



Socioemotional Wealth and Financial Performance of Single-Family-Owned Food Processing Firms: Evidence from Tanzania

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Abstract

This study assessed how Socioemotional Wealth (SEW) influences the financial performance of single-family-owned firms in the same industry. Previous research on family firms has yielded conflicting results. Thus, this study fills a gap. Data is collected from firms' owners using a structured questionnaire. Family continuity, family prominence, and family enrichment are used to measure the SEW. The financial performance was subjectively assessed. Multiple regression analysis is used to examine the data obtained from 267 firms. The findings suggest that the three dimensions of SEW - family continuity, family enrichment and family prominence - significantly influence single-family-owned firms' financial performance ($p = 0.00$). This study adds context-specific insights, empirical facts, and a deeper understanding of family-owned firms' subjective financial performance to the SEW development literature—the discipline of SEW theory and its application benefit from its research and practice implications. Future research should examine how firm culture affects SEW-financial performance ties by employing a larger sample.

Keywords: Socioemotional Wealth, Financial Performance, Family-owned Firms

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Introduction

Research has identified Socioemotional Wealth (SEW) as a critical aspect of family business behaviour and success (Gómez-Mejía & Herrero, 2022; Gómez-Mejía et al., 2011; Yang et al., 2020; Zona et al., 2022;). SEW refers to family ownership's non-economic, social, or moral benefits, making retention vital in family firms (Berrone et al., 2012; Gómez-Mejía et al., 2018). Gómez-Mejía et al. (2007) found that this wealth improves management decision-making, firm performance, and longevity. Whereas SEW is essential in family business governance, its impact on financial performance is controversial and debatable (Berrone et al., 2012; Davila et al., 2022; Gómez-Mejía & Herrero, 2022; Zellweger et al., 2012). Limited family business studies link SEW to financial performance, yielding inconclusive outcomes and confusing arguments (Ballal & Bapat, 2020; Martinez-Romero et al., 2020; Ng et al., 2019; Seema, 2020). Yet, the SEW results from listed family firms may not apply to privately owned family firms, especially unlisted single-family firms in specific industries. This study examined how SEW influences Tanzanian Single-family, Family-Owned Food Processing Firms' (FoF-PFs) financial performance to fill gaps in prior studies. Thus, reading how SEW affects Tanzanian family-owned FoF-PFs' financial performance strengthens SEW literature.

In family business studies, SEW has acquired popularity from several angles. According to Gómez-Mejía and Herrero (2022), SEW has also demonstrated that family-owned businesses are not solely profit-driven, but driven by emotions and beliefs. Kotlar and De Massis (2013) and Gómez-Mejía et al. (2007) found that family members can pursue SEW goals for the benefit of the family in family-owned firms. These family members are also responsible for establishing the company's corporate culture, policies, plans, and decision-making (Buckman et al., 2020). Additionally, the SEW promotes family continuity and survival through multiple generations (Groysberg & Bell, 2014; Kraus et al., 2019; Rovelli et al., 2022). Therefore, effective transitions and corporate survival demand SEW expertise (Martínez-Romero & Rojo-Ramírez, 2016). SEW can also evaluate family firms. It affects short-term financial gains and long-term family and emotional aspirations. This equilibrium impacts firm resilience and performance (Gómez-Mejía & Herrero, 2022). SEW may also aid family business governance. It combines financial goals, family values, and governance connections (Debicki et al., 2016). Therefore, SEW is recognised as a crucial framework for family firms to make strategic and policy decisions (Berrone et al., 2012).

Despite SEW's importance in family business governance (Berrone et al., 2012), the link to family-owned firms' financial performance is debatable. The limited

studies on family businesses that link SEW to firm financial performance yield inconclusive results and contradictory arguments. Some studies have related SEW dimensions to positive financial performance (Ballal & Bapat, 2020; Davila et al., 2022; Razzak & Jassem, 2019), suggesting that improving SEW dimensions may improve firm financial performance. Seema (2020) found no statistically significant link between SEW features and firm performance in mixed-family firms. SEW prioritised aspects may hinder a family firm's financial performance (Martinez-Romero et al., 2020; Ng et al., 2019). Naldi et al. (2013) found that family leadership improves financial performance for industrial district-based family businesses but damages stock market-listed ones. Their analysis emphasises the requirement for a solid fit between SEW goals and the firm's legal and informal limits to improve family enterprise success. Laffranchini et al. (2020) state that family-owned firms focus on SEW stakeholder support. SEW owners valued family stakeholders for short-term financial and socioemotional security. SEW preservation favours low-risk decline-stemming techniques that support financial resource providers and decrease losses that exceed benefits. Schepers et al. (2014) suggest excessive SEW preservation precludes the family firm's entrepreneurial orientation (EO) from transferring to positive performance. The findings showed that EO's favourable effect on financial performance declines with SEW preservation.

However, these previous studies on SEW and firm performance primarily relied on publicly listed firms (Basco, 2013; Duran & Ortiz, 2020), partly due to the difficulty of gathering financial data from private family firms (Martin & Gómez-Mejía, 2016). It is crucial to examine private family firms rather than publicly traded firms because the latter are closely monitored by relevant agencies and regulatory authorities, preventing family coalitions with a large stock holding in such firms from incorporating their family-centric objectives into managerial decision-making. As well, listed family businesses have robust governance. Studies suggest board independence, management incentives, and CEO-board chair separation promote company performance (Dalton et al., 1998).

Additionally, previous research has considered all family firms as a homogeneous group, ignoring their subsector-specific peculiarities, resulting in broad and generalised findings (e.g., Razzak & Jassem, 2019; Seema, 2020). Each family business industry is governed by its own national policies, laws, and tailored resources specifically geared to fulfil the demands of its respective industry's characteristics (Le Breton-Miller & Miller, 2015). This study proposes that sector uniqueness may affect the creation of SEW by family firms. Thus, superimposing these studies on sector development in diverse businesses may not be wise. Therefore,

conducting industry-specific studies on each sector's setting is crucial to understanding SEW's influence. This presents an opportunity for further research in unexplored areas. Furthermore, the SEW dimensions are complex and may affect family-owned financial performance depending on the family business's priorities, industry context, and cultural and institutional context in which the company operates (Berrone et al., 2022).

Limited studies, inconsistent results, and varied perspectives offer global opportunities to examine family firm performance in different contexts (Brigham & Payne, 2019; Martin & Gomez-Mejia, 2016; Martnez-Romero & Rojo-Ramirez, 2017). Razzak and Jassem (2019) further suggest that studies on SEW's influence on firm financial performance should examine the local characterisation of a family firm in each country, as national conceptions of family-owned enterprises vary. In addition, family business research should consider cultural and country-context differences, SEW composition, different definitions of family-owned firms (e.g. family ownership, management, involvement, and family control percentages), firm characteristics (e.g. firm size), management practises, and listing status (Ballal & Bapat, 2020; Basly, 2017; Howorth et al., 2010; Li & Zhu, 2015; Martinez-Romero et al., 2020; Miller et al., 2008). This study examined the influence of SEW on the financial performance of Tanzanian FoF-PFs, concentrating on single-family firms to fill gaps in prior studies.

In Tanzania, a family-owned firm is privately owned by a single family to support the family economy in both the present and future generations (Lubawa & Osabuohien, 2023; Lubawa, 2021). This definition suggests that one family controls and owns the firm (Barnes & Hershon, 1976). The roots of a family-owned enterprise can be traced back to the family. Section 3 of the Law of the Child Act (CAP. 13 RE 2019) defines "family" as the parental father, mother, children (whether related by blood or adoption), and other close relatives residing in the same household, including grandparents, uncles, aunties, cousins, nephews, and nieces. As a family, they tend to live in harmony, affection, and cooperation while engaging in social and economic activities, often behaving like siblings when their children attain independence. The family home remains a significant source of identity for children born into it, and families take pride in contributing to the success of their parents' enterprises. Families are more likely to collaborate and share business ideas due to their strong connections and frequent interactions (Ruef et al., 2003).

Tanzanian tribal culture promotes fraternity and community (Manyama, 2017). According to Hofstede's website, Tanzania is a united society with solid familial ties

(Hofstede et al., 2010). Despite modernisation's limitations, Tanzanian families give social services to urban and rural residents (Manyama, 2017). This study suggests that family hood develops a family-web and social capital that encourages familiness in family businesses (Pearson et al., 2008; Surangi, 2022). Due to the interdependence of the family, its members, and the business, a family firm has unique resources, collectively regarded as the family (Habbershon & Williams, 1999). Familiness improves business performance (Cano-Rubio et al., 2017; Rutherford et al., 2006; Zahra, 2003). Moreover, Barros et al. (2017) and Gómez-Mejía et al. (2007) claim that familiness influences SEW priorities. In family firms where 'familiness' is crucial, SEW could be a valuable predictor of a firm's financial performance success. Developed from family business research, SEW is a home theoretical idea. Clarifying the context is crucial for establishing idea validity (De Massis et al., 2012). According to this study, Tanzanian single-family-owned firms foster a sense of familiness (Lubawa, 2021), which boosts their success. Tanzania's attributes make it an appropriate study area.

In this study, families explain the advantageous effect of family involvement in the firm (Lubawa, 2021; Pearson et al., 2008). However, the main aim of this study was not to examine the influence of families on firm management practices. The present study has assessed the effects of SEW on the financial performance of family-owned firms that incorporate familiness as a fundamental aspect of their family-centric operations. This study views family-owned firms as heterogeneous and acknowledges that certain families can build families and help their firms, while others may be liabilities (Daspit et al., 2019; Habbershon et al., 2003).

In this research, SEW preservation and firm financial performance were examined using the Socioemotional Wealth Important Scale (SEWi) (Debicki et al., 2016; Debicki et al., 2017). The SEWi scale assesses SEW's importance, priorities, and theoretical features (Debicki et al., 2017; Prüggl, 2019; Seema, 2020). Debicki et al. (2016) define SEWs as non-financial benefits of owning a business, mainly related to family well-being and emotional needs. This study adopts the findings of Debicki et al. (2016) since family is vital in overall firm management. The survey exclusively includes such single-family-owned firms. Thus, the study involved single-family-owned firms that foster family involvement and hence familiness.

The article is structured as follows. Section two reviews the family firm definition, family involvement, SEW theory, SEW, and family performance literature and proposes study hypotheses. Section three covers the sample, methodology, and

variables. Section four contains our analysis and the results. In section five, the study's theoretical and practical implications are addressed.

Review of Literature and Conceptualisation

This section discusses essential concepts, the study's SEW theory, the empirical literature review, the conceptual framework, and the hypotheses formulated.

Family-owned Firm Defined

More than 80% of businesses worldwide are family-owned (Baltazar et al., 2023; Kayid et al., 2022), including retail stores, small and medium-sized enterprises, and multinational corporations like BMW, Ford, Walmart, Samsung, Toyota, Wal-Mart Stores, and Hyundai. Despite their historical importance (Browne et al., 2020; Spielmann et al., 2021) and global economic contribution (Jiang et al., 2020), family firms are defined differently across countries by cultural norms, historical trends, economic conditions, and sociological variables (Gwenzi, 2020; Rovelli et al., 2022;). Since 2007, a widely used definition by the European Commission (n.d.) requires founders or their immediate family to have decision-making powers, family governance, and a large share of listed firms' founders or heirs in decision-making. Other researchers define family firms as owned and controlled by a single family or its relations, assuming intergenerational continuity (Petlina, 2016). According to Astrachan and Shanker (2011), a family firm involves members making strategic decisions and honouring their efforts. According to this definition, a business is family-owned if at least one family member holds over 50% of voting shares and most top managerial roles. Chua et al. (1999) definition of a family firm is the most extensively utilised empirical research on closely held family firms or privately owned and controlled companies. This definition of a family-owned business states that the founders intend to pass on their vision to the next generation.

Essential Family Involvement and SEW

According to Zellweger and Astrachan (2008), family member's involvement in a family-owned firm is crucial in forming distinctive internal resources and promoting SEW values. In their study, Chrisman et al. (2012) used stakeholder and behavioural theories to show that family involvement is related to pursuing non-financial, family-oriented goals such as social status, family unity, and personal identity. Generational involvement, family leadership, and psychological well-being are critical factors enhancing SEW's intangible characteristics and family identity. Achieving these goals is contingent upon the family's commitment to the business (Berrone et al., 2012; Gomez-Mejia et al., 2007; Gomez-Mejia et al., 2011).

Various family roles in firm management and the lack of a universally accepted definition of a family business are the causes of the global variances in family involvement (Zellweger et al., 2010). In affluent economies, family businesses prosper due to efficient governance; in emerging nations, such as Tanzania, family values may prioritise brotherhood more than corporate governance (Lubawa, 2021). These two sets of circumstances contrast with one another. Empirical studies indicate that although family interaction can improve performance, its effects vary depending on the type and degree of participation (Chahal & Sharma, 2022; Howorth et al., 2010; Li & Zhu, 2015). According to a study, family participation generates SEW components, contributing to emotional commitment, family connection, and higher performance (Carmeli et al., 2007). Stewardship theory theorises that family involvement might increase business performance by prioritising collective goals. According to Berrone et al. (2012) and Gómez-Mejía et al. (2007), family engagement also affects a company's goals, governance, and resources. It emphasises social and emotional needs, non-economic aims, and preserving family values and legacy.

Hypothesis Development

The Socioemotional Wealth Theory (SEW-T), a 2007 paradigm for family businesses, underpins this study (Gómez-Mejía & Herrero, 2022; Yang et al., 2020; Zona et al., 2022;). According to Gómez-Mejía et al. (2007), SEW-T encompasses non-financial characteristics that fulfil family expectations, such as identity, influence, and dynasty continuation. SEW-T suggests family firms may prioritise non-financial rewards over financial ones (Gómez-Mejía et al., 2007). Gómez-Mejía et al. (2007) argue that SEW is vital for family firm development, impacting succession, managerial decision-making, and overall business performance and longevity. The theory highlights the influence of emotional and non-financial aspects on business behaviour and firm performance outcomes (Berrone et al., 2012; Gómez-Mejía, 2007; Gómez-Mejía et al., 2011). Family enterprises use SEW to achieve non-economic goals, including family pride, shared identity, and dynasty preservation (Berrone et al., 2010). Firm owners choose SEW protection over poor performance outcomes (Berrone et al., 2010; Gomez-Mejía et al., 2007). Thus, the SEW affects family business innovation, investment, internationalisation, acquisition, and performance (Fuad et al., 2021; Jain et al., 2022; Mariotti et al., 2020; Zhong et al., 2022; Zona et al., 2022).

The SEW importance (SEWi) scale, created by Debicki et al. (2016), is a significant metric in assessing SEW influences on family business studies. This study

utilised the SEWi scale to analyse hypotheses generated by the survey, focusing on Family Prominence (FP), Family Continuity (FC), and Family Enrichment (FE) as key SEW dimensions. These dimensions underscore the vital role of family involvement in the functioning of family-owned firms. Seema (2020) applied the SEWi scale to assess the impact of financial performance on Indian private family enterprises, revealing no significant association between various financial indicators and SEW dimensions (FC, FE, FP). Similarly, Kosmidou (2018) found no direct effect of internal SEW on privately held family firms' financial performance and innovation. The SEWi scale, employed in this study, gauges the relative importance of SEW rather than its actual presence in the assessed scenario, emphasising the priority and relevance of SEW-related matters in understanding how SEW influences the financial performance of FoF-PF (Prügl, 2019; Rosecká & Machek, 2023; Seema, 2020). Additionally, Davila et al. (2022) meta-analysis of 350 studies from 2007–2020 and 2,959,720 company-year data shows that SEW improves business performance.

Debicki et al. (2016) emphasise the family continuity (FC) dimension of Socioemotional Wealth (SEW), encouraging family togetherness, transgenerational sustainability, and business integration of family values. Family continuity (FC), which promotes emotional attachment, shared responsibility, commitment, and togetherness, improves stakeholder satisfaction and financial performance (Razzak & Jassem, 2019). In Africa, parents' efforts to connect the family through economic ties increase family respect (Agbim et al., 2022), highlighting the importance of family members in family firms. SEW-based family ownership improves emotional attachment to the family history, knowledge transfer, continuity intention, and family impact across generations. FC improves family peace, commercial performance, and stakeholder interactions, boosting community credibility. FC will enhance the firm's financial performance by encouraging long-term sustainability in financial planning, technology and innovation investment, and resource management (Debicki et al., 2017), stabilising financial performance and preserving family heritage and business health. Thus, the current study proposes the following hypothesis:

H₁: Family continuity as the dimension of SEW is positively related to firm financial performance in a single-family-owned firm.

According to Debicki et al. (2016), family prominence is the community's opinion of the family's importance, including reputation and social support. Family businesses give possibilities for progeny, preserve a family legacy, maintain familial

bonds, secure inheritance, and sustain communal values, especially in African civilisations where they protect the family's reputation. Community values trust and relationships, which affect culture, society, politics, and economics (Charema & Shizha, 2008). Society's undervaluation of a family-owned business threatens the family's credibility, emphasising the necessity of protecting the family's image, especially when the enterprise holds the family name. Protective measures have long-term benefits (Deephouse & Jaskiewicz, 2013). Family-owned businesses must prioritise social responsibility to maintain their reputation, improve community well-being, and build customer loyalty and trust, which improves financial performance (Micelotta & Raynard, 2011). African societies have historically prioritised the community (Charema & Shizha, 2008). Family company founders' devotion and the positive correlation between family prominence and firm performance emphasise family prominence's role in social status. Positive family images attract high-value stakeholders like consumers, investors, and business partners, which can boost financial success by strengthening relationships and brand trust. Therefore, this study proposes the following hypothesis:

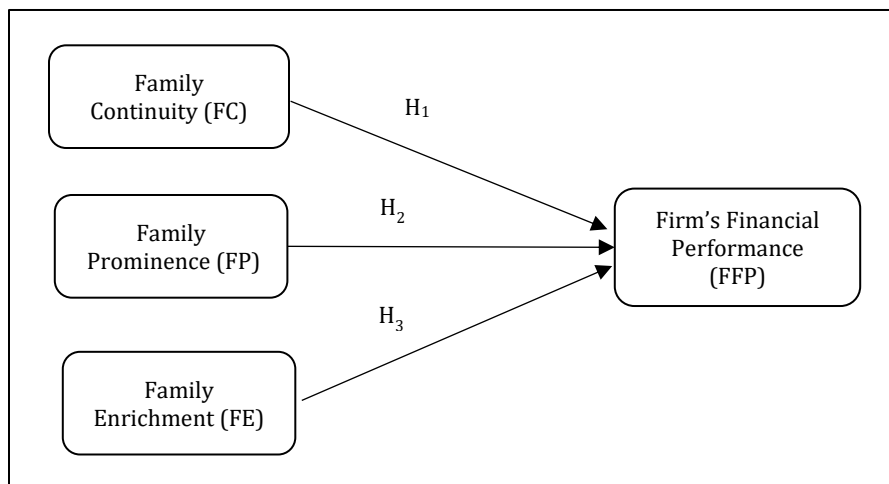
H₂: Family prominence as a dimension of SEW is positively related to firm financial performance in a single-family-owned firm.

Family enrichment is defined by Debicki et al. (2016) as putting the family's needs first and focusing on harmony and happiness. The study highlights the critical link between meeting immediate needs and family enrichment, and it recommends that family firms evolve by branching out into new markets to satisfy changing demands and guarantee family happiness. This study argues that family participation can improve firm performance by reducing the chance of business failure and ensuring family continuity, in contrast to the literature that suggests there may be possible harm to financial performance from family involvement in firms (Jin et al., 2021). The claim that happy families enhance general well-being and nurture motivation and dedication to the business emphasises the influence of family ownership and control on company behaviour and performance. According to this research, the ability to make decisions and solve problems within the family is greatly influenced by effective communication, which improves financial performance by fostering higher productivity, talent retention, and creativity. Consequently, the present study postulates that:

H₃: Family enrichment as the dimension of SEW is positively related to financial performance in a single-family-owned firm.

The present study lays down a conceptual framework (shown in Figure 1) to examine the effects of Socioemotional Wealth (SEW) components, such as Family Culture (FC), Family Enrichment (FE), and Familiness Practises (FP), on the Financial Performance of family-owned food processing businesses in Tanzania (FFP). Based on theoretical and empirical connections found in the literature study, the framework focuses on how the setting of the firm and family practices interact to form a family-owned business (Al-Dajani et al., 2023; Lubawa, 2021). Strong family cultures promote emotional fulfilment and attachment to the company among family members (Hofstede et al., 2010). These cultures consist of principles, norms, values, and beliefs. The study suggests identifying family-owned businesses in Tanzania that work together to manage the family firm to look into the effects of SEW factors on FFP. Tanzanian societal values—which strongly emphasise equality, solidarity, and a high living standard—help family-owned businesses create a cooperative and cohesive workplace by influencing daily operations, leadership dynamics, employee behaviour, decision-making processes, and the ability to adapt to changing conditions. This study proposes that Socioemotional Wealth and firm Financial Performance are fruits of cooperation and unity.

Figure 1: Conceptual Framework



Research Methodology

The research adopted a positivist paradigm as it entails empirical analysis and testing of hypotheses, which is supported by prior research (Hair et al., 2019; Saunders et al., 2019). Consequently, the primary data for this study was collected using a self-administered quantitative survey questionnaire (Rowley, 2014).

Similarly, prior research on family businesses has also utilised a positivistic paradigm to ensure the reliability of their findings (Martnez-Romero et al., 2020).

Tanzanian single-family FoF-PFs were surveyed. In Tanzania's manufacturing sector, FoF-PFs account for 39.0% of value-added output and 36.9% of the workforce, often held by single families (Lubawa, 2021; National Bureau of Statistics [NBS] & Ministry of Industry, Trade and Investment [MITI], 2016). This subsector accounts for 7.3% of Tanzania's GDP (Bank of Tanzania, 2017) and multiplies the economy, especially for rural farmers who sell agricultural goods to food processing firms (Osabuohien et al., 2019). Sustainable FoF-PFs with high-quality control and financial performance are essential for Tanzania's economic and agricultural transformation (Adeleye et al., 2020). FoF-PFs in Tanzania might take the country to the top of world production and boost agricultural product value, transforming the economy (Misati & Ngoka, 2021) and achieving sustainable development (Haraguchi et al., 2018; National Bureau of Statistics, 2018; Reardon et al., 2021).

The scope of this research was limited to family-owned businesses solely owned by one family, including the father (as the head of the household), mother, children, or other closely related family members (family-web). The purpose of these businesses is to support the family's present and future needs. An initial interview was conducted to identify suitable candidates, as the Tanzanian registration system does not record whether a company is family-owned or how many family members are involved in managing it. Therefore, only family-owned businesses with a minimum of 10 employees and family involvement in management were included in the study, based on the voluntary provision of ownership information. Non-eligible processing companies, such as multifamily firms controlled by multiple and unrelated families (Pieper et al., 2015), were excluded from the sample.

If the owner was deceased or otherwise unavailable, family members who held top management roles like managers or directors could answer the questionnaire. Since they had access to family information and were more involved in family problems, truthful responses from one family member were assumed to represent the entire family. Non-family directors, managers, and senior executives were excluded due to poor understanding. General socio-demographic data was collected from respondents. Previous research found that higher-ranking informants were more reliable (Razzak & Jassem, 2019; Seema, 2020).

Therefore, this study's population of Tanzania's 803 FoF-PFs was divided into geographical strata (Primary Sampling Units – PSUs), including Arusha, Mbeya,

Morogoro, and Dar es Salaam. A random sample was taken from each stratum, as many individually held food processing firms exist in these regions. This method simplifies creating strata in areas where many industries are concentrated in one location, reducing survey costs. Only single-family food processing establishments with ten or more full-time employees were considered to have a significant population. The sample size was calculated using Yamane's (1967) formula, $n = N / [1 + N(e)^2]$, where 'n' represents the sample size, 'N' represents the finite population of the study, and 'e' represents the acceptable sampling error. Given a 5% error margin and 95% confidence interval, the estimated sample size was $n = 803 / [1 + 803(0.05)^2] = 267$ FoF-PFs. Therefore, the hypotheses were tested using data from 267 food processing family firms in Tanzania.

The formula for probability proportional to size is $nr = \left(\frac{Nr}{N}\right) * n$, where nr = estimated sample size in PSU, (r), Nr = population of FoF-PFs stratum in Region(r), N = Total population of FoF-PFs in Tanzania mainland and n = Sample size of the study. Thus, the sample of FoF-PFs in each of the selected PSUs will be Dar es Salaam (119 firms), Morogoro (76 firms), Mbeya (42 firms), and Arusha (30 firms). Since each of the four PSUs was fairly (proportionally) represented, the sample size was representative.

The study identified FoF-PF with sample-specific features using simple random sampling. This methodology was selected for accuracy and neutrality, correctly matching samples to the intended demographic (Ghauri et al., 2020; Saunders et al., 2019). Municipal databases with government-validated firm licences were used in light of the difficulties in identifying the FoF-PFs. The licencing database is made more accessible by including critical details, including the FoF-PF's name, kind of food processing, location, and mobile contact information. Then, FoF-PFs that satisfied predefined standards were selected using a simple random sampling method throughout Primary Sampling Units. Using cost-effective tactics, including site visits (via discreet drop-off and pick-up) and questionnaire administration (Hair et al., 2019), this approach produced a sample size of 267 respondents from Dar es Salaam, Morogoro, Mbeya, and Arusha.

Survey Instrument

The primary participant in this study was the firm's owner and founder or Chief Executive Officer (CEO), and quantitative data were collected using a self-completion questionnaire. This selection was based on the belief that high-level informants are more reliable sources than low-level informants (Kosmidou, 2018;

Razzak & Jassem, 2019; Seema, 2020). Naldi et al. (2013) suggest that selecting a family member as CEO can effectively preserve SEW and improve financial performance. Validated family business measurements were used to create the survey instrument for comparison with previous research (Debicki et al., 2017; Kellermanns et al., 2012; Kosmidou, 2018). Primary data for the independent variables (SEW dimensions) was collected using the adopted standardised questionnaire on a five-point Likert scale (1 strongly disagree to 5 strongly agree). Debicki et al. (2016) and Kellermanns et al. (2012) created and validated the questionnaire.

In this study, Firm's financial performance (FFP) was the dependent variable. In family business research, FFP is often used as the dependent variable (Debicki et al., 2017; Martínez-Romero et al., 2020; Razzak & Jassem, 2019). As in earlier studies (Kosmidou, 2018; Razzak & Jassem, 2019; Seema, 2020), this study used subjective responses to quantify financial performance due to the difficulty of collecting objective data. Obtaining audited financial records from private family enterprises is challenging; consequently, the emotional approach is appropriate (Ling & Kellermanns, 2010; McKenny et al., 2012; Neff, 2011; Westhead & Howorth, 2006). The subjective measures use well-informed respondents like founders/owners to assess the firm. Moreover, the literature shows a relatively high level of agreement between subjective and objective measures of firm performance (Kelley et al., 2020; Richard et al., 2009; Vij & Bedi, 2016).

The Likert scale consisted of five points: one indicates much worse, two means worse, three represents about the same, four indicates better, and five represents much better. The scale was adopted by Kellermanns et al. (2012). However, the initial three-point Likert scale used by Kellermanns et al. (2012) replaced the initial five-point Likert scale for ease of measurement and consistency with other units of measure employed in this research. Therefore, the survey asked founders/owners to compare their company's growth in profitability, number of employees, sales revenue, and market share with those of their known competitors over the past three years. The questionnaire also included sections for collecting data on the respondents' backgrounds, family involvement and firm profiles. All respondents were asked the same questions in the same order, as the questions were prepared and planned to ensure that data was collected in a systematic and orderly manner, as recommended by Ghauri et al. (2020) and Hair et al. (2019).

To get reliable data from questionnaire-savvy responders, construct validity was done. The SEW dimensions and financial performance questions in this survey's questionnaire were validated by a thorough family business literature field (Debicki

et al., 2017; Kosmidou, 2018; Seema, 2020) nevertheless, Construct validity was done through a pilot study to ensure that the survey instrument is understandable to respondents and captures the needed data. Language and question sequence were carefully considered in the instrument. Because of this, Swahili was simplified for clarity (Rosendal, 2017). Every Tanzanian speaks Swahili, the native language; thus, the questions were written in English and translated into it so they could

Characteristics of Research Respondents

A 100% response rate was achieved with 267 participants who were either founders/owners of FoF-PFs or high-level family business assistants. The survey showed 78.3% of founders and owners and 21.7% of family member directors or managers who were not founders. Participants were mostly 36–45 years old (34.8%), 46–55 (30.3%), and over 56 years of age (25.5%). With only 9.4% of the sample, future-generation family firm managers aged 26–35 were the youngest. Participants were 67.8% male and 32.2% female. The average sample age was 48 years (\pm SD=9.5). Of the respondents, 45.3% had completed secondary school, 32.6% had university degrees, and 22.1% had just finished primary school.

Employee data was used to assess firm size. The results indicated that only three firms (1.1%) were categorised as small, while 264 (98.9%) were medium-sized. The sample includes firms with 10 to 78 employees, averaging 14 per firm over the past five years. As per Tanzania's Small and Medium Enterprise Development Policy (2003), small businesses have 4 to 49 employees, medium-sized businesses 50 to 99, and large-sized firms 100 or more (Ministry of Industry and Trade, 2003). Consequently, the FoFs meet the SME policy's medium-sized firm criteria.

In addition, 45% of respondents had worked for family-owned businesses for 5 to 10 years, while 55% had over a decade of experience. On average, the respondents had roughly 14 years of work experience (SD = 7.7). Individuals working for an extended period in a family firm can share life stories based on mutual experiences, values, and trust, which helps cognitively understand SEW aspects. Finally, multicollinearity concerns and data quality were tested. In addition, a reliability analysis was also performed to check the variables' internal consistency across time and items that measure the same concept or variable.

Results

Multiple linear regression was used for data analysis. STATA software was used for research model analysis and hypothesis testing.

Reliability and Correlation Analysis

Reliability analysis was conducted to evaluate the items' accuracy, precision, and internal consistency (Cooper & Schindler, 2008; Cronbach, 1951). Worley (2018) suggested Cronbach's alpha for subject-item interaction variance. The results of the reliability test are shown in Table 1. All four factors have Cronbach's alpha values exceeding 0.7, indicating they are sufficiently dependable. This result suggests that the scale is highly reliable and internally consistent, making it suitable for subsequent statistical analyses (Ghauri et al., 2020).

Table 1: Statistics on the Reliability of Extracted Components

Dimensions	No of Items	Cronbach's Alpha
Financial performance (FFP.)	8	0.8285
Family continuity (FC.)	5	0.7594
Family enrichment (FE.)	6	0.7846
Family prominence (FP.)	4	0.7960

Testing Assumptions

Completeness, accuracy, and errors were examined from field data. Serialised questionnaires were entered into STATA. After figuring out frequencies to identify missing values, a box plot found no outliers. Regression assumptions were tested using normality, linearity, multicollinearity, and link tests. Since all of the dots on the standard p-p plot were quite close to one another and fell along the diagonal, the findings did not find any issues with linearity or normality (Hair et al., 2014). Tolerance values greater than 0.1 and VIF values less than five are generally acceptable to assess multicollinearity. In this study, tests of collinearity assumption indicate that multicollinearity is not an issue (e.g. Family continuity, Tolerance = 0.975, VIF = 1.03; Family prominence, Tolerance = 0.978, VIF = 1.02; Family enrichment, Tolerance = 0.996, VIF = 1.0). Therefore, the independent variables (family continuity, family enrichment, and family prominence) are not significantly correlated, and the model's coefficients are stable and reliable (Table 2). Thus, there is no concern about multicollinearity.

Table 2: Multicollinearity

Variable	VIF	Tolerance (1/VIF)
Family continuity (FC.)	1.03	0.9755
Family prominence (FP.)	1.02	0.9780
Family enrichment (FE.)	1.0	0.9966
Mean VIF	1.02	

Since the F-test result is 14.652 and the probability (Prob > F) is 0.000, the model is statistically significant at the 1% level (Table 3). This test means that all the independent variables affect FFP. Thus, no explanatory variables predicted FoF-PF's financial performance, invalidating the hypothesis. Given that 267 respondents were taken from four geographic regions (PSUs) with varied FoF-PF counts, proportionate weights should be considered. Thus, a Linktest assessed the regression model's dependent-independent relationship (Appendix). In particular, it checks the model's functionality. In this case, the "hat" variable has a coefficient of 4.580, t -statistic = 2.860, p -value ($p > t$) = 0.065, and 95% confidence interval indicating that it has an estimated impact on the survey outcome. There are no issues with the specifications shown by the Linktest, suggesting that the regression model is not statistically significant. Therefore, regression assumptions were met, and the model is accurate for linear regression analysis.

Multiple Regression Analysis

The STATA multiple regression analysis analyses how three SEW theory-derived independent variables—Family Continuity [FC], Family Prominence [FP], and Family Enrichment [FE]—affect a dependent variable (the financial performance [FFP]) of family-owned food processing firms in Tanzania. The findings of the relationships between the independent variables (FC, FP, and FE) and the dependent variable (FFP) for the family-owned food processing firms in Tanzania are presented in Table 3.

Table 3: Regression Results

	β	St. Err.	t	p	95% Conf. Interval
FC	0.32	0.034	9.35	0.003	0.211 - 0.429
FP	0.231	0.039	5.99	0.009	0.108 - 0.353
FE	0.551	0.017	32.54	<0.001	0.498 - 0.605
Constant	2.354	0.037	63.97	<0.001	2.237 - 2.472
Mean dependent var		3.213		SD dependent var	0.583
R-squared		0.147		Number of obs	267
F-test		430.763		Prob > F	0.000

The full model explains 14.7% of the dependent variable's variance and is statistically significant. However, despite the low R-squared, the F-test yielded an F-statistic of 430.763, which was statistically significant with a p -value of 0.000. A minimum R-square of 0.1 (or 10%) is acceptable in social science empirical

modelling if the predictors or explanatory variables are statistically significant (Ozili, 2022). This observation indicates that the overall model exhibits a high significance level for statistical purposes. The low value of R-squared can be attributed to the study's limited scope, which only includes three independent variables derived from the SEWi scale measurement as the primary subject matter. Real-world variables often have complex relationships influenced by various factors. R-squared is often low since not all variation can be explained. The dependent variable, therefore, may be controlled to a greater extent by other factors (namely error terms) that are not the primary subject of analysis in this study (Ozili, 2022).

As per Table 3, H_1 was intended to predict the firm's financial performance based on the family continuity of FoF-PFs. The results show that Family Continuity has a positive and statistically significant relationship with firm Financial Performance (FFP) ($p < 0.001$). With this result, the regression model shows a positive relationship between family continuity practices and the firm's financial performance. This finding suggests that the stronger the influence of family continuity, the better the firm's economic performance. Therefore, H_1 is accepted.

Table 3 presents the findings about H_2 , which examines the predictive capacity of family prominence practices of founders/owners/managers of FoF-PFs concerning firms' financial performance. The statistical analysis revealed an exciting regression equation that established a relationship between family prominence and firm financial performance with a significance level of 1% ($p < 0.001$). This finding implies that the prominence of a family has a significant effect on financial performance. Therefore, the acceptance of H_2 is justified.

Table 3 also shows the result obtained for H_3 in predicting Firm Financial Performance (FFP) based on the Family Enrichment (FE) practices of FoF-PFs' founders. The significant regression equation was found in Family Enrichment (FE) and Firm Financial Performance (FFP) at the 1% level ($p < 0.001$). This result suggests that FE does have a significant effect on FFP. Therefore, H_3 is accepted. Family enrichment could enhance FFP, but this is not necessarily a guaranteed or universal outcome. Family enrichment and FFP are separate constructs that may be related but are not interchangeable.

Discussion

This research aimed to assess how the components of SEW (i.e., family prominence, continuity, and enrichment) influence the financial performance of

family settings in Tanzanian FoF-PF. The survey includes single-family-owned companies with family values. The study reveals that the influence of SEW on the financial performance of single-family-owned firms in firm-specific industries is overall positive. SEW preservation and its impact on decision-making will be pervasive in everyday operations in family-owned firms with single-family ownership. Family-owned businesses are built on relationships and managed by family. Blood relatives occupy all executive positions in the family-owned company, including the Chief Executive Officer (C.E.O.). According to Naldi et al. (2013), appointing a family member as CEO is one of the best strategies to preserve SEW and enhance financial success. While family firms have diverse definitions, sustaining family values and keeping the family tradition in business has improved financial performance through SEW aspects. Davila et al. (2022), Kosmidou (2018), and Debicki et al. (2017) have both supported this significant relationship in their studies.

The SEWi scale showed that Family Continuity, Family Prominence, and Family Enrichment enhance single-family-owned firms' financial performance. The first hypothesis predicts family continuity (FC) in single-family-owned firms enhances emotional attachment, shared responsibility, commitment, and family unity. It has been suggested that SEW improves stakeholder satisfaction and firm financial performance (Razzak & Jassem, 2019). This research has also established a positive significance between family continuity and financial performance in single-family-owned firms, where parents collaborate to bring the family together and establish a business, increasing family respect (Agbim et al., 2022). Family continuity may foster long-term thinking, resilience, corporate culture, and investor confidence in single-family-owned firms. All of these promote business longevity and success over time. While there may be different understandings of what constitutes a family firm, upholding family values and preserving SEW in the business context have been found to have a positive impact on financial performance.

Using the second hypothesis, the family prominence is linked to FoF-PF single-family-owned firm financial performance. Family prominence is how much family members regard the firm's prestige (Debicki et al., 2016; Debicki, 2012). This result was expected as the family retains family and community values to maintain its reputation with non-family stakeholders (including business partners, consumers, and community members) and family stakeholders. Keeping these stakeholders' ties helps firms get insights into proactive entrepreneurship (Vandekerckhove & Dentchev, 2005). While firms' and shareholders' reputations suffer, the market, family, and

prosperity deteriorate. Firms do better when they serve stakeholders (e.g. close relatives, workers, community, and society) because receivers often return the favour (Vishwanathan et al., 2020). However, preserving SEW in single-owned family enterprises, especially the need to control, may lead family members to operate in the ruling family's interests rather than the stakeholders'; hence, the family's prominent effect must be considered cautiously. Single-family-owned firms have the monopoly on owning the company and avoiding professionalisation (Marett et al., 2020), so they avoid managerial incentives like stock options that dilute ownership, reducing threats to family control and firm identification (Mullins, 2018).

It was also discovered that the third dimension of SEW, family enrichment, significantly affects the financial performance of single-family-owned firms. This study posited that family enrichment can enhance the financial performance of such a firm. This result suggests that business owners desire to fulfil their obligations to employed family members and exhibit altruism towards their families. Valued and satisfied family members work harder for the family business's success. This sensation of investment in a company increases productivity and innovation. This commitment may, in turn, support the firm's overall performance (Razzak & Jassem, 2019).

Additionally, the success of a family business is positively correlated with happiness and harmony within the family and overall well-being. Family harmony increases the likelihood of family business longevity. Maintaining firm processes and decision-making may enhance financial performance. Family enrichment may also make a family firm more trustworthy and authentic to stakeholders. Stronger relationships, sales, and reputation can boost performance. Family enrichment may help family enterprises survive economic downturns. In tough times, their dedication to the family may increase employment stability. Finally, customers and stakeholders may trust a family-owned firm prioritising family enrichment. Thus, it can boost relationships, loyalty, and reputation, increasing profitability. Kosmidou (2018) endorses this affair. Jaskiewicz et al. (2013) claim family firms deepen social bonds and knowledge. While financial stability provides essential protection, family harmony enhances the quality of life (Jones et al., 2008).

While family enrichment may promote financial interaction and cooperation, many other elements might affect a family's prosperity. These may include economic conditions, employment status, education and skills, and access to resources and support. Thus, family enrichment may not always enhance a business's financial

performance. However, family enrichment can improve relationships, communication, and well-being.

Conclusion

Using the SEWi scale measurement proposed by Debicki et al. (2016) and Debicki et al. (2016), a sample of 267 single-family-owned food processing firms was collected, allowing the SEW three dimensions of Family Continuity, Family Prominence, and Family Enrichment to be studied. SEW dimensions generally influence family-owned firms' financial performance in single-family-owned firms in firm-specific industries. As hypothesised, FC ensures long-term stability and sustainability, FP enhances the firm's reputation and relationships, and FE fosters a productive and innovative work environment. By balancing these dimensions, therefore, single-family-owned firms can promote the family's well-being while positively influencing their financial performance.

The findings suggest SEW applies to single-family-owned firms in emerging economies, where most firms are non-listed and disregard professionalism. The firm's founder or close family maintains significant positions regardless of their professional qualifications or experience. Family firms are kinship-based. Contrary to the results of Seema (2020), who used a mixed sample of private family firms that are operated in a variety of industrial sectors in India and obtained results that SEW dimensions (FC, FE, and FP) statistically showed no significant association between SEW dimensions and firms' performance. This study's findings reveal the significance of considering the firm's specific sector when selecting samples.

This research has made a substantial theoretical contribution by improving the understanding of how the SEW theory might explain the financial performance of individually-owned family firms. In the past, studies have mainly concentrated on big, publicly traded companies in industrialised countries. By offering empirical insights into the effect of SEW dimensions—specifically, Family Continuity (FC), Family Enrichment (FE), and Family Prominence (FP)—in the context of Tanzanian company operations, the current study adds to the body of previous work. This study adds to the body of the theoretical landscape by examining the SEW theory's applicability in a unique socioeconomic context.

This study provides policymakers and owners of family-owned enterprises with vital insights by addressing the significance of socioeconomic wealth (SEW) dimensions in enhancing financial performance. It promotes the incorporation of

strategies by policymakers and owners to maintain and preserve SEW values, ultimately influencing the companies' financial performance. The study highlights the significance of regular family meals in promoting family cohesion and mental growth, as well as serving as a forum for productive dialogues and novel concepts that have the potential to effect positive change within firms. Furthermore, the research advises that family-owned businesses maintain a harmonious equilibrium between their value to the family and their broader influence on the community to achieve long-term success. Investing in corporate social responsibility programmes that raise awareness of family visibility is one way to do this.

Suggestions for Future Research

The study only examines 267 single-family-owned food processors. The study's findings are limited to single-family-owned firms and did not address how family firm culture affects SEW dimensions and financial performance. Larger samples from varied geographic areas, family firm cultures, and national cultures should be examined for more complete and informative results.

Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and publication of this article.

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Appendix: Linktest for Linear Multiple Regression for Survey Design

(Running regress on estimation sample)

Survey:	Linear regression:
Number of strata = 1	Number of obs = 267
Number of PSUs = 4	Population size = 803
	Design df = 3
	F (2, 2) = 499.15
	Prob > F = 0.0020
	R-squared = 0.1524

Linearised

FFP1	Coef.	Std. Err.	t	p > t	[95% Conf. Interval]
_hat	4.580	1.603	2.860	.065	-0.522 – 9.681
_hatsq	-0.572	0.260	2.210	.115	-1.398 – 0.254
_cons	-5.563	2.449	-2.270	0.108	-13.357 – 2.232