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REVIEW OF THE DOCTORAL DISSERTATION

entitled: ***The Factors Influencing the Performance of Family Businesses in Germany - Empirical Survey,***
written by MA. Daniel Böhlich

The basis of this review is the resolution of the Economics and Finance Discipline Council of the University of Gdańsk of March 30, 2023. entrusting me with the duties of a reviewer and a member of the doctoral committee in the procedure of awarding the doctoral degree to MA. Daniel Böhlich. The purpose of the review is to answer whether the dissertation submitted for review meets the criteria set out in Article 187 of the Act of July 20, 2018, Law on Higher Education and Science (Journal of Laws 2018, item 1668, as amended), and in particular whether:

- 1) the dissertation presents the candidate's general theoretical knowledge in the field of economics and finance and the ability to independently conduct scientific research,
- 2) the subject of the dissertation is an original solution to a scientific problem or an original application of own research results.

A manuscript of 279 pages has been submitted to me for review, consisting of an introduction, five chapters, conclusions, a list of references, lists of diagrams and tables, and appendices. The dissertation has been prepared in English under the scientific supervision of dr. hab. Ewelina Sokołowska, prof. UG. I have assessed the submitted dissertation according to the following agenda:

- A. General evaluation of the topic undertaken and its importance for scientific knowledge
- B. Assessment of the layout, structure, and contents of the dissertation
- C. Analysis of the designed research process and the scientific methods used
- D. Other comments on the contents of the dissertation,
- E. Concluding sentence.



A. General assessment of the topic undertaken and its importance for scientific knowledge

The functioning of economic entities divided into different sectors (industries) is one of the main and oldest research fields undertaken within the framework of business economics. Searching for reasons for differences in activities undertaken by enterprises classified in this way and describing the effects of these activities is also very important from the point of view of economic practice. It enables the exchange of good practices in a very diverse environment of entrepreneurs. It is worth mentioning that the subject undertaken concerns (as the author rightly pointed out) still a poorly recognized sector of small and medium-sized family firms.

In the introduction to the dissertation, the author formulated two research questions: (i) What is the relationship between family and non-family ownership in a business, its goal setting and selection of key performance indicators, and the financial business success? (ii) What is the relationship between family and non-family ownership in a business, its goal setting and selection of key performance indicators, and the non-financial business success? Then he disaggregated the research problem into three specific objectives: (i) Presentation of the research field of the family business by outlining the results of previous research and current research threads in this area. (ii) Gaining further insight into the specifics of strategic management of an enterprise with varying degrees of family influence through the analysis of the components of goal setting and the selection of key success factors (KPIs). (iii) Presentation and critique of existing findings by analyzing the relationship between goal setting and KPI selection and organizational performance. My doubts in this regard are raised by the content of the research questions and their lack of connection with the set goals. I don't know what the author meant by "business success". Throughout the dissertation, I find no measure of this success. I do not find any research related to the measurement of this success, which would prove that family businesses are so successful. I assess the goals of the thesis much higher. They show that the author correctly understands the research triad: literature review - empirical research - conclusions.

However, the objectives of the dissertation formulated quite precisely and adequately to the content of the dissertation, reveal another important aspect of the undertaken research issues. The field of research is to be mainly the relationship between the setting of goals and the selection of KPIs and the family nature of the firm. The research area formulated in this way belongs to the domain of management and quality sciences, it concerns the discipline of economics and finance to a lesser extent. What is more, the author himself emphasizes this



feature of his research using the term "specificity of strategic management" in the second goal of his research. The features of the work, which connect its content to the discipline of economics and finance, are (i) the research thread concerning the financial goals of family enterprises and (ii) the applied statistical methods based on a well-chosen and numerous research sample. Therefore, the dissertation is interdisciplinary, which on the one hand emphasizes its value. On the other hand, it makes it difficult to its unequivocal assessment. I will come back to this topic in the final sentence of the review.

B. Assessment of the layout, structure, and contents of the dissertation

The structure of the thesis and the distribution of content is definitely the weakest feature of the reviewed material. The thesis has been divided into five chapters with a very different number of pages (8-72 pages). In addition, in the second chapter, no subchapters were marked, while in the fifth chapter, as many as 8. Inside some subchapters, there are additional subheadings, probably intended to make the work more orderly, and as a result, introduce even more chaos in the course of thinking. These subheadings are not reflected in the table of contents, and their designations in the text do not allow for determining their hierarchy.

An introduction precedes the actual content of the dissertation. The justification of the significance of the research problem undertaken by the author was based on a review of the research of his predecessors. Thanks to this, he has indicated the existing research gap, the boundaries of which he has outlined with the previously mentioned questions and research goals. Then, he has presented the structure of the work, indicating the chapters in which he operationalizes the research goals by formulating hypotheses and thoroughly describing the material and research methods. Thus, the introduction structure contains all the required parts and does not raise any major objections.

Chapters 1 – 3 include the literature review. A total of 90 pages, which is half of the dissertation's contents. Despite the shortcomings in the proportional division of the analyzed knowledge, I believe that it contains all the important issues related to the specificity of family firms and its impact on the selection of goals and measures of activities in both the financial and non-financial areas. Importantly, the author demonstrated that he is capable of critical analysis of the literature by supplementing the cited studies with adequate comments and addressing them in the right way to the goal of the dissertation.

Chapter 4 provides preparation for empirical research. In the first subchapters, the author operationalizes the research by formulating research hypotheses. There is a lot of repetition in this content from the previous literature review. As I understand it, the author

wanted to precisely justify the hypotheses, but it was enough to cite the place of the previously conducted literature analysis, and embed the hypotheses in the conclusions drawn from them. Repetitions from earlier chapters are accompanied by a large number of formulated hypotheses. The lack of their positioning or any graphic order showing the hierarchy and relationships causes the reader to miss the connection between the hypotheses and the purpose of the thesis.

In my opinion, Chapter 5 is the most disorganized in terms of content. First, in section 5.1, the author describes the research sample in terms of the reliability of the collected data and their representativeness. He also analyzes its internal factors using specific variables. But, the sources of data and the applied mathematical tests are explained in later chapters (5.2., 5.3. and 5.4.). This causes a certain cognitive discomfort in the reader and the need to return to the previous chapter several times, which is completely incomprehensible on the first reading. The weak link between the presented research material and the questionnaire attached to the survey is also a shortcoming of the content of the dissertation. The author never refers to the questions formulated in it, what they contain, why they were formulated in such a way, and for what purpose. This the reader must guess for himself, taking into account the considerations of the earlier chapters (mainly the fourth one).

Section 5.5. contains a presentation of the research results and it is the most valuable and well-prepared material in chapter 5. The next subchapter 5.6. intended to contain a critical analysis (discussion) of the results obtained, it is a sort of extended summary of the conducted research. Very rarely, the author refers to other research, confronting his results with existing knowledge. Subchapters 5.7 and 5.8 contain the correct conclusions from the conducted study for business practice and indicate significant limitations of this study. However, they are more suitable for the content of the conclusion of the thesis than for the elements of a chapter devoted strictly to empirical research.

C. Analysis of the designed research process and the scientific methods used

Taking into account and correcting the shortcomings in the order of content in chapters 4 and 5, shown in the previous section of the review, it should be assessed that the author has coped with the adopted research process at a high level. Based on the literature review, he has identified a research gap, pointing out that the previous research does not provide a clear answer on the impact of the family nature of the enterprise on the adopted goals, KPIs, and attitude towards their implementation. What previous research indicates, focusing on long-term activity with a predominance of non-financial goals related to the



socio-economic wealth (SEW) of the family is a result of this specific nature of enterprises. Then, based on three basic theories explaining decision-making in an enterprise (agency, stewardship, and resource theories), he has proposed a model of components perceiving the functioning of an enterprise based on: financial (i) and non-financial (ii) KPIs, (iii) organizational goals, (iv) external corporate image and its behavioral framework (v). This model has been organized using the concept of a balanced scorecard (BSC).

Based on the proposed model and research by other authors, two main hypotheses were formulated: (i) Family businesses have a superior financial performance compared to non-family businesses, (ii) Family businesses have a superior non-financial performance based on compared to non-family businesses. For each of these hypotheses, 5 detailed hypotheses were formulated, taking into account the indirect (mediational) impact of previously defined components on the financial and non-financial plans of the company's activities.

In this regard, I would like to draw attention to the way of formulating hypotheses. In all of them, the author used the English formula "performance", which literally translates into Polish as "achievements/results". This is how I firstly translated the formulated hypotheses in the Polish version of the review. If such a translation is accepted, then all the hypotheses (including the detailed ones) remain unexamined, because the empirical study concerned the attitudes/opinions of family business managers towards the formulated financial and non-financial goals. It made no mention of measuring the actual performance of companies. The expression "performance" is sometimes also translated as "action" and then the content of the hypotheses seems to be more relevant to the conducted research and it can then be assumed that the verification results provided by the Author are correct.

To verify individual hypotheses, a questionnaire was conducted, which was correctly completed by 298 respondents. The research sample, although chosen intentionally (not randomly), corresponds to the structure of the general population. The credibility of the obtained research material and the structure of internal hidden factors were checked by the author with appropriate statistical tests (Cronbach's alpha and EFA factor analysis).

The first stage of the empirical study consisted in comparing the arithmetic means of the statistical description of answers to survey questions of managers of family and non-family enterprises. For this purpose, the author used the T-test from independent trials. He conducted these tests for all variables in five assumed decision-making components. Statistically significant differences were detected for most variables, which means that the answers given by managers of family enterprises differ significantly from the answers of



managers of other enterprises. Because the arithmetic mean of the answers of the former was higher in most cases, the author correctly concluded that both main hypotheses were verified. This means that the attitude of managers of family enterprises towards achieving financial and non-financial goals is significantly greater than that of managers of non-family enterprises.

In the second stage, the author has checked whether the choices of entrepreneurs are indirectly influenced by factors related to individual components of decision-making. For this purpose, he has used the non-parametric mediation analysis method by Preacher and Hayes supplemented with path analysis. The latter includes properly justified control variables (enterprise age, number of employees, and turnover). The results of this stage of research turned out to be ambiguous and did not give the author grounds to verify all the detailed hypotheses.

I highly assess the research methods adopted in both stages. While in the first stage, the author used a fairly common test, in the second stage he used a sophisticated statistical method, rarely used in economic research. The results of both stages are clearly and concisely summarized in Table 5-22 on page 157. I consider the content of the table to be a significant contribution of the study to the existing state of knowledge on the functioning of family enterprises.

D. Other comments on the contents of the dissertation,

The text of the dissertation is prepared relatively carefully, although the changing alignment of the text and the use of additional subheadings in the content of subsections does not look professional. There are slight errors in the construction of the footnotes used. The dissertation is poor in graphic elements, which would definitely make it more accessible to the reader. Some of the drawings are poorly marked – it has to be guessed what quantities are presented in them (example: Figures 5 - 7). There is also an inconsistency between the objectives of the thesis described in the abstract and the introduction. The literature used is up-to-date and numerous enough for advanced scientific works.

E. Concluding sentence

Taking into account the opinions expressed above, I believe that MA Daniel Böhlich demonstrated high knowledge in the field of the functioning of family firms and the theory of decision-making. The thesis is also an original solution to a scientific problem. Thus, most legal and substantive requirements for doctoral dissertations have been met.



The field of research concerning setting and achieving the financial goals of enterprises, as well as the research methods used, combine the subject of the dissertation with the discipline of economics and finance. However, taking into account that the core of the literature review and empirical research is based on issues that are the domain of management and quality sciences, I believe that the Economics and Finance Discipline Council should consider transferring the procedure for the Ph.D. degree to the Management and Quality Sciences Discipline Council of the University of Gdańsk or at least appoint an additional reviewer in this discipline.

Reviewer



Jacek Jaworski