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An insight into Family Business and Entrepreneurship in Jordan

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Abstract

Entrepreneurial activities encourage growth and development in Jordan while boosting the economy. Rationalization process in large organizations and inability of informal sector in creating new jobs have contributed to the rapid expansion of family businesses in Jordan, and yet, in examining the country's socio-economic progress, the input of these businesses has not been adequately examined. Family businesses have been facing challenges, and many have failed. This study thus explored the challenges faced by family businesses and by small and medium enterprises operating in Jordan. A conceptual framework was proposed. This study used secondary data from books, articles, reports, and electronic media. Entrepreneurial and family business experts were the units of observation. Market situations, policy and regulation of government, and infrastructure were the challenges faced by family businesses. Family-business relationships, compositions of management and governance, cash flow and cost control, succession, planning, in addition to skilled labor, also posed challenges to these businesses. Potential future research areas were discussed.

Keywords: Family business, SMEs, Entrepreneurship, Succession, Jordan.

1. Introduction

The previous twenty years have seen an increased interest towards family businesses, as evidenced by the various studies covering this subject, for instance, Anderson and Reeb (2003) and Chen et al. (2010). Throughout most economies, it is indeed common to see firms being owned by families and corporate control being monopolized by some very wealthy families (Morck et al., 2005). At the start of the economic development of any country, family businesses usually would dominate and they were viewed as important, and in most developing countries, family businesses remain significant in their contribution to the country's overall economy, playing a highly significant role (Bhattacharya & Ravikumar, 2001). Rexhepi (2015) reported that family firms are actually the most common and the oldest type of business firms, and this type of firms make up over 70% of the overall business activity.

In regions including the Middle East, Africa, Latin America, Western Europe, and South East Asia, Nordqvist and Melin (2010) reported that publicly-traded firms are mostly family owned. In their study in developing countries, Saidat et al. (2019) concluded significant

contribution of family firms in providing employment, decreasing poverty and supporting economic growth. Somehow, Byrd and Megginson (2013) found that just 30% of family owned businesses (SMEs or large corporations) would persist into the second generation of family members, 12% into the third generation, while just 3% would continue into the fourth generation onwards.

As opposed to family-owned businesses in Western nations, those in MENA region appear to be more complex, particularly with regards to the volume of business and the size of the involved family members. Specifically, in MENA region, the average number of involved family members in family-owned businesses is almost double the size of those operating in the US and UK. This demonstrates a discernible development with respect to the size of family firms participating in the sectors of business. Within the context of Jordan, family businesses are a major contributor to the economy of the kingdom.

Realizing the value of family businesses, the government of Jordan has been encouraging the increase of entrepreneurial activities of family businesses as one of the ways to revive the economy of the country and stimulate growth and development. Hence, this work becomes a significant addition to the extant literature as it covers the Middle East region, particularly the Kingdom of Jordan. In fact, most family business researches were focusing on the USA and the Europe region, as can be referred in Bird et al. (2002) and Gupta et al. (2008). As mentioned by De Massis et al. (2018), the division of family business studies are as follows: 27% were covering Asia, Australia, Latin America and Africa, 28% were covering Europe and 45% were covering the US. In other words, most studies on family business were taking place in the USA, making such studies in other regions, the Middle East especially, very crucial. Also, in developing countries, family businesses make up most economic activities in the country (Heck & Mishra, 2008; Rosa & Caulkins, 2013).

2. LITERATURE REVIEW

2.1 Family Businesses as Economic Phenomenon

Globally, family companies have been leading the business domain (Faccio & Lang, 2002), and as reported in PWC (2012), roughly 85% family companies were launched from family funds. Meanwhile, the European Family Businesses (2012) reported that globally, family firms take up between 70% and 90% of the entire sectors of business, and provide about 50% to 80% of occupations to the people in the majority of countries. Furthermore, on a yearly basis, family companies contributed to between 70% and 90% of GDP globally. A great fraction of all firms operating in the USA were actually family firms representing roughly 18% of the Standard and Poor (S&P) 500 index companies (Anderson & Reeb, 2003). In their study involving 27 countries, La Porta et al. (1999) found that 53% of publicly listed firms were family controlled and they were worth $500 million on total market capitalisation. In their examination of Europe's listed firms, Faccio and Lang (2002) reported that 44% were family controlled, while in East Asia, Claessens et al. (2000) found that roughly 66% of companies were family owned, or privately owned.

A survey by Ernst & Young in 2014 on family businesses in the Middle East found that this form of business is among the most typical types of business structures. In this region, such business significantly contributes to the country's creation of employment, wealth and welfare. In fact, family business in the Middle East which accounts to 90% of all businesses in the region, provides 70% of the total employment in the region (Ernst & Young, 2014). Additionally, 80% of the GDP in the region is contributed by family business (Ernst & Young, 2014). In Gulf Cooperation Council countries like Kuwait, and Saudi Arabia, Fadhel (2004) reported that almost all oil producing companies (98%) were family-owned. In Saudi Arabia, AlNodel and Hussainey (2010) reported that 35% of companies operating in this kingdom were of concentrated ownership, involving the state and

family, and these companies are significant contributors to the nation's economy.

Astrachan et al. (2003) stated that in developing countries today, there have been no accommodating rules and regulations that financially support the entrepreneurs. Hence, a family-supported business becomes the rationale and profitable substitute, and as indicated by Bertrand and Schoar (2006), family business has been effective in protecting the minority shareholders. Furthermore, as highlighted in Astrachan (2010), the volatility of market in developing countries makes it challenging to entrepreneurs and family businesses to survive. There is no dependable statistics on Jordanian family businesses, but in general, businesses run by family in countries in the Middle East and also in the gulf region have been deemed important, and as reported by Saidat et al. (2019), the ASE listed firms are mostly run by family.

2.2 Family business in perspective.

Entrepreneurial family firms today are facing tough competitions locally and globally (Gamage et al., 2020) as large-scale firms and multinational corporations are usually those that would become the centre of attention owing to their immense capacities and resources. Notably, family entrepreneurship generally relates to the role of family members in all forms of entrepreneurial activities, but as mentioned in Handler (1989) and Stempler (1988), family firm is a difficult notion to delineate. Relevantly, Zahra and Sharma (2004) opined that definitions that are too many in number will make comparisons difficult. Furthermore, the available definitions of the concept appear to lack clarity (Upton et al., 1993), and also, a universal definition of family businesses is yet to exist (Sharma, 2004). Miller et al. (2007) further added that the relevant literature is showing inconsistency in the basic criteria in classifying family firms.

For scholars of family business, it is difficult to define family firm (Handler, 1989) but some factors have been taken into account in defining this concept. For instance, the factor of ownership of family is often the key point in defining the concept. Other factors include family management, members of family as part of the board and family CEO, and the practice of succession (Westhead & Cowling, 1998). In this regard, most scholars agree that family firm is a firm held and operated by one family or a few families. However, there are those who provided a more detailed definition of the concept by stating that the founder of the firm and/or family member that owns or controls the firm should hold some degree of ownership and/or some family members must be the director, whether as CEO or as member of board of directors (Chua et al., 2004).

A firm would be considered as family firm when a given family owns at minimum 50% of the firm's stocks (Ang et al., 2000), or, a firm with 20% of voting rights, at minimum, reserved for one family (Faccio & Lang, 2002), or a firm with 33% of the company's shares, at minimum, controlled by a single family (Barth et al., 2005). Meanwhile, Martínez-Ferrero et al. (2016) defined a family firm as one of which a family owns more than 10% of voting either individual voting or family voting, whereas Fahlenbrach (2009) and McConaughy et al. (1998) defined it as a firm whose founder and/ or descendant is the company CEO. Comparatively, Claessens et al. (2000) and Morck et al. (1988) described it as one with family member or direct family connected by blood or marriage or indirect family relationship at the top positions. Family firm can also be described as a firm managed, owned and governed by family (Gonzales et al., 2012). Equally, it is a firm governed by owner of family capital whereby at least one family member is the firm director (Culasso et al., 2015).

Anderson and Reeb (2003) and Anderson et al. (2003) enriched the definition of family firm through the inclusion of the dimensions of ownership and family contribution, and according to them, a family firm is a firm with one family as owner of risk capital while their members could partake in the activities of the company. Meanwhile, Villalonga and Amit (2006) stated that the family has to own at least 5% of the firm shares which are under the control of the founder or the founder's

descendants, and the founder or the descendant(s) must actually control the company, by holding the position of the officer or director of the company.

The involvement of family can be measured through governance (Chua et al., 2004). In this regard, Gomez-Mejia et al. (2011) indicated that the family must be in possession of 5% of family equity ownership, while at least two members of the family should be part of board of directors. In describing family firm, Satio (2008) stated that it encompasses a firm with a family controlling the majority of the firm's shareholding and the founder or the founder's descendent is CEO of the firm. According to Björnberg and Nicholson (2012), a firm can be classed as family firm if the family members are controlling most of the business shareholding, and the company's top positions must be held by more than one family member. Meawhile, Audretsch et al. (2013) described a family firm is a firm whose ownership, management, and monitoring involve a family.

Family firms in Jordan is easily identifiable, and in general, family firms in Jordan possess the following characteristics: (i) two or more families possess distinct name; (ii) the family members irrespective of gender, all possess similar family name; (iii) women in Jordan can keep their family name after marriage and this allows the identification of family members of second-generation; and (vi) Jordanian firms generally have low average age (i.e. 40 years).

2.3 An entrepreneurial approach.

Entrepreneurial family firms and SMEs today are facing stiff domestic and global competitions (Gamage et al., 2020), and large firms and multinational corporations are usually those dominating the market, as they are more capable and they have more resources. Somehow, SMEs have been the backbone to the economic growth of nations, and these businesses account for 45% of the overall employment and contributing to 33% of the national income (GDP) (Ayyagari et al., 2014).

Academics have been interested in innovations of family firms but the association between innovation and family businesses lacks clarity (Duran et al., 2016; Migliori et al., 2020). Family firms have been linked to innovation but with lower innovation inputs when compared to large-scale companies (Miroshnychenko et al., 2019). This has resulted in lower innovation outputs (Calabrò et al., 2019; De Massis et al., 2013). Nonetheless, the flexibility of family firms and SMEs has been proven; they can really utilize their limited inputs to generate higher outputs. As such, the flexibility of SMEs and firms owned by family has made them innovative (Urbinati et al., 2017), and in fact, many highly innovative firms are indeed family firms and SMEs (De Massis et al., 2018a; Muñoz-Bullon et al., 2019; Urbinati et al., 2017).

It is common to discover that family firms begins when an entrepreneur seeks a gap in the market, takes the risks, and adopts innovation to establish his/her business, and as highlighted in Erdem and Başer (2010), the formation of family firm this way, leads to the creation of family values. Furthermore, after establishing the firm culture, the entrepreneur transforms his/her visions into values which will become guidance to family firms. Then, the founder can make decision on his/her business type, customers, and services or products to be offered (Keřovský & Vykypěl, 2002).

It has been difficult for family firms and SMEs to survive in the competitive and turbulent market especially since the last decade (Chan, Teoh, Yeow, & Pan, 2019), and many family and SMEs firms have resorted to using digital platforms in leveraging their strategies (Li, Liu, Belitski, Ghobadian, & O'Regan, 2016). These digital platforms facilitate them in consolidating, editing and distributing their data on a large scale (Yoo, Henfridsson, &Lyytinen, 2010). Family firms and SMEs also face competition in eco-system digital platforms, and they now rely on big data, artificial intelligence (AI), and machine learning to remain relevant (Subramaniam, Iyer, & Venkatraman, 2018).

Firm value is closely linked to the founder, and this can be exemplified by Walmart, which is an American multinational retail corporation

under the control of the Walton family. At the global level, Walmart is the third-largest public corporation hiring over two million employees, and the Walton family owns 48% of its shares (Said, 2013).

Being small is a liability, and therefore, SMEs have to collaborate with outside partners so that they could proceed with their innovation plans. Notably, there would be issues emerging in each stage of innovation process, and SMEs and family firms are generally unequipped to deal with them; SMEs and family firms often lack the diversity in their in-house resources and expertise, making it difficult for them to just depend on the in-house innovation activities. For SMEs, organizational design, structures, and processes for facilitating the innovation inputs become their key innovation driver (Humphreys et al., (2005). Therefore, SMEs and family firms need to open their boundaries and collaborate to succeed. Reiterating the global statistics, Leach (2011) mentioned that 70% of family-owned businesses may disintegrate during the second generation, and 90% may receive the same fate during the third generation. Ward (2011) stated that family business may fail because of the following: change in technology and market, lack of skilled staff, lack of financial know-hows, and the practice of replicating competitors' successful strategies.

Almatarneh and Farooqui (2017) reported that nearly all (99.6%) Jordanian companies were classed as SMEs. Hence, it would be worthy to know the factors determining the success and failure of the innovation process within SMEs (Terwiesch & Xu, 2008). Equally, the factors impeding the success of innovation process must be identified in order that these factors could be overcome, and consequently, the economy of the nation could be improved. Furthermore, SMEs generally find technology issue challenging, and an SME may find it difficult if not impossible to invest in technology as they may not be able to afford it. As a potential solution, Brunswicker and Vanhaverbeke (2015) proposed collaborating with large firms to reduce cost, while SMEs could gain access to the technology. Collaboration with large companies is among the key strategies for success among SMEs.

For any firm, long-term success begins with innovation (Schumpeter, 1934). In fact, innovation activities of firm are among the factors that affect survival (Van Gils, Dibrell, Neubaum, & Craig, 2014; Wiklund & Shepherd, 2005). It also affects performance of firm (Blundell, Griffiths, & Van Reenen, 1999; Tsai & Yang, 2012), in addition to affecting firm's competitive advantage (Greve, 2009; Slevin & Covin, 1995). Relevantly, firms in the 21st century are operating in an intricate environment, and many have to adapt to changes to survive, and family firms are not excluded from this situation. According to Damanpour (1991), innovation is key to survival and it imparts firm with competitive advantage.

Innovation therefore assures firm long-term survival (Hult, Hurley & Knight, 2004). For family firm, innovation is especially crucial as it increase firm's survival into the succeeding generation (Jaskiewicz, Combs, & Rau, 2015; Zellweger, Nason, & Nordqvist, 2011). Somehow, to allow innovation, family firm needs to establish competencies such as innovativeness, because it will allow them to accordingly react to the erratic business and family related demands to assure continuity (Craig & Dibrell, 2006).

Open Innovation (OI) in family firms and SMEs is a new level of recognition. James et al. (2014) stated that businesses that seek to succeed in innovation need to be able to accurately engage with the outside or external sources of information. In fact, for SMEs, their success has been significantly factored by the external outsourcing of information, ideas, and resources. Brunswicker and Vanhaverbeke (2015) indicated that SMEs that could fully employ their potential in externally engaging in OI would gain access to various facilities and prospects, leading to their growth and expansion. Furthermore, the decision-making perspective enables firms to nurture their sense of entrepreneurship (Kellermanns & Eddleston, 2006), as well as long-term vision (Lumpkin, Brigham, & Moss, 2010), and entrepreneurship

perspective can be adopted through focusing on the value creation for the forthcoming generations (Habbershon & Pistrui, 2002; Zellweger et al., 2011).

2.4 Family business characteristics.

Considering the influence of ownership of family on some businesses aspects (Anderson, Duru, & Reeb, 2009; Bertrand et al., 2008; Chen & Nowland, 2010; Siam et al., 2014; De Jong & Marsili, 2015; Revilla, Pérez-Luño & Nieto, 2016), there is a need to intensify the grasp of family business, especially that this type of business possesses unique qualities and characteristics, which, according to Stern (2009), may put these family business at an advantage over the conventional public firm. Family companies are essentially the incorporation of two highly distinct bodies, namely the family and the business (McVey & Draho, 2005). As such, family firms possess their distinct culture and values that shape the behaviour and corporate decision-making processes of firm. Arguably, the family businesses show better performance when compared to non-family businesses (Barontini & Caprio, 2006; Sraer & Thesmar, 2007).

Additionally, family firms are regarded as unique because of the direct and indirect contribution of the owning family in activities of management (Andres, 2008). Hence, ownership and management converge (Miller & Breton-Miller, 2006) whereby the one playing the role of shareholder and manager is the exact individual, and this eliminates or decreases interest conflict that commonly occurs between the principal and the agent. Comparatively, ownership is distributed among minority shareholders in public companies, while managers are the main controller (Jensen & Meckling, 1976). Agency problem is not likely to occur in family firms, and thus, there is less conflict in governance, and thus, family firms incur smaller agency cost (Anderson, Mansi, & Reeb, 2003).

In addition, family ownership has greater discipline and non-family directors are encouraged to function constructively (Martinez-Ferrero et al., 2016). Furthermore, family firms seek to survive for generations to come and the involvement of family in business development drives the family to sustain control so that the company could survive for the ensuing generation. In other words, the company is not just a product for use. As such, it is highly likely that family firms would strive to improve their long-term performance even though it will jeopardize their short-term returns. Anderson and Reeb (2003) relevantly mentioned that focusing on short-term profits, rather than long-term profits, could impede the family from reaching their ultimate goal, that is, to pass the company over to the successive generations.

The aspiration to survive generations to come results in improved monitoring of management (Fama & Jensen, 1983), and more efficient investment (James, 1999). According to Audretsch et al. (2013), family monitoring signifies family conduct in safeguarding family assets for increasing the performance. Additionally, family firms tend to establish specific business image grounded upon being a family (Chen, Chen, & Cheng, 2008; Chen, Chen, Cheng, & Shevlin, 2010), and in fact, it is common to see business reputation or brands with association with real family name as families generally cherish their name. Families are highly motivated to safeguard their firm and reputation because they know that family is not likely to change particularly if the company name has connection to the family name (Block, 2011).

Zellweger et al. (2012) further added that the strong connection of family members to the firm facilitates the establishment of a one-of-a-kind family firm image, and this can generate a competitive advantage, leading to increased firm performance and also increased customer loyalty as well (Binz et al., 2013; Idris et al., 2018; Sageder et al., 2018). Lastly, in business expansion, family businesses usually would utilize their own resources rather than using the external resources. James (1999) further added that many family businesses, particularly new companies, would utilize their own resources in operating the company and in expanding their investment at the start, because for new

companies, they have yet to have recorded performance history.

Nonetheless, there are issues associated with family ownership and control which could hinder business success. For instance, even though agency problem could be reduced in family business, Villalonga and Amit (2006) indicated that board of directors with non-controlling shareholders can create new agency issue between family shareholders and minority shareholder, and this has adverse impact on firm performance. As stated by Puerto (2010) concerning family business, inability to deal with this new agency problem by the minority shareholders will lead to more difficulties to minority shareholders. Also, the fact that ownership and management is one body, family members may be inclined to maximize their own interests rather than making the efforts to maximize benefit of all company shareholders. Hence, ownership that is concentrated with the majority of shareholders imposing control over the firm, may give adverse impact to the firm.

Moreover, running the firm with the goal to hand the firm over to the following generation may not generate competitive advantage. In a related study, Enriques and Volpin (2007) and Holderness (2003) found that appointing heirs as CEOs may jeopardize the performance of firm. In a related study, Liu and Subramaniam (2013) stated that in family firms, the net effect of control mechanisms could be more damaging. This is because, as mentioned in Hu et al. (2018), it is possible that the family members joining the board are unqualified, including the one appointed as the firm's CEO. Hence, from the perspective of organization, family members partaking in the company operations may not put the company in a better position, as the business decisions made in the company may not be the best ones. Bennedsen and Nielsen (2010) relevantly mentioned the rampant problem of immunization in family firms because family members have no reason to perform self-monitoring.

Family firms in Jordan are facing several challenges and hurdles, especially relating to foreign competition, access to resources and funds, and the establishment of business knowledge and relations. Owners of family firm in Jordan have indicated that adherence to the regulatory environment has caused them to become uncompetitive, and the financial incentives and assistance that they have received were inadequate. Saidat (2019) further added that many family businesses lack the expertise or financial resources in meeting with the requirements of regulatory compliance. Also, the management of family firms in Jordan is generally controlled by the family. Additionally, while some family firms in Jordan are run by the founder, many are run by the founder's son. Many of family firms in Jordan have in fact been running for up to 40 years. In other words, most family businesses in Jordan are run by family members from first and/or second-generation.

Essentially, a sound family business requires the presence of a family-business constitution, governance structures, suitable succession planning, and business ethics and values. According to Conyon and He (2011), values include fairness (i.e., nondiscriminatory balance between the family and the business) and stewardship (i.e., leaders of family-business are regarded as true stewards when the businesses that they provide are 'larger than them'). In this regard, Venter and Boshoff (2007) stated that in family businesses and SMEs, when leadership and ownership are not adequately transferred from one generation to the next, the business could not survive.

Issues related to succession are a critical one to family firms. Leach (2011) relevantly reported that roughly more than two third or 70% of businesses owned by family did not get transferred to the second generation while 90% ended at second generation (did not get transferred to the third generation). It was found that the most family businesses operating in Jordan have no official succession plan, while a lack of appropriate estate planning can affect the succession plan, and eventually, on the business. The transmission of the 'goodwill' of the family is indeed a challenge in family business. According to Ward (2011), family business fails because of the following: (1) markets and technology revolution, (2) rapid emulation by competitors of the

business's successful strategies, (3) owner sold the company to outside buyer at lucrative price, (4) insufficient financial proficiencies, and (5) insufficient skilled staff. Notwithstanding, Ward (2011) pointed to succession planning mistakes as the primary reason for failures among family businesses.

In the situation of Jordan, the success and growth of family businesses have been majorly hindered by the lack of effective agreed upon business governance system and the lack of awareness of the impact of external environmental on the family business. Also, as highlighted by Saidat et al. (2020), among family businesses in Jordan, there have been lack of shared expectations among members, unresolved family conflicts, and appointment of unqualified family members. In addition, many founders of family business seem to lack the management skills, and this has prevented them from successfully running the business. Moreover, market demand and changes in business operations have made the traditional and rigid leadership ineffective and irrelevant. In addition, as family businesses grow, the leadership roles should grow as well, and the inward thinking needs to change into outward thinking, particularly the towards business prospects and customers.

3. RESEARCH METHODOLOGY

The present article delves into the subjects of family businesses and the challenges facing these businesses, and the notion of entrepreneurship in Jordanian settings. This study employed content analysis as its research methodology, while the information on the subject in question was obtained from the literature. From the literature, the subjects under study were reviewed from an international and national perspective. Specifically, the information came from academic books, journal articles, reports, as well as the electronic media. The issue at hand was the limited literature on family businesses operating in Jordan. Hence, the researcher sought comparable information from other relevant available literature, specifically one covering the subject of entrepreneurship and family business. Notwithstanding, this study adds to the existing Jordanian family business literature.

4. RECOMMENDATIONS AND IMPLICATIONS

This study perceives the need for all family business members including silent owners to engage in an open and consistent dialogues, especially those relating to business strategy, goals and operations. Family members generally share similar core values but they still differ in terms of motivation and personal goals. Differences means diversity, which may result in fresh thinking into business management. Equally, diversity could lead to disunity, which can cause separation or confrontations which may result in lawsuits among family members (Katz & Green, 2014). Family members joining the business must have the following: business proficiency, decision-making know-how, and governance experience.

Meanwhile, the departing chief executive officer (CEO) plays a vital role as advisor or mentor to the new CEO. As founder, it is important to teach his or her successors his or her distinctive knowledge, skills and experience, in order that the success of the business could be retained. It is beneficial for family members to work in another business, as this could impart new and different knowledge and skills that are unavailable within own family business. Additionally, responsibilities of family members should be allocated based on the members' specific expertise. Such allocation demonstrates the respect towards the talent and capacities of each family member. Notably, shared values direct the business, while values and beliefs relating to the people, work and money, will dictate the behavior of family members towards the business.

A structure of roles and accountabilities needs to be developed and this would be the task of family councils. This family-business constitution will provide guidance to the business in dealing with change, crisis, and the

process of succession as well. Meanwhile, council assemblies could be carried out to address the business–family relationship, and meetings can be used as a platform to address matters like personal responsibility, role expectations, and commitment. In terms of procedures and policies in the family business, they could be supervised by the internal and external coaches and mentors. Further, outside directors (or an advisory board) could make recommendation on those to be appointed as non-family executives or consultants. Also, through their extended networks, these directors could suggest some expertise. It is important to have a structured transition in management succession plan development. Hence, the business and the family members will be less affected by the endowment, estate, and inheritance taxes. Additionally, insurance can be included in management succession plan to minimize estate taxes.

Implications for policy-makers in Jordan

For policy-makers, there are several implications to be considered. First, changes in management can disrupt the family dynamics, that is, the dynamics of family owing the business. Secondly, ability to lead and manage the family business for both founder and heir is crucial to assure responsible future ownership. Third, entrepreneurial and strategic abilities should be in place in order that opportunities could be identified and seized, and family members could become an active and entrepreneurial owner. Fourth, there has to be awareness towards socio-historical developments taking place in the family like the size and structure of the family, and the roles and relations within the family that affect the family and its prospect of generating new businesses. Fifth, it is crucial to have awareness of the viewpoints of family members from different generations, as they are likely to differ.

As for the policy-makers, there are three areas of concern, specifically, the desired successor attributes from the viewpoint of leader, factors that improve performance, and factors that drive family members into becoming part of their family business. As the last point, women deserve acknowledgement in terms of their role in family businesses, as they have been providing support in terms of operation and morale, because in family business, males do not fully control, decide, and manage the business.

5. CONCLUSION

A number of challenges faced by family businesses in Jordan were discussed in this study. It is undeniable that family firms drive the national economic bodies and a vehicle for economic growth stimulation, leading to more job creation. In Jordan, majority of businesses are family owned, or owned by groups of relatives. Also, the contributions of these businesses to the country's economy is large. Indeed, this type of business dominates the overall businesses in Jordan, and yet, these businesses have not been adequately researched, particularly in terms of challenges and issues faced by these businesses. Conceptual ideas and secondary data are what guided this study. Notably, Jordan still lacks the literature on family business, and this matter needs to be addressed.

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