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WHERE SOCIOEMOTIONAL WEALTH (SEW) STANDS TODAY? REVIEW INTO THE PAST, PRESENT AND THE FUTURE

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Abstract
Since its conceptualization by Gomez-Meija et al. (2007), the SEW perspective has gained a prominent place in family business studies. Despite the growing interest of scholars, however, there are several theoretical gaps in the literature that need to be addressed. The COVID-19 has also caused several drastic changes in family firm dynamics. The purpose of this study, hence, is to identify the gaps and consequently, draw future directions for scholars. For this purpose, a systematic literature review (SLR) is adopted where studies published from 2007 till 2020 are reviewed using selected keywords. The findings of SLR reveal six research gaps that can be explored by future researchers.
Keywords: Socioemotional wealth; SEW; Family Firms; Literature Review;

1. Introduction

Family-owned businesses vary from nonfamily owned businesses in terms of behavior and characteristics (Campopiano & De Massis, 2015; Mullins & Schoar, 2016; Wu, 2018). Not only do family firms vary in terms of their physical composition but at the same time, families inject emotions and feelings into the firms that in turn, guide their decision-making processes. Researchers refer to this intriguing phenomenon as Socioemotional wealth; hereafter, referred to as SEW (L. R. Gomez-Mejia et al., 2007). SEW is defined as nonfinancial resource of a firm that fulfils the firm's affective needs. It is exclusive to family firms and has been proclaimed as the single most distinctive characteristic that defines the essence of family firms and acknowledges their unique behaviors (Berrone et al., 2012; Dawson & Mussolino, 2014). Ever since its conceptualization, the SEW perspective has gained a prominent place in family business studies (Schulze & Kellermanns, 2015) where the impact of SEW on decision making has been examined from various standpoints, such as acquisition strategies (Gomez-Mejia et al., 2018; Pazzaglia et al., 2013); internationalization strategies (Kraus et al., 2016) exit strategies (DeTienne & Chirico, 2013); risk-taking (Gómez-Mejía et al., 2007; Gomez-Mejia et al., 2019); and innovation (Li & Daspit, 2016; Kosmidou & Ahuja, 2019). The main premise of SEW when compared to nonfamily firms is that while nonfamily firms, absent of any apprehension for continuing the family legacy into the next generation, are largely concerned with meeting financial and economic needs (Parker, 2016), family firms place a greater emphasis on non-economic goals than

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economic one (Gomez-Meija, Cruz, Berrone & Castro, 2011). This perspective of SEW stems from the behavioral agency theory (Wiseman & Gomez-Mejia, 1998) which implies that family firms typically choose between potential gains and potential losses of SEW as their key frame of reference for decision making, unlike nonfamily firms that consider financial wealth as a source of reference (Gomez-Meija et al., 2011). In other words, the SEW perspective implies that family firm owners develop a risk averse attitude towards growth (Naldi et al., 2013). The resulting behavior can translate into suboptimal strategic behavior.

While emphasis on preserving their stock of SEW may have positive implications for family firms such as enhancing firms' reputation (Deephouse & Jaskiewicz, 2013), it can even lead to negative consequences. Moreover, it is proposed that family businesses often seek to preserve SEW at the expense of financial profitability (Firfiray et al., 2018). The recent literature on SEW indicates a paradoxical behavior of the construct and the matter of whether socioemotional wealth has a positive or negative influence on family firm performance still remains debatable as other studies point to evidences of superior performance maintained by family firms even in the presence of nonfinancial motives (Parker, 2016). Thus, it seems that there are several theoretical gaps in the literature that need to be identified and addressed. For this reason, the present study undertakes the objective of systematically reviewing the literature to identify the gaps in the literature.

2. Methodology

A systematic literature review has been structured as it offers a reliable and replicable method of identifying and analyzing the research studies (Tranfield et al., 2003). The study followed the process assumed by Calabro et al. (2018) for conducting the systematic literature review. Thus, six top academic databases were selected for the task for articles published between the time of 2007 and 2020. The 2007-2020 period is chosen because the seminal work on socioemotional wealth was first published by Gomez-Meija et al in 2007. Thus, we used a four-step process, as adopted as by Calabro et al. (2018), to identify the most noteworthy articles for review. As a result, only high impact factor journals have been studied using a four-step mechanism, stated as under:

1. Selected keyword search and removal of duplicates: Following the guided procedure, the six databases were searched for the following keywords "socioemotional wealth", "SEW", "strategy*", in combination with at least one of the following keywords: "family firms*", "family business", "family enterprise"; "family-owned firm"[1]. This was done to eliminate any chances of missing important papers.
2. It was ensured that the given keywords appeared in at least the title, abstract and the keywords to eliminate chances of irrelevant articles. In addition to the top six

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publishers, we occasionally considered doctoral dissertations, books and review papers if they matched our search criteria. Since socioemotional wealth is still a growing construct, we did not limit ourselves to empirical studies only; conceptual papers were also reviewed. The search returned almost 11,500 results. However, many of the articles were duplicates. Thus, this step also included cleaning the redundancy and the resulting list of articles was shortlisted to 850.

3. Relevancy analysis of articles. In this step, the abstracts and titles were again screened for ensure relevancy of the article to the desired topic. Articles relevant to financial domain such as stock markets, equity and liquidity were considered irrelevant. In this way, the list of articles was further reduced to 500.
4. Full text reading. In this step, the articles were read, and the list was further reduced to 173.

Addition of other relevant articles. This was part of an unsystematic approach in which, as followed by Calabro et al. (2018), a further list of relevant articles was included in the sample using the technique of citation tracking. This technique returned additional 15 articles. This led to a total of 188 articles that were subject to detailed reading. Table 1 elaborates the final following publishers were used. Year-wise listing of the articles shortlisted is illustrated in Table 2.

Table 1. Number of articles shortlisted after systematic and unsystematic literature review

Publisher	**No. of Articles**
Elsevier	41
Emerald	25
Sage	46
Springer	27
Taylor Francis	09
Wiley	25
Others	15
Total	**188**

Own Source

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Table 2. Year-wise listing of the articles shortlisted

Year	Elsevier	Emerald	Sage	Springer	Taylor & Francis	Wiley
2007	0	0	1	0	0	0
2008	0	1	0	1	0	1
2009	0	0	1	0	0	0
2010	1	0	1	0	0	1
2011	0	1	1	0	1	0
2012	4	0	4	0	1	0
2013	0	1	4	1	1	2
2014	5	1	4	0	1	4
2015	2	0	3	3	0	3
2016	5	6	2	2	0	1
2017	6	0	2	2	1	3
2018	2	2	8	1	2	1
2019	14	8	8	7	0	4
2020	2	5	11	10	2	5
Total	41	25	46	27	9	25

Own Source

2.1 Literature Review

2.1.1 Conceptualization of Socioemotional Wealth (SEW)

The term ‘Socioemotional Wealth’ was first coined bbny Gomez et al. (2007) to allude to the non-financial goals and emotional, value-based needs of the family firm owners such as continuing the legacy of the firm into the family, maintaining family image, family bonds and influencing control over the firm. Thus, the combination of these value-based goals is termed as stock of socioemotional wealth in the literature; and when family owners try to preserve these non-economic goals, they are phrased as preserving their stock of socioemotional wealth. It has been well established throughout literature that it is the SEW that defines the essence of family businesses and differentiates it from nonfamily firms. Consequently, as a result of the intertwined nature of family and business, the family-owner of family firm, in contrast to nonfamily manager, is largely concerned with factors such as maintaining the family legacy and family control, enhancing the family name and reputation through firm. These concerns translate into the firm-owner choosing different strategic decisions options than nonfamily managers (Berrone et al., 2012; Kellermanns et al., 2012); and may even choose nonfinancial gains over financial ones to protect their stock of SEW.

2.1.2 Restricted and Extended SEW

In similar vein, Miller and Le Breton-Miller (2014) differentiated between restricted and extended socioemotional wealth priorities where restricted SEW priorities represent

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short-term perspective in which the principal focus is the family alone; whereas the extended socioemotional wealth perspective looks beyond family to benefit nonfamily stakeholders as well. Thus, while restricted SEW may encourage risk-aversive attitude to satisfy interests of family, often leading to behaviors like nepotism, altruism and stagnation (Miller & Le Breton–Miller, 2014); extended SEW may lead to actions such as corporate social responsibility and green innovation (Calabrò et al., 2018).

2.2 Operationalization of SEW

The first conceptualization of SEW in 2007 provoked an extensive attempts to measure it and scholars got to work to operationalize the SEW construct, as is natural in any newly emerging field. While some scholars measured it indirectly through the use of proxies, others criticized the approach and measured SEW directly. Still some took a unidimensional approach to operationalize SEW directly while others like Berrone et al. (2012) developed a multidimensional scale called FIBER scale. The following section discusses the various methods adopted in studies to measure SEW.

Indirect Measurement of SEW

At the early stage of SEW research, wherein the construct was still being largely explored and debated, many scholars relied on indirect proxies to measure SEW (Berrone et al., 2010; Chrisman et al., 2015; Kraiczy et al., 2015; Xu et al., 2020). Most of these proxies to measure SEW included family involvement and management (Berrone et al., 2010; Chrisman & Patel, 2012; Cruz et al., 2014), firm age (Dehlen, 2013), CEO's family status (Naldi et al., 2013), and generational stage (Kraiczy et al., 2014). However, the indirect approach has been largely criticized for its simplicity and inadequacy (Nordqvist et al., 2015). Scholars posit that indirect measurement is inadequate to capture all the aspects of SEW in totality (Chua et al., 2015; Prugl, 2019). In this way, as pointed out by Hauck et al. (2016), it does not account for the interrelatedness or the conflict existing within SEW dimensions (Chua et al., 2015; Vardaman & Gondo, 2014).

Direct Measures of SEW: Unidimensional

To counter for the shortcomings of the indirect proxies, some scholars relied on unidimensional measures of SEW. For example, some studies borrowed the items from Strategic Orientation of Small and Medium-Sized Enterprises (STRATOS) scale when using SEW as a moderating variable in a study (Goel et al., 2013; Schepers et al., 2014b). Another study formulated a six-item scale relating to nepotism, altruism and favoritism to show the darker side of SEW (Schepers et al., 2014a). While the unidimensional measures are parsimonious, they still fail to capture the essence of SEW as a collective whole as they do not address the different aspects of a family's affective endowment (Hauck et al., 2016).

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Direct Measures of SEW: Multidimensional

Upon the call of various scholars, Berrone et al. in 2012 made the first attempt to operationalize the SEW construct by developing a formative, five-dimensional scale that was abbreviated as FIBER. Later, the scale was validated and shortened to REI scale by Hauck et al. (2016). Debicki et al. (2016) then came up with a SEW*i* scale that was more inclined towards measuring the importance of SEW among family firms rather than level. A brief description of the scales follows:

FIBER-Scale

The FIBER scale is a five dimensional scale that captures the following factors of SEW: (1) **F**amily control and influence i.e. the motivation of family firm to exert strong family control over the firm (Wu, 2018). (2) **I**dentification of family members with the i.e. the practice of family members building a strong identity with the business (3) **B**inding social ties i.e. the practice of family members not only developing closer bonds within internal stakeholders but also with external stakeholders and closer community (4) **E**motional attachment with the firm i.e. the emotional bond experienced as a result of prolonged involvement with the firm; and (5) **R**enewal of family bonds through dynastic succession which refers to transgenerational vision of the family firm to continue the family business within the family control (Berrone et al., 2012).

REI-Scale

After Berrone et al., Hauck et al. (2016) empirically tested the FIBER scale in Germany and Australia and suggested its short, parsimonious form which they named as REI scale. Thus, they shortened the scale from 27 items to 9 items with three dimensions, omitting the F and B dimensions after reporting inconsistencies in their convergent and discriminant validity for the two dimensions.

SEWi Scale

Debicki et al. (2016) took a slightly different approach and rejected the notion of trying to measure the stock of SEW endowment due to its subjective element, deeming it impractical to measure stock or level of affective endowments in the same way as economic stock or wealth. The scholars contended that SEW is actually a collection of non-economic benefits that family firms seek. The importance that they give to these benefits may vary for each family firm and may act as the source of diversity in strategic choices and decision making processes in different family firms. Subsequently, they developed a 24-items scale that may capture the level of importance that family firms attach to the different SEW-associated benefits. Thus, the scale encompasses three dimensions: family prominence, family continuity and family enrichment.

2.3 Theoretical Exposition

This section provides an overview of the most notable theoretical frameworks that have been used to explain the family firm behavior in the light of SEW.

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The Behavioral Agency Model (BAM) Framework

The BAM so far has had significant influence over the socioemotional wealth perspective in family firm research, with scholars drawing upon this model for conceptualization (Gomez-Meija et al., 2013; Gomez-Meija et al., 2014). Rooted in prospect theory (Kahneman & Tversky 1979), it was first offered by Wiseman and Gomez-Meija (1998) to understand managerial decision making processes and preference for risks. The key premise of BAM is that greater the value of wealth at risk of loss of an agent, the more inclined the agent would be to adopt a risk-averse attitude. Here, the wealth then is the reference point or a frame of reference set by the agent and accordingly determines the risk-averse or risk-taking attitude. The SEW conceptualization from BAM perspective (Gomez-Meija et al., 2007), hence, adopted the view that family firms keep SEW as a reference point in the 'editing phase' and then "grant greater priority to preserving SEW in the evaluation phase" (Gomez-Meija et al., 2007, p. 131 as cited in Ding, Qu, & Wu., 2016). This behavior is what makes family firms different from nonfamily firms who mainly fix financial wealth as a frame of reference (Gomez-Meija et al., 2011).

Socioemotional Wealth Theory

The SEW perspective has eventually started to emerge as a theoretical lens by several scholars (Hauck & Prugal, 2015). The core premises of the SEW theory is that family firms are not only are driven by economic goals but are also influenced by non-economic goals that fulfil their affective needs, such as maintaining family identity or control over the firm (Gomez-Meija, 2007; 2012). Thus, their strategic decision making is primarily affected by the non-financial objectives, which are in most cases, prioritized at the expense of financial ones. As underlined by Zientara (2015), the key assumption upon which this theory rests, is that SEW is a "prosocial and positive stimulus" (Kellermanns et al., 2012, p. 1176). However, Kellermanns et al. (2012) criticized that SEW has both bright and dark side. Zientara (2015) further challenged the inherent assumption and argued that SEW has an indecisive and conflicting nature, in it that its five dimensions highlighted by Berrone et al. (2012) have both positive and negative valences. Hauck and Prugal (2015) also derived a similar finding in context to innovation. That is, SEW has the tendency to act as both innovation-enabler or inhibitor, as it depends on their ability as well as willingness to innovate. Up till now, however, literature seems undecided about the missing link that gives it this contradictory nature in different context.

2.4 Outcomes of SEW

Following a similar classification pattern as in the study of Dawson & Mussolino (2014), we have treated the organizational outcomes under its own sub-heading and studied the impact of SEW on various organizational outcomes.

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Positive Outcomes of SEW

SEW is found to have positive impact on some dimensions of family firms' behaviors and strategic choices (Berrone et al., 2010; Cennamo et al., 2012; Gomez-Mejia et al., 2011). For example, Gomez-Meija et al. (2011) report that family firms with desire to protect their SEW are more socially responsible. Berrone et al. (2010) document similar findings: family firms are more concerned about environmental protection than nonfamily firms and hence, are less likely to pollute less. Cennamo et al. (2012) found within group heterogeneity in it that family firms differ in their sensitivity towards their stakeholders, and depending on which dimensions they emphasize more, care more or less about their stakeholders than others. Some seemingly negative practices such as nepotism have even been found to have positive impact on firm performance for family firms where they practice nepotism to protect their SEW endowments.

Negative Outcomes of SEW

SEW also seems to have a darker side (Kellermanns et al., 2012). Thus, while literature previously assumed that SEW is inherently a positive stimulus and an inspiration for family firms to pursue, some dimensions can become a burden for family firms and a source of intrafamily conflicts, such as the dimension of family control and influence, and transgenerational intention (Kellermann et al., 2012). Similarly, empirical evidence shows that to protect their SEW, family firms are less likely to opt for diversification strategies than nonfamily firms (Gomez-Meija et al., 2012) as such strategies require hiring an external managers which would be nonfamily member (Barros et al., 2017). For the same reasons, family firms tend to also avoid acquisitions (Kellermanns et al., 2012). Moreover, studies show that to preserve their SEW benefits, family firms have higher propensity to take risk-averse decisions, as a result, avoiding innovative projects (Calabrò et al., 2018; Wu, 2018).

Duality of Outcome Effects

Some scholars have emphasized the dual nature of SEW on family firms and have postulated that SEW can have both positive as well as negative consequences on the outcomes of family firms, such as innovation (Kellermanns et al., 2012; Kosmidou, 2018). Kosmidou (2018) for instance, hypothesized in his dissertation that in case the family firm prioritizes internal SEW, it will have a negative impact on innovation and if it prefers external SEW, then SEW would result into positive innovative initiatives. In fact, the literature reports conflicting outcomes of different variables of SEW: for example, the longing to reserve the family firm dynasty in the long-term, a dimension of SEW reflected as 'renewal of family bonds through dynastic succession' by Berrone et al. (2012) is reported to have positive attitude towards innovative projects, while at the same time, instilling a risk-averse attitude that impedes innovation and growth (Nordqvist et al., 2019).

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2.5 Relationship between SEW and Strategic Choices

SEW has been shown to have a significant impact on strategic decision making of family firms. Minichilli, Brogi, and Calabrò (2015), for example, added through empirical finding that under uncertain and survival threatening situations, family firms forgo their non-economic goals to actually preserve their SEW. In other words, their economic strive is also value-driven, in order to maintain their non-economic goal of maintaining their stock of SEW. Jennings et al. (2015) examined the role of SEW on strategic orientation of the firm where they compared and contrasted the motivation level of family-owned firms and non-family owned firms to preserve SEW and the impact of SEW on business strategies across the US, Germany/Switzerland, China, Brazil and India. In addition to finding evidences in favor of SEW, the study found significant impact of SEW over certain business strategies and firm performance. In sum, different scholars have examined different behaviors of family firms for a number of key strategies such as R&D investments (Gomez-Meija et al., 2014), product diversification (Gomez-Meija et al., 2010; Kachaner et al., 2012); international diversification (Gomez-Meija et al., 2007, Kuo et al., 2012, Scholes et al., 2015, Xu et al., 2020); corporate social responsibility (Berrone et al., 2010, Cennamo et al., 2012, Yu, Ding, & Chung, 2015; Zientara, 2015) and exit strategies (DeTienne et al., 2013, Casillas et al., 2018; Chirico et al., 2019). The following section discusses the role of SEW in influencing each of these strategies:

Diversification / Internationalization Strategies

Studies have shown that international diversification is also a key strategic path taken by businesses. However, literature reports a paradoxical behavior of family firms when reporting evidences of internationalization and diversification strategies, especially in context of SEW (Xu et al., 2020). The more popular opinion is that family firms resist internationalization strategies as it calls for specialized organizational capabilities as well as the need to hire external professionals with international exposure as it may weaken their family influence and threaten their SEW orientation (Hennart et al., 2019). Hence, one stream of studies shows a reluctance of family firms to go international as it increases the chances of loss of SEW for family firms, since going international would often require hiring managerial talent outside of family firm which again, threatens family control and influence (Gomez-Meija et al., 2010; Cesinger et al., 2016; Ilhan-Nas et al., 2018). Moreover, even the firms that do opt to go international, they incline to choose countries that are closer to home or on an international niche market (Mariotti et al., 2020). Recent findings suggest that family firms exhibit heterogeneity in terms of generational stage and the composition of board of directors when going international; such that family firms that have a stronger level of SEW tend to favor greenfield investments in equity mode entry; whereas, firms with weaker orientation for SEW choose acquisitions (Mariotti et al., 2020). Accordingly, family firms in their first generation tend to favor greenfield investments over acquisitions; as their SEW level is strongest than the succeeding generations and weaker organizational capabilities. This

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preference, however, shifts to acquisition over greenfield investment as the SEW orientation is weaker and the nonfamily board members are greater in number, accompanied by stronger organizational capabilities. It is further proposed that family firms usually consent to diversification when the survival of the family firm is threatened (Gomez-Meija et al., 2010). The other stream of research suggests that since family firms are more focused towards transgenerational dynastic succession; they are naturally inclined towards long-term strategies such as international diversification to increase chances of survival and longevity of the firm (Le Breton-Miller & Miller, 2006; Lumpkin & Brigham, 2011). It can be argued that the reluctance for internationalization seems to be partly due to the fact that family firms might need to relinquish their family control over the firm. Hence, the dimension (F) of the FIBER scale seems to be affected; in addition to the dimension (R) i.e. renewal for dynastic succession for studies that suggest a favorable relationship.

Innovativeness

Innovativeness refers to an organization's capability to innovate (Kosmidou, 2018). Sudies investigating the effect of SEW on innovation are far more in number than any other domain. Despite the rapid surge in this research stream, however, literature reports inconsistent and contradictory findings (De Massis et al., 2012; Gast, 2018). Filser et al. (2017) investigated the effect of SEW on innovation by studying the effect of each dimension of SEW in isolation. Their study found that three dimensions out of five (i.e., B, E and R) have a positive effect on innovative capabilities of family firms while one dimension (i.e. I) affects innovation negatively. Chrisman et al. (2015) argued that owing to the unique amalgam of social, capital and knowledge resources, family firms possess greater ability to innovate; however, lack the sufficient willingness, thus leading to the observance of lower innovation in family firms.

Corporate Social Responsibility (CSR)

Whether to engage in corporate social responsibility (CSR) is also a strategic decision that is usually driven by the SEW goals of a family firm (Berrone et al., 2010; Cennamo et al., 2012; Yu et al., 2015; Zientara, 2015). Once again, literature reports inconclusive and even contradictory evidences of the impact of SEW on CSR initiatives of family firms. While a major chunk of studies pinpoints a positive relationship (Berrone et al., 2010; Yu et al., 2015), few studies report an ambivalent and contradictory effect of SEW on CSR (Zientara, 2015). Studies that advocate a positive role of family firms in CSR give credit to the various dimensions of SEW. For example, the dimension of binding social ties acts as a driving force for family firms to take care of their environment (Berrone et al., 2010). Similarly, family firms are less inclined to engage in layoffs under the effect of this dimension (Miller & Le Breton-Miller, 2003). Additionally, the need to preserve the reputation of family firms drives family firms to develop and maintain an amicable relationship with their stakeholders (Zellweger et al., 2012). Thus, it seems that family firms take care of their environment and community more than nonfamily

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firms. Yu et al. (2015), through a panel data of publicly listed family firms, from 2007 to 2012, found empirical evidence that family firms outpace nonfamily firms in CSR activities. However, Zienterra (2015), challenging the inherent assumption that SEW is a positive motivation for family firms, asserted that family firms adopt a selective and instrumental approach to CSR. Particularly, the author argued that the overemphasis of family firms maintaining a reputation as they perceive the family business as an extension of their family name, leads to a selective behavior. That is, they tend to focus on the external stakeholders, but ignore the internal stakeholders, i.e. employees. While this behavior can be common in any organization, the author suggested that it is mostly observed in family firms; which leads to conclusion that SEW is not always a positive stimulus, but rather, has a dual nature.

3. Discussion

The above sections summarize the findings of different studies. Most of these studies report contradictory results. For example, out of nine studies on innovation, four reported that SEW inhibits innovative capabilities of a family firms; two studies reported reverse relationship and two studies had mixed results. A closer examination of these studies reveals several causes of the contradictory results. First, the different mechanisms used for measuring SEW is observed in all studies. While four out of twenty studies have used the FIBER scale; others have relied on some proxies to gauge SEW. Use of such proxies has been criticized by several scholars for its simplification and declared them inadequate. Scholars have emphasized on the multidimensionality of SEW, as opposed to it being unidimensional. As opposed to studies (such as, Gomez et al., 2007; Hauck & Prugl, 2013; Kraiczy et al., 2014; Chrisman et al., 2015; Xu et al., 2020) that have tried to measure SEW indirectly, Nordvist et al. (2015), for example, called for using SEW as a direct measure and incorporating it as an independent or moderating variable to see the effect of SEW on various strategic choices of family firms.

3.1 Where SEW stands today? Research Gaps and Future Directions

3.1.1 Research Gap 1 – Paradoxical Behavior of SEW:

SEW as a construct is still relatively a growing; hence, and manifests as a paradoxical construct with several contradictions and gaps. For one thing, recent findings on SEW suggest that the stock of SEW for a family firm does not remain constant and may even modify with any change of event (Kotlar et al., 2018). Hasenzagl et al. (2018) go on to suggest that SEW and the emotions associated with SEW are time and context dependent for family members. However, literature is missing studies that report on such factors that account for the variability in time and context. It seems that SEW has several layers that work differently under different circumstances and in different types of family firms.

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3.1.2 Research Gap 2 – Inconclusive results in relation to strategic choices:

The second gap, in line with the above mentioned one, is observed in the context of inconclusive results found in the relationship between SEW and strategic choices of family firms. Different studies report conflicting outcomes of SEW dimensions on various strategic initiatives of family firms. While some studies suggest positive outcomes of a certain dimension, other studies report negative outcomes for the same (Kosmidou, 2018). This implies that a certain dimension of SEW may have both positive and negative outcomes under different circumstances, suggesting that SEW may have dual or ambivalent nature. Thus, it seems again that there is a need to introduce moderating or mediating variables that resolve the ambivalent nature of SEW. While some scholars have identified a few moderating variables such as ability and willingness to innovate; firm characteristics; and generational stage of the family firm; the literature lacks sufficient empirical evidences to confirm the interaction of these variables that account for the heterogeneity along the different dimensions of SEW within family firms.

3.1.3 Research Gap 3 - Operationalization of SEW:

The third gap is related to the operationalization of SEW. While several studies rely on indirect proxies for measuring SEW, such proxies have been criticized for their over-simplicity (Hauck et al., 2016). While Berrone et al. (2012) is accredited for developing a multidimensional scale that they referred to as FIBER, the scale itself is not without contradictions and criticisms. For instance, a number of scholars have criticized the interdependence of the dimensions proposed in the FIBER scale as to whether they act in coherence with one another or conflict (Chua et al., 2015; Hasenzagl et al., 2018). Thus, Chua et al. (2015) questioned if the five dimensions should be treated as a collective whole, or as a set of five independent dimensions or five interdependent variables. Perhaps a more relevant scale is SEW*i* (Debicki et al., 2016) that stresses on measuring the importance of SEW rather than level, and its impact on family firms' strategic choices and the within-group heterogeneity that emerges from it. However, the scale was applied to younger family firms while it is possible that the importance of SEW dimensions vary across time and family firm age which it fails to account. Thus, there is a need to develop a robust scale that encompasses level as well as importance and its impact on strategic choice. Additionally, Wu (2018) has called for devising a measurement instrument to gauge every dimension of SEW separately as SEW as a broad concept is still abstract.

3.1.4 Research Gap 4 – SEW: Positive or Negative?

The suggestion that SEW may have dual nature challenges the inherent assumption that SEW is a positive stimulus. In fact, the five dimensions of SEW, as suggested in FIBER scale seem to be associated with positive emotions. For example, the desire to maintain control over the family firm; the emotional attachment and identification of the family members with the firm and the desire to continue the firm legacy for next generation; all rest on the assumption that the principal or the founding owner, along with all family members want to preserve SEW. However, as suggested by Hasenzagl et al. (2018) this assumption ignores the negative emotions that arise from situations such as intra-family conflicts; or coerced succession (Deephouse & Jaskiewicz, 2013) which then hinders or even opposes the primary notion of SEW. Thus, the current development of SEW suggests missing variables or factors and it seems that there is more to add in the SEW conceptualization than what the literature has found so far.

3.1.5 Research Gap 5 – Role of Restricted and Extended SEW:

The fourth gap pertains to the role of restricted and extended SEW. Proposed first by Miller and Le-Breton Miller (2014), it is argued that both types can have a significant impact on the strategic behavior that a family firm adopts wherein restricted SEW may discourage risk-taking attitude and extended SEW may prompt actions like CSR and innovation (Calabrò et al., 2018). While the authors posited the presence of these two contrasting types of SEW, further work is needed on their operationalization and inclusion into the current phenomenon of SEW. Future research can be made to identify the type of SEW a family firm normally falls under by examining its strategic behaviors and how that type can channelize into better firm performance.

4. Concluding Remarks

Socioemotional wealth is rather an interesting phenomenon that is found exclusively in family businesses and guides their strategic behaviors. The authors of this study have attempted to capture the vast knowledge through a systematic literature review; however, the study has some limitations. For example, the literature review was limited to six major journals only; though pertinent papers of other journals were also occasionally reviewed through citation tracking. Moreover, since it is relatively a new phenomenon, it is characterized by accelerated development as almost every other study brings forth new knowledge, which might lead to change in knowledge structures. Thus, the literature review is a mere attempt to consolidate the work of notable scholars on SEW and may not encompass the massive amount of studies mushrooming in the domain.

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