيات ومن أهمها: على الشركات العائلية أن تقوم بتبني مبادئ الحوكمة نظرا لأهميتها وتأثيرها الفعال على أداء الشركات وأن تقوم بعمل استثمارات جديدة وتوظيف عدد كبير من الموارد البشرية إضافة الى ذلك على الشركات العائلية ان تقوم بفسح المجال لأفراد العائلة بالاطلاع على العمل وطبيعته والسماح لهم بالمشاركة في إدلاء آرائهم لتطوير العمل واستمراره.

Chapter One

General Framework

- * Background
- * Problem statement
- * Research variables
- * Research questions
- * Research objectives
- * Research importance
- * Research limitations
- * Rationale
- * Research terminologies
- * Ethical statement

Chapter one

The framework of the research

1.1 Background

Business enterprises experience a huge era of development that covers all economic sectors in the world. The family business is one of the sectors that work in a homogenous environment, such as external and internal environment, regulations, technology, and demographic effects, etc. On one hand, the owners of the family business have many impacts on the way the business works. Family businesses have been regarded as the engine part of the Palestinian economy. However, family businesses in Palestine show significant outperform (Sultan et al., 2017). Besides, being the major part is an essential factor that differentiates family business (Sabri, 2008).

Statistics showed that the percentage of family businesses in Europe ranges from 70 to 95%, and its share in the national product is almost 70%. In the United States of America, there are two million family businesses, and their share in the national product is 49%. Besides that, Italy employs around 59% of the total employees. However, in the Arab world, 95% of the companies are family businesses in Saudi Arabia (Al-Mahroki, 2014).

Family businesses are leading businesses worldwide. They are the power source that stirs socioeconomic expansion and wealth foundation. A family business is owned and governed by one or more family members who are actively engaged in the daily operations of the business (Abuznaid,2014).

According to Ayranci (2014), performance can be defined as an expression of how well groups, individuals, or organizations perform a specific task and attain their planned objectives and goals. He considers financial performance as the most important aspect that organizations need to focus on. In family businesses, one or more families who participate in the management process control the work (Basly, 2015). Besides that, family involvement has strong effects on

family business works. For example, it affects the strategic decisions and plans because the majority of voting rights are held by the family members (Basly, 2015).

The term of family business involvement includes the F-PEC scale, which consists of three dimensions: power, experience, and culture (Kelin, 2005). Additionally, the scale's job is to examine and measure the family impact (Astrachan, B. Rau, Smyrnios, 2002). For further explanation, power refers to the level of ownership and strategic management, experience refers to the accumulated experience brought by the family into the business, and culture refers to the values and commitment of family members towards the work (Astrachan, 2005). These main aspects have positive and negative effects. In other words, it depends on how each company uses them. (Basly, 2015).

Alternatively, any type of business aims at achieving the best results and performance possible. To achieve the business objectives and to keep on the maturity stage, the business should follow some standards. Badkok (2012) indicates that in the past years, new standards have appeared. These standards stand for evaluating business performance and trying to improve the business reputation. One of the most known standards is the application of governance standards. When any business applies the governance principles, such as integrity, transparency, accountability, etc., the business will be more likely to achieve the stated objectives. Furthermore, governance principals ensure that the performance of any business will improve and be very high. This is due to the relations between the essential members who play a major role in enhancing the performance of the business (Abdulrazaq, 2013).

1.2 Statement of the problem

Family businesses are one of the oldest forms in business in the world and the most known institutions worldwide. Fiat Group, Benetton in Italy, L'oreal, Carrefour in France, Hyundai, Samsung in Korea, Wal Mart stores, Ford motors in the United States are examples of family businesses in the world. These companies play a major role in the investment of private sectors, and they help to employ a big number of the workforce by providing markets with huge quantities of products away from the money markets. It has a big role in strengthening the countries' economies (Abdulrazaq, 2013). On the one hand, there are other reasons for the success of family businesses. First, the management style and way of work. Second, the degree

of family's involvement and power. Finally, the way of accepting and dealing with new circumstances and conditions.

Therefore, Palestinian entrepreneurs nowadays try to create new opportunities in the family business, and they try to keep on their sustainability. The conference held in Hebron Chamber of Commerce and Industry on 17 October -2017 entitled: "The sustainability and development of the family businesses" focused on the practical and scientific sides of the family businesses. It has concentrated on the mechanism by which family businesses in Palestine can keep on their sustainability, how can they develop their work, and how can they solve the problems that occur when the family business moves from the first to the second and third generations. During the conference, one of the owners of a big family business said that the major problem happens when the business moves to the third generation. This generation starts to look for high positions of the business as if the sons did not have enough high skills and education.

Familiness is an important attribute in family businesses. Farkas (2013) emphasized this concept, and it showed that familiness has a positive impact on family business work because it can acquire a competitive advantage in comparison with non-family business. Family PEC scale is considered as an essential factor in the family business. The three family dimensions power, experience, and culture influence the way of how families run their businesses (Astrachan, B. Rau, Smyrniotis, 2002). In which they may have positive and negative effects, and that depends on how each business uses them (Basly, 2015).

This research examines how family power affects business performance. As a result, the study focuses on new subjects in the family business, and tries to answer the following problem research question: What is the impact of family power on the performance of family businesses in the south of West Bank?

1.3 The research variables

The topic of the research is a new item in the family business formulation; as a result, it deserves to be researched exactly like other topics. It emphasizes the impact of family power and family involvement in family businesses on performance. The variables of this research include the independent and dependent variables. Independent variables are family authority, ownership, management, and governance.

Family authority refers to the number of stocks that the family members own from the total number of stocks (Wneych,2011). However, management in the family business requires many procedures to achieve the planned objectives and obtain business sustainability (DyerJr, 2010).

On the other hand, the governance of family business gives the chance to such businesses to continue for the next generation and keeps the business to stay on the same rhythm from the first to the second and third generations, etc. (Ahmed,2017).

The dependent variable is the family business performance and it was measured by the business size. For example, achieving the set objectives is an indicator of family business performance and business size. Performance is represented in employee growth.

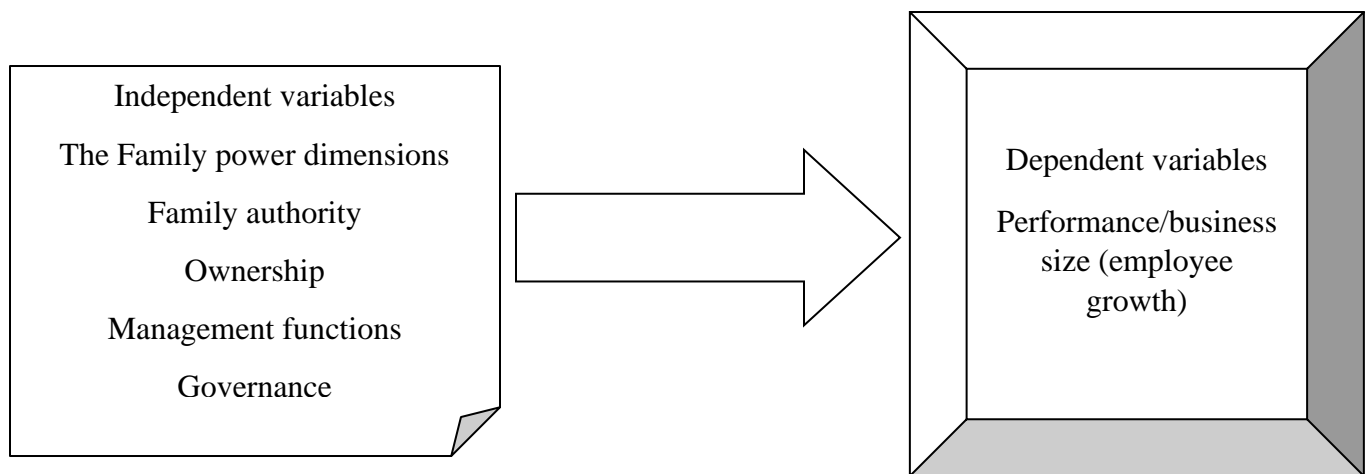


Figure 1. The conceptual model

1.4 Research questions

The research attempts to find an answer to the main question: How does family power affect family business performance. Afterward, the question is followed by several sub-questions:

1. Is there a positive relationship between family authority and family business performance in the south of West Bank?
2. Is there a positive relationship between the value of ownership and family business performance in the south of West Bank?
3. Is there a positive relationship between governance and family business performance in the south of West Bank?

4. Is there a positive relationship between management and family business performance in the south of West Bank?

1.5 Research objectives

The main objective of the research is to investigate the impacts of family power on family business performance in the south of West Bank. Whereas the sub-objectives are:

1. To investigate the effects of family governance on family business performance in the south of West Bank.
2. To investigate the effects of family management on family business performance in the south of West Bank.
3. To investigate the effects of the family value of ownership on family business performance in the south of West Bank.
4. To investigate the effects of the size of the family business on family performance in the south of West Bank.

1.6 Importance of the research

This research will:

1. Give the researcher the chance to practice the scientific research methodology. It will also give her the chance to get a master's degree in Business Administration.
2. It will provide family business owners with improvement opportunities for their work.
3. It will focus and show the importance of family business in the Palestinian economy; it will give recommendations regarding the family businesses in Palestine.
4. It will focus on a new aspect in the family business in which it will lead other researchers to further researches of F-PEC scale.

1.7 Limitation of the research

There are subjective limitations of the study variables since the research explains the impact of family power on the performance of family businesses in Hebron and Bethlehem cities. Also,

this research applies to power among power, experience, and culture. Performance is represented by objective achievement and the increase in the number of employees' overtime.

Human resource limitations: the study includes only managers or owners of the family business.

Time limitations: the study was conducted during the first semester of the academic year 2019 /2020.

Place limitations: the study was applied only on the family businesses in Bethlehem and Hebron cities.

1.8 Rationale

The research will examine the reality of family business and give evidence about family businesses in the south of West Bank. It will also provide accurate recommendations regarding family businesses and try to emphasize on the main challenges faced by such businesses.

1.9 Research terminologies

Family business: The business which is owned and managed by one or more family members (Nadine, 2018).

F-PEC scale: The three dimensions which consist of the family. FP stands for family power, FE means family experience, and FC means family culture (kelin,2005).

Familiness: “The degree of family member’s involvement in the family business “(Farkas,2013).

Family power: The high degree of control within the family and the business. It includes the authority, responsibility, and decision-making processes in the business (Business dictionary.com).

Size –performance: Performance means the way of getting the business objectives done in two ways: financial and objectives achievement. Size can be considered as a type of performance in which the growth of business size refers to high performance (Ayranci, 2014).

1.10 Ethical statement

The researcher has followed all scientific steps during the preparation of this research and used appropriate research methodology. The researcher also was committed to ethical conduct in collecting and analyzing the data.

Chapter Two

Literature Review

- * Section One: a literature review
- * Definitions of the family business
- * Family business context in the world and Palestine
- * The three circles model
- * Types of the family business
- * Legal structure of the family business
- * Strengths and weaknesses of the family business
- * Family involvement –F- PEC scale
- * Theoretical approach of the family business
- * The agency theory
- * Resource-based view theory
- * Stewardship theory
- * Family ownership and authority
- * Family authority
- * Family ownership
- * Management and family business
- * Governance and family business
- * Family business performance
- * Definition of performance
- * Reality of performance in family businesses
- * Section Two: Previous studies

Chapter Two

Literature review

2.1 Literature review

The researcher needed to enrich this present research with previous studies that have tackled the same topic. This chapter provides an account of previous studies, articles, books, and essays. Besides, it offers a complete image of each variable in this research. At first, the researcher defines family business, theoretical approaches of family businesses, management and ownership in family businesses, governance, family business reality in Palestine, and performance.

2.1.1 Definitions of the family business (FB)

The family business is seen as a significant and important source for economic growth. It generates jobs and wealth, which can exist for a longer period. (Motwani, 2011) identifies the family business as a commercial organization where the management process is essential and a prime concern by multiple generations of a family. Currently, scholars try to find a specific definition of FB. To distinguish between the family and non-family business, a theory of family business should be established (Chrisman et al., 2005). Many policymakers and family business researchers believe that there is an impact for the family businesses on business which can be distinguished from the non-family businesses (Chrisman et al., 2005).

On the other hand, Astrachan (2010) states that there were definitional subjects in family business studies, which appear around 1980 because the family business term was new, and scholars tried to formulate the theory. The words family business only showed up before the 1980s. Whereas, le Miller (2006) argues that family governance and leadership can create unique conditions and opportunities, which can make them more effective than non-family businesses. Family led enterprises might be better to create products and enter markets.

Besides that, over the ages, scholars tried to identify family business concept first, Litz (1995) identified the family business as: “a business firm may be a family business to the extent that its ownership and management are concentrated within a family unit and the extent its members strive to achieve and/or maintain inter-organizational family-based relatedness”. Second,

Smyronios Romano and Tanewski (1997) stated that family business is "a business which is classified as a family business when one or more of the four criteria were met. More than 50% of the ownership was held by a single family; more than 50% of the ownership was held by more than one family; a single-family group effectively controlled the business: or the majority of senior management was drawn from the same family.

Chua et. al (1999) considered FB as "a business governed and/or managed to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families."

According to DGPYME (2003), FB is any enterprise in which an essential part of the company's ownership belongs to one or several families, and whose members intervene decisively in the company's management administration."

Kurashina (2003) showed that " family business is based on two criteria: the share of the capital held by a family, and the involvement of the family members in the management of the firm. Thus, he considered three types of the family business. Type one is related to family members, who hold management positions or are members of the Board of Directors (BoD) as well as the main shareholders. Type two in which family members do not hold a top-ranking management position but are among the shareholders. Type three in which family members hold top management positions but are not among the major shareholders.

2.1.2 Family business context in the world and Palestine

The significance of family business derives from the reality that it controls the majority of private sector businesses in both expanding and expanding economies. Regarding, Palestinians it has a major part in the Palestinian economic growth. Also. it plays a major role in giving Palestinians job and workforce opportunities. Besides, owners of Palestinian family businesses give more attention to the customers considering them very important of their vision. This advantage creates good relationships among businesses and customers (Abuznaid, 2014).

2.1.3 The three-circle model

The three-circle model of the family business system shows three interdependent and overlapping groups: family, ownership, and business.

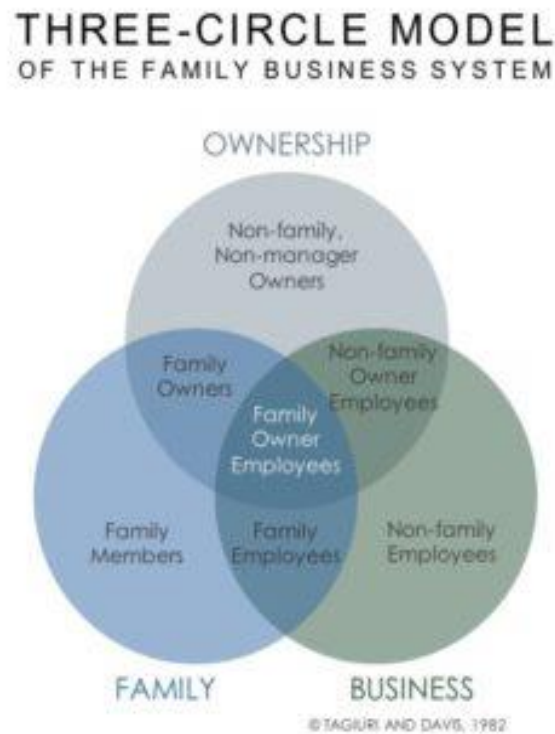


Figure 2. The three-circle model.

Source: Renato Tagiuri and John Davis. (1978)

The model presents where essential people are in the system. Davis explains and thinks about various functions that family members have being a family owner, or a family employee.

2.1.4 Family business types

The potential structural model for various types of family businesses is formed from: First, the family/Shareholders: this type consists of a family member's association with the family board. The duties of this type including protecting long-term objectives and the identity of the family, connecting the family, monitoring the work, and ensuring it is according to the family's values.

A second type is a group of businesses or holding businesses. It consists of the BoD and the business (committees). The main jobs of this kind of business are: employing people and establishing high administrative monitoring, taking the responsibility of the business performance, getting help to take good opportunities, getting appropriate investments according to the strategic plans, and running the business by the Board and the committees.

The third type is the company, which has its own independent BoD and includes a group of family representatives, owners, and other directors. Besides that, such business is considered as an independent business (The conference of family businesses: sustainability challenges and opportunities, 2017).

2.1.4 Legal structure of the family business

Each business has its own organizational and legal structure. In a family business, the legal structure cannot be separated from the organizational structure because they represent the results of the organizing procedure and the transformation process that the business goes through. It also reflects the objectives of the business and the needs that each business requires.

Family Business goes through the following levels:

First level: the family wealth, which is a small business that does not have the legal and formal forms.

Second level: business owners start considering legal forms to make the legal formulation of the business. Also, the business, at this level, starts to expand because the application of legal structure and forms becomes an obligatory need.

Third level: At this level, the business needs to get other sponsors and shareholders. Since the fact that the company is already expanded and it needs a lot of support, especially financial support, it will be transformed from being a limited company into a public shareholding company.

Fourth level: At this level, the family business starts to divide its activities, and new partners may enter the business. Besides that, the shares of the family may decrease. Consequently, in this

case, the business becomes like a holdings company (The conference of family businesses: sustainability challenges and opportunities, 2017).

2.1.5 Strengths and weaknesses of the family business

Each business has its strengths and weaknesses, and the same situation applies to the family business sector. However, there is a difference between each type of business and the mechanism by which each business deal with it. In general, the family business has its common strengths and weaknesses as mentioned below:

2.1.5.1 Strengths

Depending on a variety of factors, family ownership can be seen as either an opportunity or a threat. For example, family ownership and commitment to the business may be understood as adding value where the company and family control can respond to the interest of the investment's community. Also, a family business can generate the value for all shareholders, based on several known factors as the family business edge "this is what attracts many investors to invest in family-owned businesses (Practical guide to corporate governance).

Family businesses have many strong points as follows:

1. Owners/managers have the qualities, experience, and proficiencies necessary for the business's development and prosperity.
2. Palestine is well known for the human resource capital: young, educated and motivated people.
3. family business obtains manager/owner commitment because the success of business means success for the family vice versa .
4. The separation between management and ownership helps the family business to achieve a competitive advantage and this can ensure business sustainability (Abuznaid, 2014).

2.1.5.2 Weaknesses

Each business has its weaknesses and strengths, and the same thing is applied to the family business, which faces some weaknesses, such as:

1. Inability to separate family issues and problems from work.
2. Inability to balance between the cash needs of a business and family.
3. The emotional aspect controls the decision-making process.
4. The founder role may be an obstacle toward business development and innovation (Al-Depl,2014).

On the other hand, in the first generation and sometimes in the second-generation, family business is managed by the founders and other family members. However, the business faces the challenge of attracting good specialties to assume management positions. Also, the family business faces difficulties in retaining such qualified professionals (Practical guide to corporate governance).

The main problem in a family business is the fact that it does not continue to the second or third generations. This is because the main objective of a family business is to keep on the same criteria from the beginning of establishing the business to the next generations and make the balance between the grandfathers and the new generations. Even if, the business looks forward to the next levels with the new generation, some family businesses may not have the clear arrangement of such movement forward. The absence of family documents and rules will be a big problem for business sustainability (Al-Twash and Mansour, 2010).

2.1.6 Family involvement, the F- PEC scale

The term of family business involvement includes the F-PEC scale, which consists of three dimensions: power, experience, and culture. Additionally, the scale's job is to examine and measure the family impact (Astrachan, B. Rau, Smyrnios, 2002). For further explanation, power refers to the level of ownership, governance, and strategic management, experience refers to the accumulated experience brought by the family into the business, and culture refers to the values

and commitment of family members towards the work (Astrachan, 2005). These main aspects have positive and negative effects. In other words, it depends on how each company uses them. (Basly, 2015).

Power can be defined as: “the ability to cause or prevent an action, make things happen; the discretion to act or not act (Business dictionary.com).

Also, power has three dimensions, which can influence the business. These three dimensions are ownership, governance, and management (Astrachan et al,2000).

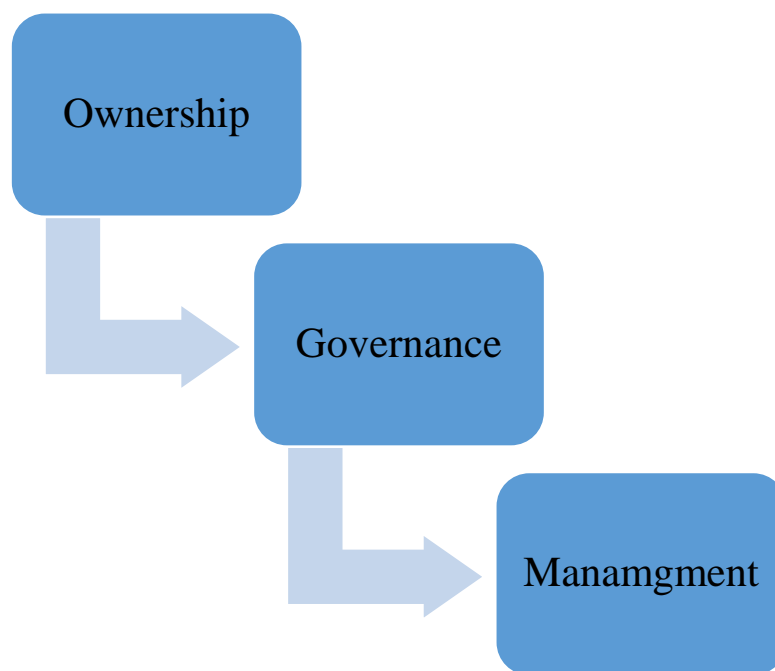


Figure 3. The F-PEC Power Subscale (Astrachan et al., 2000)

In contrast, experience refers to the succession and the number of family members responsible for the business. It also refers to the experience gained by each generation in the business. Whereas the dimension of culture refers to the assumptions and values that family has, and to the degree of conflicts and the mechanisms of handling them. Likewise, it refers to the degree of centralization vs. decentralization in the decision-making process (Astrachan et al., 2000).

2.1.7 Theoretical approach of family Business

Scholars stated that there is a lack of the agenda towards family business (Cariag and Moores, 2010), the issue which complicates the analysis process of research results. As a result, scholars agreed that the theory of family business must be developed. Further, writers focus on the application of mainstream theories of this kind of business to explain the fact of how family business differs from non-family business (Chrisman et al., 2005)

Agency Theory is the dominant theoretical foundation for family business research. Researchers in family business follows the conventional theoretical approach used for the organization in general. This approach includes the following theories: Agency theory, resource-based view theory RBV (Barney, 1991), and the stewardship theory.

2.1.7.1 The agency theory

Agency theory tests the relationship between the agents and principals in the business. In an agency relationship, two parties exist – the representative of the company (agent) and the owner, whereby the former acts and takes decisions on behalf of the latter. The theory revolves around the relationship between the two and the issues that may surface due to their different risk perspectives and business goals. In finance, the most talked about agency relationship exists between shareholders and executives of a corporation where the top brass is elected to act in the interest of the true owners of the company (Agency theory in corporate governance).

When a company is first established, its owners are usually appointed as managers, and this is what is meant by the agency theory. As a company grows, owners hire managers to run the company, and they expect those managers to run the company in their best interests. In 1976, Jensen and Meckling developed the theory. It is since people follow their interests, for example, to maximize the outcomes, and expect others to behave in the same way. Jensen and Meckling, (1976) said that the theory of agency often attends to the often-divergent interests between parties that control firm resources (agents), and those who own them (principals). As a result, family businesses used this theory to explain the unique nature of the family business. Therefore, agency theory cannot fully explain how individuals behave or interact in a family business.

2.1.7.2 Resource-based view theory (RBV)

The Resource-Based View Theory (RBV) of business suggests that valuable, rare, and non-sustainable resources can lead to superior performance and sustainable competitive advantage, (Barney,1991). Familiness is one of the intangible items that make the difference between the family business and others (Craig and Lindsay, 2002).

According to Hitt and Sirmon (2003), family business uses their resources differently, and compare them with non-family business. Additionally, Sirmon and Hitt (2003), recognize various types of resources (Social, human, patient, survivability, and governance), which are developed by the family business, and this is what differentiates family from-nonfamily business. If these rare resources are found in a family business, and if they are linked to good management and excellent leadership, they would help to obtain great wealth. For example, the positive attitudes of humans' capital include extraordinary commitment, warm, friendly, and intimate relationships. On the other hand, the limited utilization of outside managers may hinder wealth creation (Simon and Hitt, 2003). However, Barney et. Al. (2002) believe that family connections may give an advantage in the recognition of opportunities. The reason for this is that family members would share information for the sake of business success. Additionally, RBV can be very useful to recognize the distinctive capabilities and resources, which should be delivered to the next generation.

RBV can be defined as a model that considers resources as key to superior firm performance, and these enable the firm to gain and sustain competitive advantage (Rothaermel, 2012).

According to Barney (1991), a resource-based view depends on tangible and intangible resources. Besides that, it is concerned to exploit external opportunities by using existing resources in a new way rather than trying to acquire new skills for each different opportunity. Besides, resources are given a major role in helping companies to achieve higher organizational performance.

2.1.7.3 Stewardship theory

It can be defined as individuals who protect and care about the needs of others. In any business policy, it includes executives who are in charge to protect the interests of shareholders or owners and make the decision on their behalf. The main goal of this theory is to maintain and create a successful business (Flynn, 2018).

Moreover, stewardship theory aims to achieve shareholders' satisfaction since having a single leader creates one way to communicate business needs to shareholder's needs. On the other hand, to apply such theory in business, it requires the formation of a trustworthy CEO who moves away from personal gains and works for the good of the business (Flynn, 2018).

2.1.7.4 Stewardship theory in the family business

Many scholars tried to apply the concept of stewardship to describe the behavior of family businesses. Davis, Donaldson, and Schoorman (1997) have developed a special scale for this theory.

This work includes two dimensions: psychological (individual level) and situational or (organizational), and each dimension has sub-dimensions, too. Individuals are more likely to be intrinsically motivated rather extrinsically. They are highly identified with the organization and use personal than positional power. On the other hand, at the organizational level, family businesses displaying stewardship climate are those with a collectivist culture (Craig, 2017).

2.1.8 Family ownership and authority

2.1.8.1 Family authority

Authority: "is the power that is delegated formally. It includes a right to command a situation, commit resources, give orders, and expect them to be obeyed. It is always accompanied by an equal responsibility for one's actions or a failure to act" (Business dictionary.com).

Indeed, family businesses are the most innovative businesses because the owners of the business can invest money in the most appropriate and useful business effectively.

Furthermore, owners have a long relationship with the business itself, and deep knowledge of the business sector in which they work. Besides that, the business would have a family impression, which leads the business to accomplish its main objectives and expand the work. On the other hand, when the owners look forward and go along new trends and innovations, this will give the chance to achieve high performance. Also, when owners transfer the family culture, they will add significant features to business (Nadine, 2018).

According to Henry and Bendsen (2018), values in the family business may be transferred into the organizational culture in which this will be considered as a strong point in the family business. It will allow increasing the employability and will make members of the family more responsible and committed towards business.

For Example, W.L Gore and Associates Company give employees the chance to offer new ideas and discuss other business issues. As a result, this kind of policy will benefit the business in many ways (Nadine.2018).

2.1.8.2 Family ownership

The family ownership refers to the number of stocks owned by family members from the total number of stocks. In family businesses, there are five models of ownership. The first model is the owner-operator model, which is controlled by the founder who will be one person or (a couple). This model encourages businesses to have one person in charge to run the business and take all the business-related decisions. Hence, in such models, families need to find the means of decision-making, and the person who will be the owner's successor in the future. The second model is the partnership model, which is considered unique because only leaders can be owners and get financial benefits. The third model is the distributed model in which the distributed model is the default position in most family-owned businesses. Parents usually want all their children to inherit equally; therefore, most assets are wrapped up in the company.

Nevertheless, this model faces some challenges too. Family members, who work in business often disagree with those outside the business, for example on issues concerning compensation and distribution policies. The fourth model is a nested model where many families agree to own some assets jointly or separately. This model – nested in the sense that smaller family ownership groups sit inside larger ones – is particularly attractive when conflict or differences in preferences interferes with decision-making on shared assets. For the nested model to work, the family runs the core business as a profit-making operation and distributes relatively large dividends to the branches, which then will use the money to create their own business portfolios. The nested model can effectively reduce tension among branches while keeping the family together as a whole. There is a risk, however, of under-funding the core business to finance the outside investments. The final model is the public model where the family behaves like a public

company, although it is still privately owned the business. It is usually run by professional managers, and owners play a minimal role, usually limited to the election of the BoD. This model works well when the business requires a significant infusion of outside capital, or when owners are too numerous, dispersed, or disinterested to be engaged actively in decision-making (Baron, Roblachener, 2016).

2.1.9 Management and family business

Managing a successful family business is something bad, especially if owners attempt to develop and acquire sustainability, and perhaps many family businesses may fail to reach the second generation. As a result, in the management case, owners or managers should know what type of family business they manage, and what kind of procedures they should adopt. They also should know the objectives and the procedures needed to be prepared to achieve such objectives (DyerJr, 2010).

Despite the differences in the names of management and its activities, the main basics are similar and can be applied in each business (Radwan, 2014). As a result, managing a family business is similar to managing any small business. However, there are certain issues related to managing family businesses, such as daily operations, managerial issues, and financial decisions (Info Entrepreneurs).

In the operation work, if the member of the family is responsible for the operations section, he/she should be able to negotiate with the members of the family to reach appropriate decisions regarding this business. Moreover, trying to make succession plans would be a very good idea as it will help to know who will be responsible for everything that happens in the business. Also, preparing a strong succession plan can guide the business towards the best results, and can help to avoid any kind of conflict.

Besides, building a strong BoD is one of the most important steps that make a strong management system. The manager from the business should be able to balance between the management of the work and family needs, too. The same thing for any manager who is not from the family, he/she should be able to understand the values and the main objectives of the family and try to match them with the business objectives and firms (Manfred, 2018).

2.1.10 Governance and family business

Governance is considered as an important aspect that businesses should be aware of. Now a day most of the businesses are trying to apply the governance principals this is because it helps to organize the work.

2.1.10.1 Definition of governance

It is the group of rules, systems, and policies, which have an impact on leading and managing the organization. It aims to control, ensure high quality, and differentiation in performance. Indeed, the mentioned points will be achieved by choosing appropriate and effective means and ways to achieve the organization objectives; besides understanding the shareholder's rights and anyone who is in relation with the business (The conference of family businesses sustainability challenges and opportunities, 2017).

The Organization for Economic Cooperation and Development (OECD) defines corporate governance as "Procedures and processes according to which an organization is directed and controlled". It explains the distribution of rights and responsibilities among the different and various participants in the organization. For example, managers, BoD, stakeholders, and shareholders. Besides that, governance lays down procedures and rules for the decision-making process.

2.1.10.2 Principles of governance

Governance has significant principles that organize the work in various types of businesses, and it presents procedures and rules for decision making. The principles are as follows:

1. Ensuring the basis for an effective corporate governance framework. Any business, which applies governance, should promote transparent and efficient markets. Besides that, this step should be consistent with the role of law and clearly show the division of responsibilities.
2. Rights of shareholders and key owner's functions, the framework of governance stands on the protection of shareholders' rights.
3. The equitable treatment of shareholders. Governance seeks to ensure the equitable treatment of all shareholders, including minority and foreign shareholders.
4. Recognition of the stakeholders' rights.
5. Disclosure and Transparency of financial reports and business performance (OECD).

6. The responsibilities of BoD. Governance ensures effective monitoring of management, strategic guidance, and the Board's accountability to the business and stakeholders (OECD).

2.1.10.3 Governance in the family business

Family business governance gives such businesses the chance to last for the next generation and helps businesses to stay on the same rhythm from the first, to the second and third generations (Ahmed, 2017). It also enables businesses to face risks and keeps on the family competitive environment. The governance system would also help to resolve conflicts within the family. Besides that, governance in the family business would lead to an open decision-making process and procedures implementation, which will be fair to each part of the business. Furthermore, good governance within the family business would ensure the sustainable economic growth of the business by enhancing its performance (Singh, 2018).

2.1.11 Family business performance

Any good business would be known for its good performance. Because performance is an important factor for the organization's success and competitive advantage, organizations should be aware of the value of performance (Motwani, 2011). Besides that, business field is well known for its dynamic environment through the years, and the achievement of goals is one of the top priorities that every business searches for to achieve the company's needs and obtain the best performance that it can perform. Therefore, trying to understand a specific kind of methodology in business to achieve the goals requires many steps

2.1.11.1 definition of performance

Business field is well known for its dynamic environment through the years, and achieving the goals is one of the top priorities that every business looks for. So, to achieve the company needs to obtain the best performance that it can perform.

According to Ayranci (2014), performance can be defined as an expression of how well groups, individuals, or organizations perform a specific task and attain their planned objectives and goals. He considered financial performance as the most important aspect that organizations

need to focus on. In his study, he discussed how satisfied the top management in the family business is with financial performance. However, Padkok (2012) explains other non-financial aspects of performance, which lead to the success and sustainability of the business. First, adapting the governance rules and systems by applying transparency and disclosure principles. Second, developing human resources and encouraging them on innovation. Third, adopting social responsibility programs and developing an internal environment to improve the organizations' values. Finally, supporting small firms and applying the conditions of sustainability. Each business must follow the best practices and principles in management. In the term of the family business, the management process should be according to the standards, so that the business can obtain the planned performance and goals. In the family business, the control power is in the owner's hand. Lately, many researchers had made investigations on the effect of family CEOs on the ownership of firm performance in Asia. They found that family CEOs have a positive relationship with performance. (Yang,2011). Finally, Barontini (2006) mentioned that family ownership positively affects firm profitability in terms of return on assets.

2.1.11.2 Reality of family performance

Family business witnesses a huge movement toward expansion and achievement of set objectives. Besides, the big capital that family businesses have would give them the chance to achieve the highest performance (Development of family business, 2019). On one hand, the performance of the family business has surpassed performance on non-family business performance because it is well known with its long-term objectives, and gives a big concern regarding the non-financial performance (The power of family business, 2019). There are many reasons for the available high performance in the family business. First, the family business has its vision for the future. Second, the owners look at their business as a heritage where they should save it for the next generations. Third, shareholders have the same goal, which is the sustainability of the business (Bonab, 2019). Additionally, family business cares about social responsibility and supports the projects that would help local communities (The power of family business, 2019).

2.1.11.3 Growth in Employees' number

Family businesses are known to have a huge number of employees because family businesses have long-term objectives. As a result, they try to offer many job opportunities not only to the young men and women from the outside but also to their sons because family businesses give them the opportunities to enter new markets and establish new projects, too (Elwan, 2018).

2.2.1 Previous studies

1. Dyer, Jr.2006. Examining the “family effect of firm performance

This study aimed to explain and give some literature evidence regarding family businesses. However, most of the researchers have failed to give a clear description of the “family effect” on organizational performance. The researcher used the agency theory and resource-based view to examine the relationship between family and organizational performance. Indeed, the researcher found out that there are many differences among family business ways of work and family effects, so the classification of all family businesses will lead to misleading conclusions. Besides, the researcher suggested doing more researches regarding family effect subjects and other aspects, which will be useful for the family business sector.

2. Andres. 2008. Large shareholders and firm performance: An empirical examination of founding –family ownership.

This study aimed to examine the relationship between business performance and family ownership by using the data of 215 German exchange-listed companies and separating the family impact from the general block holder's impacts. As a result, the study found out that family ownership is related to superior firm performance only under certain conditions. If families are just large shareholders without board representation; the performance of businesses would not be distinguishable from other firms. In addition, the results showed that other block holders affect firm performance adversely or have no detectable influence on performance measures.

3. Rettab and Azzam. 2011: Performance of family and non-family firms with self-selection: evidence from Dubai.

This study aimed to present comparative literature between family and non-family businesses by using Dubai's businesses in four different sectors (construction, manufacturing, services, and trading). As a result, the study found out that family businesses outperform non-family businesses in trading followed by construction, whereas the weakest performance of the family business was in services and constructions.

4. Abuznaid, Samir. (2014). Managing a Family Business in a Complex Environment: The Case of Palestine. *International Journal of Business and Social Science*, Vol. 5, No. 10(1).

This study aimed at recognizing the outstanding factors of the Palestinian family business. It sets out a clear comprehension of the Palestinian family business and points out the major characteristics of family businesses. In addition, the study shows the types of entrepreneurs in Palestine, explores the main obstacles and problems facing Palestinian businesses. The study shows major strengths. First, Owners/managers have the qualities, experience, and proficiencies necessary for the business's development and prosperity. Second, Palestine is well known for the human resource capital: young, educated and motivated people. Third, the family business obtains manager/owner commitment because the success of business means success for the family vice versa. Whereas the major problems that face family businesses are, managers take the decisions regarding work without taking into consideration the peer's opinion. Second, absence of management skills and inappropriate management styles. Third, employment hiring depends on blood relationship in the family. Fourth, family businesses face problems in the ownership transition through the generations. Finally, the disagreement between the family member may lead to business dissolution.

5. Basly, Sami. (2015). Family involvement in the firm and exports in the family SME: Is the manager's international orientation influential?

This study seeks to contribute to investigate the influence of the family's intervention on the SME export intensity. This research tries to recognize the role of the manager's international

orientation as a variable moderating the relationship between family intervention and exports in SMEs. The researcher used the hypothetical deductive approach and uses a sample data of 125 families SMEs obtained through a questionnaire. The results show that even if the positive influence of the manager's international orientation is corroborated, its moderating role seems to be limited to only one facet of the construct of family involvement in management. Moreover, owning-family involvement in management seems to negatively influence exports. However, some results argue for a positive effect of the family's involvement in ownership on exports.

6. Abuznaid, and Anastas, (2016). Family business in Bethlehem Palestine, an exploratory study.

This study aimed to explore the characteristics of family businesses and recognize the unique features of these businesses and the main problems and challenges that face family businesses in Bethlehem governorate. The researcher used the questionnaire to collect the data and distributed 100 questionnaires on managers or owners of small businesses in different sectors. Indeed, the researchers found out that there is a lack of family business plans. Also, they found out that there is a big commitment from the part of owners and managers towards the business. Finally, the researchers recommended adopting the business option "Management first "not family "ownership"

7. Smirat, (2016). Family business strategic orientations, structure, and performance moderating effects of family influence and the environment in Palestine.

This study aimed to recognize the family influence on the family business performance by studying some factors, which have an impact such as strategic orientation, structure, and performance. The researcher used a random stratified sample. The researcher used the statistical PLS-SEM system to test the structural model and distributed 315 questionnaires. As a result, the data showed positive significant relationships between defenders, prospectors, and reactors' strategic orientations relationship with family firm performance. Second, there is a positive relationship between centralized organizational structure and family firm performance. Third, family influence also moderates the centralized organizational decision-making. Finally, the researcher suggested making more theoretical and methodological researches regarding this topic.

Arabic Studies:

1. Salameh, (2018). The degree of commitment of the instruction guide to family business governance in North West Bank from the owner's perspective.

This study aimed to recognize the family business company's commitment to governance guide in northern West Bank from the owners' point of view. It also aims to identify several variables, such as the company's activity, number of workers, and the company's age. The researcher used a questionnaire, which were distributed on (877) individuals of the study sample. The results of the study showed a medium degree on the total degree and the seven domains. It has also shown that there are no statistically significant differences at ($\alpha= 0.05$) about the extent of family business companies' commitment to governance guide in northern West Bank from to the owners' perspectives due to the variables of company's activity, number of workers, and company's age. According to the study results, the researcher recommended the necessity to conduct further researches about the importance of having sessions and workshops about the current management's attitudes including the company's governance to enhance the managers, owners, and workers' perspectives about the concept of governance.

2. Al-Herbawi, (2019) the role of the administrative structure in achieving the family business sustainability in Hebron city.

This study aimed to recognize the role of administrative organizational structure in achieving the sustainability of family businesses in Hebron city. The researcher used the descriptive-analytical method and the study population composed of family businesses operating in Hebron, whose work continued for the second generation and more. To collect the data, the researcher used the questionnaire and distributed 80 questionnaires. The main results of this study showed that the degree of administrative organization is medium whereas the level of family business sustainability in Hebron city turned to be high. Finally, the researcher offered recommendations to the Hebron Chamber of Commerce and Industry to establish an independent department for administrative management for family businesses.

2.2.2 Comments on previous studies

The previously mentioned studies tried to describe some facts about family businesses and the reality of their work. Besides, the researcher used them as a reference in the literature review. The studies support the study title that explains the different variables of the study, such as performance and family influence.

Moreover, the researcher looked at some questionnaires, which were beneficial in designing this study's questionnaire. In general, this study can be considered as a distinguishable one because it aims to make a significant contribution in family businesses, and one of the rare studies that discuss the impact of family power.

Chapter Three

Methodology

*Introduction

*Methodology

*Data resources

* Population and sample of the research

*Rationale

*Research tool

*Tool reliability

*Tool validity

*Research procedures

*Research variables

*Statistical analysis

Chapter Three

Methodology

3.1 Introduction

This chapter presents the research methodology and all of the procedures followed this research. It also includes a description of the research methodology, the population of the research, the sample, tools, and the procedures of this research.

3.2 Methodology

The researcher used the descriptive-analytical method, which depends on describing the case of the study and the reality, too. This was conducted by describing respondents' features and answers regarding the objectives of the study; in addition to analyzing the relations between the variables and the relationships between them. This methodology is the most appropriate method for this study.

3.3 Data resources

The researcher used primary and secondary types of resources to collect the data that will be helpful in the implementation of this study:

1. **Secondary sources:** They include books, scientific articles, previous studies, journals, websites, conferences, statistics for family businesses, and researches, which talk about the topic and variables of the research.
2. **Primary sources:** The researcher designed a questionnaire to examine the impact of family power on the performance of family businesses in the south of West Bank.

3.4 Population and sample

The population of this research consists of 592 family businesses in the south of West Bank. The researcher has obtained the lists of family businesses from Hebron and Bethlehem Chambers of Commerce and Industry. There are 378 family businesses in Bethlehem city and 214 family

businesses in Hebron city. The chosen sample is a stratified relative random sample, which has reached 230 family businesses in West Bank. In Hebron city, the number of distributed questionnaires was 85 whereas it was 145 in Bethlehem the sample percentage is according to sample size calculator with this equation below.

$$SS = \frac{Z^2 * (P) * (1-P)}{C^2} = \frac{(1.96)^2 * (0.5) * (0.5)}{0.05}$$

Z=1.96: is number of standard deviations for a certain confidence level,

P=0.5

C=0.05: margin of error / n= N.

The researcher distributed 230 questionnaires, of which 119 questionnaires were retrieved from respondents, and this constituted 50% of the total number of distributed questionnaires. According to Fiddell and Tabachink (2007) equation, this is a Suitable percentage. The equation : $n > 50 + 8m$

The following Table shows the sample sizes distributed according to the City:

Table 3.1: Sample size according to the city

City	Population	Sample	Percent (%)	N	Percent (%)
Hebron	214	85	63.8	71	59.7
Bethlehem	378	145	36.2	48	40.3
Total	592	230	100	119	100

3.5 Rationale:

The researcher has chosen family businesses in Hebron and Bethlehem cities because family businesses dominate most of the business in these governorates.

3.6 Research tool

The researcher designed a questionnaire that targets the managers or owners of the businesses to collect the data required for the study. The questionnaire contains three sections. The first section has dealt with demographic data and some general information. The second section includes the body of the questionnaire itself, while the third question is the open questions. Additionally, the questionnaire has four factors (domains), the first factor includes questions about the family authority, and the second factor is about management. The third factor tackled the issue of governance and the fourth factor is performance. The questionnaire was examined from Ph.D. professors to ensure that all questions are helpful to get real results. The questionnaire consists of 12 demographic attributes, 55 questions about the study variables: 12 questions about family authority, 13 questions about management, 12 questions about governance, and 18 questions about performance.

At the same time, according to the Likert Scale, the answers to the questions were categorized as follows: Very strong/4.2 or more, Strong 3.4-less than 4.2/, moderate/2.6-less than 3.4, little/1.8-less than 2.6, very little. Less than 1.8.

3.6.1 The tool reliability

Reliability analysis allows researchers to determine the extent to which the items in the questionnaire are related to each other. The questionnaire was validated by the Ph.D. professors the reliability coefficient value represents the overall index of the repeatability or internal consistency of the scale (questionnaire) as a whole. This procedure also enables the researcher to identify problematic items that should be excluded from the scale. The following Table shows alpha Cronbach coefficients, which represent the most common procedure to assess scales reliability:

The overall reliability coefficient (Alpha Cronbach) is 0.92, and the values of the study's domains are between (0.70-0.92). The researcher can conclude that there are acceptable reliability levels for data to be reproduced or repeated in the case this research is repeated by using the same questionnaire because all values are greater than or equal to 70%.

Table 3.2: Alpha Cronbach coefficients.

Study domains	No. of items	Cronbach's Alpha
Family Authority	8	0.72*
Management functions	8	0.70**
Governance	12	0.91
Performance	18	0.92
Total	55	0.92

* The following items were deleted q2, q11, q12, q9.

** The following items were deleted: q13, q19, q14, q17.

3.6.2 The tool validity

The validity of a questionnaire is the degree to which the questionnaire measures what it claims to measure, which is also called accuracy measurement. One of the most useful methods to measure the validity is to calculate Pearson correlations between items and their total degrees in each part (factor or domain). These values of correlations measure the relationship between each item and the total degree of the part that includes it.

High values of the correlation coefficients give low values of P-Values or significant levels (less than 0.05), which indicate that variables (Items) fit well with the factor and should not be dropped from the analysis. Table 3.3 shows the Pearson Correlation Coefficients for all items. It is clear that all of them are significantly correlated with the total degrees (P-Values less than 0.05), which means that we have a high level of validity.

Table 3.3: Pearson correlation coefficients between family authority items and its total degree

Number	Item	Pearson Correlation	P-value
1	The Board of Directors (BoD) has consisted completely from the family.	0.28	0.00
2	There is a variety in the membership of BoD from inside and outside the family.	0.24	0.01
3	The company keeps on the same financial values since its establishment.	0.42	0.00
4	The company keeps up with the new and recent trends in the business sector.	0.54	0.00
5	The company keeps on the same management values since its establishment.	0.50	0.00
6	The company keeps on the same cultural values since its establishment.	0.59	0.00
7	The members of the BoD involve completely in work	0.58	0.00
8	The members of the BoD involve partially in work	0.36	0.00
9	Each member of the BoD performs his/her full duties and chores completely	0.33	0.00
10	The existence of a member of the family has a positive impact on the company's work.	0.58	0.00
11	The owner's wife intervenes the work of the business	0.26	0.00
12	The sons of the owner intervene in the work of the business	0.35	0.00

Table 3.4: Pearson correlation coefficients between management items and its total degree

Number	Item	Pearson Correlation	P-value
13	Daily management works are performed by family members	0.28	0.00
14	The owners of the business make decisions regarding the financial matters	0.17	0.07
15	The manager of the business is from outside the family	0.52	0.00
16	The strange manager makes all daily management work	0.48	0.00
17	The manager from the family makes all the daily management work	0.35	0.00
18	The strange manager makes all of the financial works	0.37	0.00
19	The manager from the family makes all of the financial works	0.24	0.01
20	The strange manager makes all of the strategic works in the business	0.45	0.00
21	The manager from the family makes all of the strategic works in the business	0.34	0.00
22	There is a clear description of the duties and jobs in the business	0.55	0.00
23	The family prepares the plans for the business	0.50	0.00
24	Planning for work is conducted only by the BoD	0.45	0.00
25	Family members meet each other periodically to discuss the matters of work	0.53	0.00

Table 3.5: Pearson correlation coefficients between governance items and its total degree

Number	Item	Pearson correlation	P-value
26	The company knows and is interested in governance	0.64	0.00
27	The company applies the laws of work	0.72	0.00
28	The company provides training about governance for its employees	0.74	0.00
29	The company applies the transparency principles inside the work	0.81	0.00
30	The company practices accountability standards	0.77	0.00
31	The company applies standards of integrity	0.68	0.00
32	The company is interested in social responsibility	0.63	0.00
33	The company cares about stakeholders and consumers	0.56	0.00
34	The company has clear policies in making decisions	0.77	0.00
35	The company monitors all daily work	0.68	0.00
36	The company evaluates all the works which happen in the work	0.80	0.00
37	The company has a special internal benchmark inside the work	0.68	0.00

Table 3.6: Pearson correlation coefficients between the size items and its total degree

Number	Item	Pearson correlation	P-value
38	The company sets standards to achieve the required performance	0.66	0.00
39	The company always works on improving its performance	0.65	0.00
40	The company normally achieves the expected return	0.68	0.00
41	The company achieves the set objectives	0.73	0.00
42	The company expands its investment to achieve the set objectives	0.73	0.00
43	The company is interested to evaluate the financial situation	0.59	0.00
44	The company is interested to evaluate the performance	0.72	0.00
45	There is a clear development of the company's size over time	0.72	0.00
46	Compared with other family businesses, the company's growth is appropriate	0.79	0.00
47	Compared with other sectors, the company's growth is appropriate	0.76	0.00
48	The company's growth among the government is appropriate	0.71	0.00
49	There is an increase in the number of employees in the last five years	0.70	0.00
50	There is an increase in the company's properties in the last five years	0.74	0.00
51	There is an increase in the company's size over time	0.81	0.00
52	The family has a positive impact in increasing the company's size	0.62	0.00
53	Sons intervention in work has a positive impact	0.61	0.00
54	Wife's intervention in work has a positive impact	0.32	0.00
55	There is an increase in the company's capital over time	0.67	0.00

3.7 The research procedure

The distribution of questionnaires was conducted randomly. The researcher chose the 230 businesses by taking their numbers from the lists of business lists. After that, the researcher sent a link to an electronic questionnaire by mail to the businesses. The link to the questionnaire is <https://bit.ly/2OwzcGw>. Moreover, the researcher called all businesses to ensure they have received a questionnaire and will answer it. In addition, the researcher went to the chosen businesses to deliver and collect the questionnaires by herself. The researcher took the lists of family businesses to form the Chambers of Commerce and Industry in both governorates.

Then the collected questionnaires were 119 questionnaires, which constitutes 50% of the total number of distributed questionnaires.

Then, with the assistance of a statistical expert, the researcher used the SPSS program to analyze the data

3.8 Research variables

Dependent variable: Family business performance (The business size)

Independent variables: Family authority, management functions, and governance.

3.9 Statistical analysis

Statistical methods

The researcher coded the data collected through the questionnaires and performed the needed data manipulation and statistical analysis using a computer statistical package for social science (SPSS) to screen and analyze collected data. The answers were coded as follows: (Very Strong =5), (Strong =4), (Moderate =3), (little =2), and (Very little =1). Statistical methods used in the analysis of the research are:

1. Frequencies and percentages to describe personal and demographic variables.
2. Means (averages) and standard deviations to measure respondents' perceptions towards the questionnaires' Items.
3. Multiple linear regression analysis to answer study questions about relationships between dependent and independent variables.

4. Pearson correlation coefficients for validity.
5. Alpha (Cronbach) scales for reliability.

Likert Scale Key:

Table 3.7: Likert scale key

Mean	Level
less than 1.8	Very low
1.8- less than 2.6	Low
2.6-less than 3.4	Moderate
3.4-less than 4.2	High
4.2 or more	Very high

First Section: Demographic and personal data of the research sample

The following Tables show frequencies and percentages of the personal and demographic variables and some general questions about the study sample.

1) What is the specialty of the company's work?

Table 3.8

	Frequency	Percentage
Industrial	34	28.6
Commercial	63	52.9
Agricultural	2	1.7
Services	8	6.7
Multi-work Specialty	12	10.1
Total	119	100.0

The results of table 3.8 show that most of the specialty of company's work is commercial with (52.9%), followed by industrial (28.6%), Multi-work Specialty (10.1%), services (6.7%), and the lowest was for Agricultural with (1.7%).

2) Does the company have a chair manager?

Table 3.9

	Frequency	Percentage
Yes	100	84.0
No	19	16.0
Total	119	100.0

The results from table 3.9 show that 84% of companies in the sample have a chair manager.

3) The Board of Directors consists of:

Table 3.10

	Frequency	Percentage
The Family only	88	73.9
More than one family	25	21.0
Others	6	5.0
Total	119	100.0

The results from table 3.10 show that most of the board of directors in the companies consisted of the family only with (73.9%), while 21% have consisted of more than one family.

4) The Manager of the company is:

Table 3.11

	Frequency	Percentage
A member from the family	109	91.6
A member from outside the family	10	8.4
Total	119	100.0

The results from Table 3.11 show that most companies in the sample have managers who are members of the family (91.6%).

5) The company was established by.

Table 3.12

	Frequency	Percentage
Members of the family	101	84.9
Acquisition or buying	1	.8
Partnership	15	12.6
Others	2	1.7
Total	119	100.0

The results from table 3.12 show that most of the companies in the sample were established by members of the family (84.9%), while 12.6% were established as partnerships.

9) Does the company face any dissolution?

Table 3.13

	Frequency	Percentage
No	103	86.6
Yes	16	13.4
Total	119	100.0

The results from table 3.13 show that most of the companies in the sample did not disintegrate (86.6%), while 13.4% of the companies did.

Reasons for dissolution:

Table 3.14

	Frequency	Percentage
A) Family purposes	12	10.1
B) Competition purposes	2	1.7
C) Private purposes concerning the Israeli occupation	2	1.7

The results from table 3.14 show that the most important reasons of disintegration are family purposes (10.1%).

Increase in employees' number

Table 3.15

	Frequency	Percentage
Not increased	12	10.1
Increased	107	89.9
Total	119	100.0

The results from table 3.15 show that most of the companies in the sample had an increase in the number of their employees (89.9%).

Percentage of family ownership

Table 3.16

	Frequency	Percentage
Less than 80%	20	16.8
80% or more	99	83.2
Total	119	100.0

The results from table 3.16 show that in most of the companies in the sample (83.2%), the percentage of family ownership is 80% or more, while only 16.8% of them were less than 80%.

Table 3.17: Descriptive statistics for some information about companies in the sample

Statistics	N	Missing	Mean	Median	Mode	Range	Minimum	Maximum	Sum
6) When was the company established?	114	5	---	1999	1998	63	1953	2016	---
7) At the beginning of the work, how many employees and workers were there?	117	2	7	5	5	27	0	27	805

8) How many employees and workers does the company have now?	117	2	43	20	30	750	0	750	5019
--	-----	---	----	----	----	-----	---	-----	------

The results from table 3.17 show that the oldest company in the sample was established in 1953 and the newest one was established in 2016. Most of companies at the beginning of their work had 5 employees and workers, and currently, most of the companies have 30 employees and workers.

10) What is the percentage of a family’s ownership?

Table 3.18 Descriptive Statistics of the Sample

Statistics	N	Missing	Mean	Median	Mode	Range	Minimum	Maximum	Sum
A. The family	114	5	93.91	100	100	80	20	100	10706
B. The non-family	8	111	46.75	47	30	60	20	80	374
C. The holding	0	---	---	---	---	---	---	---	---

The results from table 3.18 show that most of the companies in the sample have 100% of the family’s ownership, while the minimum family ownership was 20%.

Table 3.19: Descriptive statistics for some information about companies in the sample

Statistics	N	Missing	Mean	Median	Mode	Range	Minimum	Maximum	Sum
11) How many members are there in the Board of Director?	62	57	3	3	2	6	1	7	202
A. from the family	46	73	3	3	1	7	1	8	145
B. from outside the family	17	102	3	2	2	7	1	8	49
C. from other families	2	117	1.5	1.5	1	1	1	2	3

Chapter Four

Results and Analysis

Chapter Four

Results and Analysis

4.1 introduction

This chapter introduces the analysis of the research domains and variables with its items. It will also introduce the answers of the research questions.

4.2 Research questions results

The main question: How does family power affect the family business performance in the family businesses in the south of West Bank?

This question will be answered through the following sub-questions:

Q1) Is there a positive relationship between family authority and family business performance in the south of West Bank?

Q2) Is there a positive relationship between the value of ownership and family business performance in the south of West Bank?

Q3) Is there a positive relationship between governance and family business performance in the south of West Bank?

Q4) Is there a positive relationship between management and family business performance in the south of West Bank?

To answer these questions, the researcher uses the multiple linear regression method to test the effect of the independent variables (family authority, the value of ownership, governance, and management functions) on family business performance as a dependent variable. Pearson correlation matrix shows the correlation between the variables. Table 4.1 shows the Pearson correlation matrix results:

Table 4.1: Pearson correlation matrix between research variables

		Family Authority	Management	Governance	Performance
Family Authority	Pearson correlation	1	0.500**	0.421**	0.506**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	118	116	115	118
Management Functions	Pearson correlation	0.500**	1	0.602**	0.538**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	116	117	116	117
Governance	Pearson correlation	0.421**	0.602**	1	0.664**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	115	116	116	116
Performance	Pearson Correlation	0.506**	0.538**	0.664**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	118	117	116	119
**. Correlation is significant at the 0.05 level (2-tailed).					

According to the results from table 4.1, it can be noted that there are statistically significant correlations between family business performance and the independent variables (family authority, the value of ownership, governance, and management functions) since the P-values are less than 0.05 and the correlations are (0.506, 0.538, 0.664) respectively. Therefore, this may exhibit an effect of the independent variables over the dependent variable. To illustrate this

effect, the research used the Multiple Linear Regression method. The following Table 4.2 shows the results Multiple Linear Regression:

Table 4.2: Results of Multiple linear regressions

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
	B	Std. Error	Beta			VIF
(Constant)	0.739	0.338	-----	2.188	0.031	-----
Family Authority	0.271	0.102	0.213	2.669	0.009	1.416
Ownership percentage of the family	0.014	0.110	0.009	0.131	0.896	1.041
Governance	0.412	0.072	0.484	5.692	0.000	1.614
Management functions	0.166	0.101	0.146	1.638	0.104	1.778
Diagnostics Tests (Model Goodness of Fit)						
R Square=0.507 F(ANOVA)=28.234 Sig. (ANOVA)=0.000						
Kolmogorov-Smirnov (Normality of Residuals) Sig.=0.591						

*Dependent Variable: The performance

Regression Model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + E$$

where:

Y: Dependent Variable (The performance).

X1: Family Authority.

X2: Ownership percentage of the family or the value of ownership (0 = less than 80%, 1= 80% or more)

X3: Governance.

X4: Management functions

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ are regression coefficients for the independent variables, and E is the error term.

Fitted Model:

$$Y=0.739 + 0.271 X_1+0.014 X_2 + 0.412 X_3 + 0.166 X_4$$

According to the results of Diagnostics Tests of Regression Model, the model appears good, since the value of F(ANOVA) is significant(Sig.<0.05), and the residuals are normally distributed (Kolmogorov-Smirnov Sig.=0.591 >0.05), and all Values of Variance Inflation Factors(VIF) are small (less than 10) which means that there is no multicollinearity Problem (correlations between Independent variables are not effective), so we conclude that the regression model fits the data well.

The coefficient of determination (R Square) =0.507 which means that 50.7% of the variation in the dependent variable (Performance) is due to the variation of the four independent variables.

The research questions were answered like the following:

Q1) Is there a positive relationship between family authority and family business performance in the south of the west bank?

By the results in table 4.2 , it is concluded that there is a positive relationship between family authority and family business performance in the south of the west bank, the P-value(Sig) of the T-test is 0.009 which is less than 0.05. The estimated coefficient of family authority (Beta=0.271) is positive and its value indicates that for each increasing unit in family authority, the family business performance increases by 0.271 unit, holding the other variables constant.

Q2) Is there a positive relationship between the value of ownership and family business performance in the south of the west bank?

By the results in table 4.2 above, it is concluded that there is no relationship between the value of ownership and family business performance in the south of west bank since the P-value(Sig) of the T test is 0.896 which is greater than 0.05.

Q3) Is there a positive relationship between governance and family business performance in the south of the west bank?

By the results in table 4.2 above, it is concluded that there is a positive relationship between governance and family business performance in the south of the west bank, the P-value (Sig) of the T-test is 0.000 which is less than 0.05. The estimated coefficient of governance (Beta=0.412) is positive and its value indicates that for each increasing unit in governance, the family business performance increases by 0.412 unit, holding the other variables constant.

Q4) Is there a positive relationship between management and family business performance in the south of the west bank?

By the results in table 4.2, it is concluded that there is no relationship between management and family business performance in the south of west bank since the P-value(Sig) of the T-test is 0.104 which is greater than 0.05.

Finally, using the results of regression analysis, we conclude that Governance is the most effective variable on the performance because it has the highest standard coefficient beta (0.484), the next is family authority (Standard Beta=0.213).

Table 4.3: T-test results for testing the differences in performance between the two groups of businesses (Not Increased, Increased)

Domain	Increase in employees' number	N	Mean	Std. Deviation	T	df	Sig.
Performance	Not increased	12	3.47	0.63	-2.803	117	0.006
	Increased	107	3.97	0.59			

4.3 Results of open Questions

1. How do you see the impact of family members (sons, wife, brothers and sisters, father, grandfather, and cousins) on the development of family business and decision-making processes? Please give examples.

Table 4.4

	There is no impact at all	There is a positive impact	There is a negative impact
	14	26	3
Answers	Examples	The members' impact may be positive in case everyone knows his/her main duties and everybody works as a unified unit, without any kind of interference between each other. Sometimes, the encouragement from the wife would have a positive view, too.	
	Examples	The problems start when the wife intervenes in the business.	

Table 4.4 shows the results of an open question. The researcher categorized the answers in 3 criteria. There is no impact, there is a positive impact and there is a negative impact, the answers are as mentioned in table 4.4 above.

2. How do you see hiring a manager from outside the family?

Table 4.5

	There is no impact at all	There is a positive impact	There is a negative impact
Answers	0	19	13
	Examples		

3. How do you see the impact of family power on business governance?

Most of the answers stated that there is a positive impact, but this impact may have some degrees depending on the business specialty and size (Table 4.5).

4.4 Results of the questionnaire's factors

Table 4.6: Means, standard deviations and percentages for all study domains

Study Domains	SA	A	N	D	SD	Mean	Standard deviation	Level of Mean
Family Authority	36.1	24.1	15.2	8.9	15.7	3.55	0.47	High
Management	37.1	22.5	13.3	6.4	20.8	3.50	0.52	High
Governance	38.7	33.7	17.9	6.6	3.1	3.97	0.70	High
Performance	32.9	38.6	19.9	4.8	3.9	3.92	0.61	High

Table 4.6 shows that all the research domains have high levels. The highest total degree is governance with a mean (3.97), the standard deviation is (0.7), and the agreement percentage is (72.4%). The second highest domain Performance with a mean (3.92), the standard deviation is (0.61) and the agreement percentage is (71.5%). The third highest domain is the family authority with a mean (3.55), the standard deviation is (0.47) and the agreement percentage is (60.2%). Finally, the lowest value is management with a mean (3.5), the standard deviation is (0.52) and the agreement percentage is (59.6%).

The following Table shows means, standard deviations and percentages of respondents' answers towards the items of family authority domain:

Table 4.7: Means, standard deviations and percentages of perceptions toward family authority

No	Family Authority	SA	A	N	D	SD	Mean	Standard deviation	Level of Mean
1.	The Board of Directors consists completely of family.	65.3	15.3	12.7	4.2	2.5	4.36	1.03	Very High
2.	The company keeps on the same management values since its establishment.	56.8	28.0	8.5	4.2	2.5	4.32	0.98	Very High
3.	The existence of a member of the family has a positive impact on work in the company.	47.4	31.0	12.1	5.2	4.3	4.12	1.09	High
4.	The members of the Board of Directors are involved partially in the work	46.6	27.6	16.4	7.8	1.7	4.09	1.05	High
5.	The company keeps on the same cultural values since its establishment.	39.1	37.0	16.3	5.4	2.2	4.05	0.99	High
6.	Members of the Board of Directors are completely involved in the work	38.5	35.2	17.6	6.6	2.2	4.01	1.02	High
7.	The company keeps up with new and recent trends in the business sector.	41.7	29.6	18.3	6.1	4.3	3.98	1.12	High
8.	The company keeps on the same financial values since its establishment.	41.7	27.0	19.1	6.1	6.1	3.92	1.19	High
9.	Each member of the Board performs his/her full duties and chores completely	21.2	23.7	22.0	21.2	11.9	3.21	1.32	Moderate
10.	The sons of the owner intervene in the work of the business	18.8	15.4	17.1	15.4	33.3	2.71	1.53	Moderate
11.	There is a variety in the membership of Board of Directors from inside and outside the Family.	6.1	13.0	16.5	15.7	48.7	2.12	1.31	Low
12.	Owner's wife intervenes in the work of the business	9.5	6.9	6.0	9.5	68.1	1.80	1.36	Low
	Total	36.1	24.1	15.2	8.9	15.7	3.55	0.47	High

Table 4.7 shows the means, standard deviations, and the agreement percentages of family authority items, which are sorted in a descending manner by means. The total value of the mean indicates that the respondents' perceptions are high since the total mean value is (3.55), the standard deviation is (0.47) and the agreement percentage is (60.2%). Therefore, it can be concluded that the total degree of family authority is high.

According to the means, the highest items are the item (The board of directors consists completely of the family) with a mean (4.36), a standard deviation (1.03), and the agreement percentage is (80.6%). The item (The company keeps on the same management values since its establishment) with a mean (4.32), a standard deviation (0.98), and the agreement percentage are (84.8%). The item (The existence of a member of the Family has a positive impact on work in the company) with a mean (4.12), a standard deviation (1.09), and the agreement percentage is (78.4%). The item (The members of the Board of Directors are involved partially in the work) with a mean (4.09), a standard deviation (1.05), and the agreement percentage is (74.2%).

On the other hand, the lowest items according to the means are: the item (The owners intervenes the work of the business) with a mean (1.8), a standard deviation (1.36), and the agreement percentage is (16.4%). The item (There is a variety in the membership of Board of Directors from inside and outside the Family) with a mean (2.12), a standard deviation (1.31), and the agreement percentage is (19.1%). The item (Owner's sons intervene in the work of the business) with a mean (2.71), a standard deviation (1.53), and the agreement percentage is (34.2%). The item (Each member of the Board performs his/her full duties and chores completely) with a mean (3.21), a standard deviation (1.32), and the agreement percentage are (44.9%).

According to the respondents, the following conclusions can be obtained. The BoD has consisted completely from the family, the company keeps on the same management values since its establishment, the existence of a member of the family has a positive impact on the company's work, the members of the BoD are partially involved in the work. This is followed by the company keeps on the same cultural values since its establishment, members of the BoD involve completely in the work, the company keeps up with the new and recent trends in the business sector, and the company keeps on the same financial values since its establishment.

This is because the business itself is a family business, and members of the family, especially those who oversee the business, have a positive impact on running the business.

On the other hand, according to respondents' the following sentences were refused. There is a variety in the membership of BoD from inside and outside the Family, and the owner's wife intervenes in the work of the business.

The following Table shows means, standard deviations, and percentages of the respondents' answers toward the items of management domain:

Table (4.8): Means, standard deviations, and percentages of perceptions toward management functions

No	Management functions	SA	A	N	D	SD	Mean	Standard deviation	Level of Mean
13.	Business owners give decisions regarding the financial matters	63.2	25.6	6.8	2.6	1.7	4.46	0.87	Very High
14.	The manager from the family makes all of the strategic works in the business	54.4	28.1	14.0	1.8	1.8	4.32	0.91	Very High
15.	The manager from the family makes all of the financial works	57.9	24.6	9.6	6.1	1.8	4.31	1.00	Very High
16.	The manager from the family makes all the daily management work	54.3	25.9	12.1	4.3	3.4	4.23	1.05	Very High
17.	Planning for work is carried out only by the BoD	39.1	31.3	20.0	7.0	2.6	3.97	1.06	High
18.	The daily management works are performed by	43.6	29.1	14.5	6.0	6.8	3.97	1.20	High

	members of the family								
19.	There is a clear description of duties and jobs in the business	41.4	31.9	12.9	6.9	6.9	3.94	1.20	High
20.	Family members meet each other periodically to discuss the matters of work	41.7	22.6	23.5	4.3	7.8	3.86	1.23	High
21.	The family prepares the plans for the business	37.4	33.0	13.9	7.0	8.7	3.83	1.25	High
22.	The strange manager makes all of the strategic works in the business	13.3	12.4	11.5	11.5	51.3	2.25	1.51	Low
23.	The strange manager makes all the financial works	12.6	9.9	10.8	9.0	57.7	2.11	1.49	Low
24.	The manager of the business is from outside the family	13.2	10.5	8.8	7.0	60.5	2.09	1.52	Low
25.	The strange manager performs all the daily management work	9.6	7.0	14.9	9.6	58.8	1.99	1.38	Low
	Total	37.1	22.5	13.3	6.4	20.8	3.50	0.52	High

Table 4.8 shows means, standard deviations, and the agreement percentages of management items, which are sorted in a descending manner by means. The total value of the mean indicates that the respondents' attitudes are high since the total mean value is (3.5), the standard deviation is (0.52), and the agreement percentage is (59.6%). Therefore, it is concluded that the total degree of management is high.

According to the means, the highest items are the item (Business owners give decisions regarding the financial matters) with a mean of (4.46), a standard deviation of (0.87), and an agreed percentage of (88.8%). The item (The manager from the family makes all of the strategic works in the business) with a mean of (4.32), a standard deviation of (0.91), and an agreed percentage of (82.5%). The item (The manager from the family makes all of the financial works) with a mean of (4.31), a standard deviation of (1), and an agreed percentage of (82.5%). The item (The manager from the family makes all the daily management work) with a mean of (4.23), a standard deviation of (1.05), and an agreement percentage of (80.2%).

On the other hand, according to the means, the lowest items are the item (The strange manager makes all the daily management work) with a mean of (1.99), a standard deviation of (1.38), and an agreement percentage of (16.6%). The item (The manager of the business is from outside the family) with a mean of (2.09), a standard deviation of (1.52), and an agreement percentage of (23.7%). The item (The strange manager makes all the financial works) with a mean of (2.11), a standard deviation of (1.49), and an agreement percentage of (22.5%). The item (The strange manager makes all of the strategic works in the business) with a mean of (2.25), a standard deviation of (1.51), and an agreement percentage of (25.7%).

According to the respondents' highest perception, the following conclusions can be obtained. The business owner gives decisions regarding the financial matters, the manager from the family makes all of the strategic works in the business, the manager from the family makes all of the financial works, and the manager from the family makes all the daily management work. Likewise, planning for work is performed only by the BoD, the daily management works are carried out by the members of the family, there is a clear description of the duties and jobs in the business, the members of the family meet each other periodically to discuss the matters of work, and the family prepares the plans for the business.

We notice that the family and the members of the family take responsibility for most of the management works in the business.

On the other hand, according to the lowest perceptions of the respondents, the following sentences were refused. The strange manager performs all of the strategic works in the business,

the strange manager makes all of the financial works, the manager of the business is from outside the family, and the strange manager makes all the daily management work.

The following table shows means, standard deviations, and percentages of the respondents' answers toward the items of governance domain:

Table 4.9: Means, standard deviations and percentages of perceptions toward governance

No	Governance	SA	A	N	D	SD	Mean	Standard deviation	Level of Mean
26.	The company monitors all of the daily work	56.5	30.4	9.6	2.6	0.9	4.39	0.83	Very High
27.	The company cares about the stakeholders and consumers	48.2	40.4	7.9	2.6	0.9	4.32	0.80	Very High
28.	The company applies the laws of work	51.7	27.6	16.4	3.4	0.9	4.26	0.91	Very High
29.	The company applies the standards of integrity	43.9	40.4	12.3	3.5	0.0	4.25	0.80	Very High
30.	The company evaluates all the works which happen in the work	44.3	39.1	13.0	1.7	1.7	4.23	0.87	Very High
31.	The company has clear policies in making decisions	43.4	38.9	11.5	4.4	1.8	4.18	0.93	High
32.	The company gives is interested in social responsibility	39.1	37.4	19.1	4.3	0.0	4.11	0.87	High
33.	The company practices the accountability standards	33.0	40.9	20.9	4.3	0.9	4.01	0.89	High

34.	The company applies the transparency principles inside the work	33.9	36.5	23.5	5.2	0.9	3.97	0.93	High
35.	The company has the knowledge and is interested in governance	26.1	24.3	30.4	13.9	5.2	3.52	1.17	High
36.	The company has special internal monitors inside the work	20.9	30.4	20.9	16.5	11.3	3.33	1.29	Moderate
37.	The company provides training about governance to its employees	23.7	18.4	28.9	16.7	12.3	3.25	1.32	Moderate
	Total	38.7	33.7	17.9	6.6	3.1	3.97	0.70	High

Table 4.9 shows means, standard deviations, and the agreement percentages of governance items, the items sorted descending by means. The total value of mean indicates that the respondents' attitudes are high since the total mean value is (3.97) and the standard deviation is (0.7) with agreement percentage (72.4%), so it is concluded that the total degree of Governance is high.

According to the means, the highest items are the item (The company monitors all the daily work) with a mean of (4.39), a standard deviation of (0.83), and an agreement percentage of (86.9%). The item (The company cares about the stakeholders and consumers) with a mean of (4.32), a standard deviation of (0.8), and an agreement percentage of (88.6%). The item (The company applies the laws of work) with a mean of (4.26), a standard deviation of (0.91), and an

agreement percentage of (79.3%). The item (The company applies the standards of integrity) with a mean of (4.25), a standard deviation of (0.8), and an agreement percentage of (84.3%).

On the other hand, according to the means, the lowest items are the item (The company provides training about governance for its employees) with a mean (3.25), a standard deviation (1.32), and an agreement percentage of (42.1%). The item (The company has a special internal benchmark inside the work) with a mean of (3.33), a standard deviation of (1.29), and an agreement percentage of (51.3%). The item (The company has the knowledge and is interested in governance) with a mean of (3.52), a standard deviation of (1.17), and an agreement percentage of (50.4%). The item (The company applies the transparency principles inside the work) with a mean of (3.97), a standard deviation of (0.93), and an agreement percentage of (70.4%).

According to respondents' highest perceptions, the following conclusions can be obtained. The company monitors all of the daily work, the company cares about the stakeholders and consumers, the company applies the laws of work, the company applies the standards of integrity, and the company evaluates all the works, which happen in the work. Similarly, the company has clear policies in making decisions, the company gives is interested in social responsibility, the company practices accountability standards, the company applies the transparency principles inside the work, and the company has the knowledge and is interested in governance.

The following Table shows means, standard deviations and percentages of the respondents' answers toward the items of the performance domain:

Table (4.10): Means, standard deviations and percentages of perceptions toward the performance

No	The performance	SA	A	N	D	SD	Mean	Standard deviation	Level of Mean
38.	There is clear development of the company's size over time	46.2	44.4	6.0	3.4	0.0	4.33	0.74	Very High
39.	The company always works on improving its performance	49.6	36.8	11.1	2.6	0.0	4.33	0.78	Very High

40.	The company cares to evaluate the financial situation	44.1	43.2	11.0	1.7	0.0	4.30	0.73	Very High
41.	The company cares to evaluate performance	38.5	47.9	13.7	0.0	0.0	4.25	0.68	Very High
42.	Compared with other family businesses, the company's growth is appropriate	39.0	39.0	19.5	2.5	0.0	4.14	0.82	High
43.	The company sets standards to achieve required performance	37.7	43.0	14.9	3.5	0.9	4.13	0.86	High
44.	The company expands investments to achieve the set objectives	35.0	45.3	16.2	3.4	0.0	4.12	0.80	High
45.	The company achieves the set objectives	28.0	55.1	16.1	0.8	0.0	4.10	0.68	High
46.	The company's growth among the government is appropriate	33.1	40.7	23.7	2.5	0.0	4.04	0.82	High
47.	Compared with other different sectors, the company's growth is appropriate	33.9	39.8	22.9	2.5	0.8	4.03	0.87	High
48.	There is an increase in the company's capital over time	33.9	35.6	23.7	5.1	1.7	3.95	0.97	High
49.	The company normally achieves the expected return	24.8	49.6	22.2	1.7	1.7	3.94	0.83	High
50.	There is an increase in the company's size over time	27.0	46.1	22.6	2.6	1.7	3.94	0.87	High
51.	There is an increase in the	29.1	37.6	25.6	6.0	1.7	3.86	0.96	High

	company's properties in the last five years								
52.	There is an increase in the number of employees in the last five years	34.7	25.4	27.1	11.0	1.7	3.81	1.09	High
53.	The family has a positive impact in increasing the company's size	25.6	27.4	32.5	11.1	3.4	3.61	1.09	High
54.	Sons intervention in work has a positive impact	24.6	22.9	28.0	14.4	10.2	3.37	1.28	Moderate
55.	The wife's intervention in work has a positive impact	6.8	14.5	20.5	11.1	47.0	2.23	1.35	Low
	Total	32.9	38.6	19.9	4.8	3.9	3.92	0.61	High

Table 4.10 shows means, standard deviations, and the agreement percentages of the performance items, which are sorted in a descending manner by means. The total value of mean indicates that the respondents' attitudes are high since the total mean value is (3.92) and the standard deviation is (0.61) with an agreement percentage (71.5%). Therefore, it is concluded that the total degree of performance is high.

According to the means, the highest items are the item (There is a clear development of the company's size over time) with a mean of (4.33), a standard deviation of (0.74), and an agreement percentage of (90.6%). The item (The company always works on improving its performance) with a mean of (4.33), a standard deviation of (0.78), and an agreement percentage of (86.4%). The item (The company cares about evaluating the financial situation) with a mean of (4.3), a standard deviation of (0.73), and an agreement percentage of (87.3%). The item (The company cares about evaluating its performance) with a mean of (4.25), a standard deviation of (0.68), and an agreement percentage of (86.4%).

On the other hand, according to the means, the lowest items are the item (The wife's intervention in work has a positive impact) with a mean of (2.23), a standard deviation of (1.35),

and an agreement percentage of (21.3%). The item (The sons' intervention in work has a positive impact) with a mean of (3.37), a standard deviation of (1.28), and an agreement percentage of (47.5%). The item (The family has a positive impact in increasing the company's size) with a mean of (3.61), a standard deviation of (1.09), and an agreement percentage of (53%). The item (There is an increase in the number of employees in the last five years) with a mean of (3.81), a standard deviation of (1.09), and an agreement percentage of (60.1%).

According to respondents' highest attitudes, the following conclusions can be obtained. There is a clear development of the company's size over time, the company always works to improve its performance, the company cares about evaluating the financial situation, the company cares about evaluating the performance, and the company's growth in comparison with other family businesses is appropriate. Moreover, the company sets standards to achieve the required performance; the company expands investments to achieve the set objectives; the company achieves the set objectives; the company's growth among the government is appropriate, and the company's growth in comparison with different sectors is appropriate. Likewise, there is an increase in the company's capital over time, the company normally achieves the expected return, there is an increase in the company's size over time, there is an increase in the company's properties in the last five years, there is an increase in the number of employees in the last five years, and the family has a positive impact in increasing the company's size.

On the other hand, according to respondents' lowest perception, the following sentences were refused: The wife's intervention in work has a positive impact.

Chapter Five

Discussion of results and recommendations

- * Results and conclusions
- * Recommendations

Chapter Five

Discussion of results and recommendations

5.1 Introduction

This chapter discusses the research results and offers conclusions. Additionally, it includes recommendations and some main solutions for this research.

5.2 Results and conclusions

Research questions results

Q1) Is there a positive relationship between family authority and family business performance in the south of West Bank?

The results showed that there is a positive relationship between family authority and performance.

Q2) Is there a positive relationship between the value of ownership and family business performance in the south of West Bank?

The results showed that there is no relationship between the value of ownership and performance.

Q3) Is there a positive relationship between governance and family business performance in the south of West Bank?

The results showed that there is a positive relationship between governance and performance.

Q4) Is there a positive relationship between management and family business performance in the south of West Bank?

The results showed that there is no relationship between management and performance.

Results and conclusions of the research questions:

1. The results showed that there is a positive relationship between family authority and performance

It is concluded that the family itself has a good impact on achieving good performance, and this is because the family works as one unit at work.

2. The results showed that there is no relationship between the value of ownership and performance.
3. The results showed that there is a positive relationship between governance and performance.

It is concluded that family businesses have big interests in governance because governance stands for the application of many rules that are helpful for the business itself and the other parties.

4. The results showed that there is no relationship between management and performance.

It is concluded that family businesses do not give a lot of attention to the managerial issues because most of them seek to have the best performance even though they would change and make the management works by themselves.

5. The increase in employees' number over time refers that there is a positive impact on the business performance

It is concluded that performance is not only about the financial returns or about profits, but also it is about the expansion of the business and the size, too. Therefore, when any business starts to expand, this means that new job opportunities will be created form many people in different specializations.

Results and conclusions of the questionnaire factors

1. The total degree of family authority is high

According to respondents' highest perceptions, the following conclusions can be made. The BoD completely consists from the family, the company keeps on the same management values since its establishment, the existence of a member of the Family has a positive impact on the company's work, the members of the BoD are partially involved in the work, and the company keeps on the same cultural values since its establishment. Moreover, the members of the BoD are completely involved in the work, the company keeps up with the new and recent trends in the business sector, and the company keeps on the same financial values since its establishment.

On the other hand, according to respondents' lowest perceptions, the following sentences were refused. There is a variety in the membership of BoD from inside and outside the Family, and the owner's wife intervenes in the work of the business.

2. The total degree of management is high.

According to respondents' highest perceptions, the following conclusions can be obtained. Business owners give decisions regarding the financial matters, the manager from the family makes all of the strategic works in the business, and the manager from the family makes all of the financial works. Moreover, the manager from the family makes all the daily management work, the planning for work is done only by the BoD, and the daily management works are done by the members of the family. Likewise, there is a clear description of the duties and jobs in the business, the members of the family meet each other periodically to discuss the matters of work, and the family prepares the plans for the business.

On the other hand, according to respondents' lowest perceptions, the following sentences were refused. The strange manager makes all of the strategic works in the business, the strange manager makes all of the financial works, the manager of the business is from outside the family, and the strange manager makes all the daily management work.

This result agrees with the study of Abu Znaid and Anatas (2016) in which they found that the owners have a huge commitment towards their own business and towards managing it by themselves.

3. The total degree of governance is high.

According to respondents' highest perceptions, the following conclusions can be obtained. The company monitors all of the daily work, the company cares about the stakeholders and consumers, the company applies the laws of work, and the company applies the standards of integrity. Moreover, the company evaluates all the works which happen in the work, the company has clear policies in making decisions, and the company gives a good interest regarding the social responsibility. Finally, the company practices the accountability standards, the company applies the transparency principles inside the work, and the company has the knowledge and interest in governance.

4. The total degree of performance is high.

According to respondents' highest perceptions, the following conclusions can be obtained. There is a clear development of the company's size over time, the company always works on improving its performance, the company cares about evaluating the financial situation, and the company cares about evaluating its performance. Furthermore, the company's growth in comparison with other family businesses is appropriate, the company sets standards to achieve the required performance, the company expands its investment to achieve the set objectives, and the company achieves the set objectives. Likewise, the company's growth among the government is appropriate, the company's growth in comparison with different sectors is appropriate, there is an increase in the company's capital over time, and the company normally achieves the expected return. Finally, there is an increase in the company's size over time, there is an increase in the company's properties in the last five years, there is an increase in the employees' number in the last five years, and the family has a positive impact in increasing the company's size.

On the other hand, according to respondents' lowest perceptions, the following sentences were refused. The wife's intervention in work has a positive impact.

This result agrees with the study of Rettab and Azzam (2011) in which they indicate that that family business outperforms non-family business.

5.3 Recommendations:

1. Recommendations for family businesses

Family businesses need to:

1. Make strategic plans for the next generations in the family.
2. While there is an increase in the employee's number, it is good to establish new entrepreneur projects.
3. Adopt governance principals. and give more attention to ensure that employees know about governance too.
4. Give more attention to the managerial functions and give the employees the chance to lead these daily activities.

2. Recommendations for the concerned organizations

It is known that family businesses are the dominating sector in Palestine; therefore, the researcher suggested some recommendations for the organizations that are concerned or deal with family businesses, such as the commercial chambers, and the business unions.

1. They need to give more interest in the situation on family business and make more workshops regarding family businesses; the small ones and the big ones. For example, they need to hold a workshop under this title experience exchange between family businesses.
2. They need to establish family business unions that would be responsible for such businesses and their activities.

3. Recommendations for University and further researches

1. Give courses regarding family business and every item about such businesses.
2. Open new domains to teach family businesses for the ones who are concerned to establish family businesses.
3. Make further research regarding family involvement and the other aspect of F-PEC scale the Experience and the culture of the family.

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Appendixes. Appendix No.1 The study questionnaire



College of Graduate Studies

Business Administration Program

Mr. Manager / The Owner of the company

This questionnaire aims to collect data about the thesis topic

The Impact of Family Power on the Family Business Performance in Southern of the West Bank

The researcher has prepared this study in partial fulfillment of the requirements of the master's degree in business administration. Information presented in the study will be used for scientific purposes only.

Thanks in advance

The researcher: Anwaar Al-Sharbati

The Supervisor: Dr. Issa Smirat

First section:

Please circle the correct answer:

1. In which governorate is the company located?

A. Hebron

B. Bethlehem

2. What is the specialty of the company's work?

Industrial, Commercial, agricultural, services, Others

3. Does the company have a chairman manager?

Yes

No

4. The Board of Directors is consisted of

The Family only, more than one family, others

5. The Manager of the company is:

A member of the family,

A member from outside the family

6. The company was established by.

A member of the family, Acquisition or buying the Company, partnership, others.

7. Does the company dissolve?

If the answer is Yes, what are the reasons of dissolution :

Family purposes, Competition purposes, Private purposes
concerning the Israeli occupation

8. When was the company established?

(.....)

9. At the beginning of the work, how many employees and workers were there??

(.....)

10. How many employees and workers does the company have now?

(.....)

11. What is the percentage of family ownership?

A. The family

B. The non-family

C. The holding.....

12. How many members in the Board of Directors?

A. from the family B, Outside the family ,,,,,, C. from other families

Second section

Please put a tick (✓) under the correct answer

Family Authority						
Number	Statement	Very Strong	Strong	moderate	little	Very little
1	The board of directors consists completely from the family.					
2	There is a variety in the membership of Board of Directors from inside and outside the Family					
3	The company keeps on the same financial values since its establishment.					
4	The company keeps up with the new and recent trends in the business sector.					
5	The company keeps on the same management values since its establishment.					
6	The company keeps on the same cultural values since its establishment.					
7	The members of the Board of Directors involve completely in the work					

8	The members of the Board of Directors involve partially in the work					
9	Each member of the Board performs his/her full duties and chores completely					
10	The existence of a member of the family has a positive impact on the company's work.					
11	The owner's wife intervenes the work of the business					
12	The owner's sons intervene the work of the business					

Management functions

Number	Statement	Very Strong	Strong	moderate	little	Very little
13	The daily management works are performed by the members of the family					
14	Business owners give decisions regarding the financial matters					
15	The manager of the business is from outside the family					
16	The strange manager makes all the daily management work					
17	The manager from the family makes all the daily management work					
18	The strange manager makes all of the financial works					
19	The manager from the family makes all of the financial works					
20	The strange manager makes all the strategic works in the business					

21	The manager from the family makes all the strategic works in the business					
22	There is a clear description of the duties and jobs in the business					
23	The family prepares business plans					
24	The planning for work is done only by the Board of Directors					
25	The members of the family meet each other periodically to discuss the matters of work					
Governance						
26	The company has the knowledge and interest in governance					
27	The company applies the laws of work					
28	The company provides a training about governance to their employees					
29	The company applies the transparency principles inside the work					
30	The company practices the accountability standards					
31	The company applies the standards of integrity					
32	The company gives good interest regarding the social responsibility					
33	The company cares about the stakeholders and consumers					
34	The company has clear policies in making decisions					
35	The company monitors all the work which is happening daily					

36	The company evaluates all the works which happen in the work					
37	The company has a special internal benchmark inside the work					

The performance and size

Number	Statement	Very Strong	Strong	moderate	little	Very little
38	The company sets standards to achieve required performance					
39	The company always works on improving its performance					
40	The company normally achieves the expected return					
41	The company achieves the set objectives					
42	The company expands its investment to achieve the set objectives					
43	The company cares about evaluating the financial situation					
44	The company cares about evaluating the performance					
45	There is clear development of the company's size over time					
46	The company's growth in comparison with other family businesses is appropriate					
47	The company's growth in comparison with different sectors is appropriate					
48	The company's growth among the government is appropriate					

49	There is an increase in the number of employees in the last five years					
50	There is an increase in the company's properties in the last five years					
51	There is an increase in the company's size over time					
52	The family has a positive impact in increasing the company's size					
53	The sons' intervention in work has a positive impact					
54	The wife's intervention in work has a positive impact					
55	There is an increase in the company's capital over time					

The Open Questions:

1. How do you see the impact of family members (sons, wife, brothers and sisters, father, grandfather, and cousins) on the development of family business and decision making? Please give examples.
2. How do you see hiring a manager from outside the family?
3. How do you see the impact of family power on business governance?

Appendix 2. Names of the questionnaire judges

No.	Professor Name	Job position
1	Prof. Dr, Samir Abuznaid	Dean of Administrative College at Hebron University
2	Dr. Yousef Abu Fara	Dean of Administrative College at Al-Quds Open University
3	Dr. Ghassan Shaheen	Teacher at Palestine -Polytechnic
4	Mr. Mohammad Herbawi	Teacher at Hebron University