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Review of the Ph. D. thesis prepared by Daniel Böhlich titled:
„THE FACTORS INFLUENCING THE PERFORMANCE OF FAMILY BUSINESSES IN GERMANY - EMPIRICAL SURVEY"
Under the scientific supervision of dr hab. E. Sokołowska, prof. UG
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Evaluation of the Ph. D. subject and its justification

The subject of the Ph. D. thesis is the firm performance of family firms. The subject refers both to financial and non-financial aspects of the goal-setting process in family firms. The Author focuses on the priorities (financial and non-financial) of the company running. And these priorities are grounded in: the role of external and internal stakeholders, the process of goal setting, the external perception of the company, and the choice of key financial and non-financial indicators.

The research problem is significant as many companies in many economies are run as family businesses. The prevalence of family firms is followed by a big number of research on the family firms phenomenon, their functioning, and their performance.

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The research problem is significant due to its theoretical and practical implications. Existing research is not consistent with their conclusions on the relationship between firm performance in family firms (when compared to non-family firms). However, conducting research on these relations would lead the Author to one side (there is a positive relation between company status – family firm – and firm performance) or another side (there is a negative relation between company status – family firm – and firm performance). This might mean duplication of existing research and not providing valuable results. It seems that now more important direction of research is to attempt to unveil the reasons for the inconsistency in family firms' firm performance research findings – what the Author is doing with his research. When trying to explain the inconsistency in existing research findings, the Author sets in the center of his research conditions of the company managing process, goals, and priorities setting process. This attitude proves that the Author is aware of current scientific achievements in family firms and firm performance relations. This attitude proves also that the research problem is timely relevant. The research problem is also original – in terms of analyzed theoretical aspects, collected empirical materials, and implemented research methods.

Evaluation of the research goals and hypotheses

The main research aim is to assess the impact of the factors connected with the managing process on the priorities of the financial and non-financial goals of family and non-family firms.

When formulating the research hypotheses the Author assumed that non-financial goals are more important for family firms (when compared to non-family firms). There are two research hypotheses that were later decomposed by including the factors describing the conditions (as mediators) of company management. These factors are as followed: the role of external and internal stakeholders, the process of goals setting, the external company's perception, and the set of key financial and non-financial ratios.

The procedure of hypotheses formulation is appropriate – the hypotheses were formulated after a systematic and critical literature review. The hypotheses were also supported by existing research. The hypotheses were formulated in a way that they are possible to verify. However, the wording of the hypotheses suggests that the Author tries to use financial and non-financial data to verify them (family firms have superior financial/non-financial performance when compared to non-family firms). While the Author aims to investigate the priorities of the respondents - company management teams (financial and non-financial).

Evaluation of the structure and content of the Ph. D. thesis

The Ph.D. thesis dissertation consists of an introduction, five chapters, and summary, a reference list, an index of figures, and tables. The survey questionnaire was attached to the dissertation.

The introduction section includes a description of the main concept of the research: justification for the research subject, the main aim of the research, areas of research, research hypotheses, and the structure of the dissertation. The first chapter (contained on 8 pages) focuses on the description of the basic issues: the definition of family firms and the specificity of family firms when compared to non-family firms. The second chapter (contained on 22 pages) covers the review of existing research on the relationship between the status of the company (family or non-family) and firm performance. The third chapter (contained on 50 pages) refers to the issues of management process and conditions of the management process: socioemotional wealth (SEW), agency theory, stewardship theory, and resource-based view, especially in family firms. The Author conducts an analysis of the priorities (financial and non-financial) setting process with conditions and stakeholders (internal and external) taken into account. The Author analyses Balanced Scorecard as a tool useful in identifying key financial and non-financial indicators from internal and external perspectives. The fourth chapter (contained on 10 pages) provides a description of the methodology: hypotheses formulation and their justification. The fifth chapter (contained on 72 pages) includes a description of the research plan, collected data, the process of data processing, and obtained findings. The summary covers the research conclusions.

The structure of the Ph.D. thesis is logical and the work is completed. The content of the Ph.D. thesis is contained on 173 pages. The content is consistent with the subject of the research and the aims of the research. However, the volume of each chapter is uneven – e.g. the first chapter might be joined with the second chapter as the content is similar.

Evaluation of sources of information and data

The Author based his research on more than 700 literature sources, including monographs and research papers in scientific journals. The literature is in foreign languages (English and German) and refers to family firms in different countries, e.g. Indonesia, Spain, Canada, and Poland. The literature used in the research is current and strictly connected with the research subject.

The Author collected empirical data using a survey questionnaire. The survey was conducted among small and medium family and non-family firms from Germany. It is worth noting that the Author collected the empirical data from more than 200 companies with the sample representativeness taken into account. The description of the sample collection is sufficient. The collected empirical data allows developing the database that is useful to verify the hypotheses and draw conclusions.

The sources used in the theoretical and empirical parts are diversified and current. The choice of sources is adequate to conduct the research.

Evaluation of research methods

In the theoretical part, the Author implemented the method of the literature critical analysis on the research subject: the concept and role of family firms, the specificity of their running, firm performance, the decision-making process, and the determinants of this process. This allows the Author to systematic ordering and grouping of the analyzed issues grounded in the existing theories and research.

The Author implemented research methods specific to each step of the research. The data on the financial and non-financial priorities of family and family firms were collected with the use of a survey questionnaire. At this step with the use of a survey questionnaire, the data on the decision-making process's circumstances (internal and external) were also collected. In the next step, the Author implemented exploratory factor analysis in order to identify the set of the main significant factors for the research. The next step is building the model relations between the status of the company and financial and non-financial priorities with the confirmatory factor analysis method. The Author checked also the fitness of the model. Additionally, the Author conducted an analysis of the relations with mediating factors (the specificity of the decision-making process and its circumstances) with structural equation models (SEM).

The selection of the research methods and the scope of the data collected supports the achievement of the research goals and the verification of the hypotheses. The Author carefully chose the methods of empirical data processing. The Author widely (maybe even too widely) described the implemented methods. Additionally, the description of the research plan is not precise – the selection of the companies for the research sample is included both in points no 1 and 2 of the fifth chapter.

The Author implemented different methods of qualitative and quantitative data and findings presentation in empirical research – tables and figures. The data and findings were presented in a clear and meaningful way.

It is worth noting that the Author brought his own contribution to a big extent in the theoretical and empirical research. The Author collected, ordered, and grouped the data on his own. Additionally, the Author chose the research methods of data processing on his own, conducted the methods, and presented the findings. What is more, when presenting the results, the Author discusses them with existing findings of previous research.

Evaluation of formal aspects of Ph. D. thesis

The Ph.D. dissertation contains 282 pages, including 173 pages of the main part and 94 pages of the list of references. The volume of the dissertation is appropriate. In the Ph.D. dissertation, the Author used 26 tables and 15 figures. Tables and figures broaden the ways of presenting the content.

The Author presents the subject and the research in a clear way. The Author uses language appropriate to the Ph.D. level. The dissertation contains vocabulary and terminology within the economics and finance discipline. The Author knows how to write scientific papers.

The Ph.D. dissertation is prepared carefully without big mistakes in text editing. However, there are minor spelling and grammar mistakes. But these mistakes do not affect the substance of the dissertation.

The general evaluation of the Ph. D. thesis, its advantages and discussion

There is much research on family firms but this one is original and reflects the current view on the inconsistency in firm performance of family firms when compared to no-family firms. The dissertation attempts to explain the reasons for the inconsistency in firm performance of family firms. The Author seeks the reasons among the specificity of family firms, the priorities in company management, the decision-making process, and its circumstances. The scope of research, quality and quantity of the collected data, applied statistical methods and obtained results constitute o good quality Ph.D. dissertation. Summing up, the Ph.D. dissertation deserves a positive evaluation. It is a work that might be a starting point for future research, e.g. to compare how respondents' declarations on the priorities in company management are reflected in actual firm performance.

The advantages of the Ph.D. dissertation are as follows:

- accurately identified the research problem and the scope of research,
- originality of the research subject and correctly formulated research aims,
- the long list of references,
- the big number of data collected,

- empirical data properly ordered and clearly presented,
- advanced statistical methods adequately implemented,
- findings clearly presented,
- results and conclusions properly formulated.

However, there are some disadvantages of the dissertation:

- not sufficiently precise hypotheses formulated,
- not sufficiently precise description of the research plan,
- not evenly distributed the content among the chapters.

These shortcomings are easy to be eliminated and do not diminish the value of the Ph.D. dissertation. These shortcomings give a good ground for future research and attempt to find answers to several new research questions, e.g.:

- what is the role of cultural factors in the management process and priorities setting (factors and dimensions of Hofstede attitude)?
- what are the possible connections between declared priorities in company management and actual financial and non-financial firm performance?

I believe that Mr. Daniel Böhlich represents an adequate level of theoretical knowledge and methodological skills in the research area. The Author proves that he is capable to conduct research. I believe that from theoretical and methodological points of view, the research is properly completed: research aims are achieved and hypotheses are verified.

Final conclusion

Taking into account all the above remarks, I declare that the Ph.D. dissertation by Daniel Böhlich titled „The Factors Influencing The Performance Of Family Businesses In Germany - Empirical Survey" meets all formal and customary requirements for the doctoral dissertations and I am applying for admission of Mr. Daniel Böhlich to the next stages of the Ph.D. procedure.

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