

#### **RESEARCH PAPER**

# Obstacles and Prospers of Family Businesses in the Kingdom of Saudi Arabia. A Systematic Literature Review from the Last Two Decades

Nawar Muneer J. Algthami<sup>1\*</sup> & Nazimah Hussin<sup>2</sup>

Received 1 June 2022; Revised 1 September 2022; Accepted 2 November 2022; © Iran University of Science and Technology 2023

#### ABSTRACT

The problem of family businesses in Saudi Arabia is noteworthy due to the large scope of family enterprises in Arab countries. Most organizations established in the Arab world are either state-owned or family owned. Many of these companies were formed by forefathering merchant families that dealt in vital ports along the Gulf and Red Sea coastlines. The current study's primary aim was to determine the challenges and benefits of family business success in Saudi Arabia. The purpose is to discover relevant literature on this critical issue to understand the barriers to the growing family businesses in Saudi Arabia and the potential advantages of family enterprises to the country's economy. The current study used the PRISMA statement 2020 to include and exclude records from the well-known databases Scopus and Web of Science to include high-quality documents. Additionally, the documents were examined via content analysis to determine the classifications of the study. VOS Viewer software analyzes the published literature' content—data clusters created on the text established to group the related ideas. The results indicate that three main themes were identified during the key term's occurrence research: entrepreneurship, family business, and performance. The findings of the study shows that family businesses are an essential aspect of the Saudi economy, contributing heavily to it. Such firms have lately received attention because of their critical role and contribution to job creation and employment, as well as the promotion and encouragement of entrepreneurship in their operations. Furthermore, results showed that it is commonly accepted that the involvement of a family in the business differentiates the family business. It is recommended that family companies be distinguished by their behaviour, which is based on the firm's objective, vision, and mission.

KEYWORDS: Family businesses; Entrepreneurship; Family firms; Performance; Saudi arabia.

#### 1. Introduction

Family-controlled businesses are owned and, in most circumstances, managed by a single founder-owner or family, that is, close relatives. Family enterprises are essential in many countries worldwide [1]. In addition, they contribute to more than half of GDP and employment in various areas and vary from micro-enterprises to some of the world's largest listed firms. Family enterprises account for

more than two-thirds of all firms in East Asian countries [2]. However, Insular decisionmaking is daily in family firms, and decisionmakers in such organizations can sometimes be inward-looking rather than customer-oriented [3]. According to [4], that dynamic can lead to making family firms poor judgments, particularly ones that place too much emphasis on internal operations and not enough on consumer demands. In addition, a family business's performance can be impacted by ownership, management style, engagement, the country's economic policies, and legal features. Different rivalry, such as growth possibilities and market pressures, can influence a company's success [5]. Additionally, when owners are recognized for cultivating cross-

Corresponding author: Nawar Muneer J. Algthami <u>noray-m@hotmail.com</u>

<sup>1.</sup> Azman Hashim International Business School, Universiti Teknologi Malaysia, 81310 Johor Bahru, Malaysia.

<sup>2.</sup> Azman Hashim International Business School, Universiti Teknologi Malaysia, 81310 Johor Bahru, Malaysia.

generational entrepreneurial potential, a feeling of dedication to business success, long-term strategic commitment and corporate independence, family business capacities to fuel economic development and expansion are always anticipated [6].

Furthermore, the size of the business may significantly impact economies of scale and the ease with which it can hire more and better management [7]. However, when analyzing this problem, we can divide family businesses into small and large companies, with small companies showing an obvious concern with performance because it can lead to increases in socio-emotional wealth. As opposed to large companies where ownership is usually dispersed, making the family identity present in the company more tenuous and thus being able assimilate the performance in these to companies to non-family companies [8]. Simultaneously, the family interest, which is generated by involving numerous family members in the firm, frequently emphasises the family business. A more robust family unit provides a better foundation for transmitting knowledge from generation to generation [9]. According to [10], the personal aspect is not only a source of stability but also a source of tradition, which builds a solid foundation for the company's continuation and future growth. The crossover between family and work may also cause issues if family interactions are not authentic. Conflicts can be transmitted from the workplace to the home and vice versa [11]. These personal disagreements might impact the company's operations and even collapse [12]. As a result, before beginning a firm, it is appropriate to specify the fundamental formal norms among individual family members [13]. The characteristics of family companies are also reflected in settlement of labour relations problems, which are settled within the family circle rather than establishing a labour compliance department as in non-family enterprises [14].

The issue of family businesses in Saudi Arabia is notable because of the vast scale of family businesses in the Arab nations [15]. Most organizations founded in the Arab world are either state-owned or family-owned. Many of these businesses were founded by pioneering merchant families that traded in essential ports along the Gulf and the Red Sea coasts [16]. Similarly, family firms remain the dominating business model in the Arab World, accounting for 95 per cent of all corporate organizations in

the area and controlling 90 per cent of commercial activity [17]. The history of family enterprises in Saudi Arabia may be seen via the country's traditional and cultural orientation, where family ties and togetherness are highly valued [18]. The drive to keep riches in the family contributes to raising the family's profile, which might be necessary even at the time of marriage [19]. This suggests that family property should be given to the most senior members of the family, who may be looked up to and thought to have the necessary expertise. In addition, family businesses in Saudi Arabia are primarily concentrated in the fields of hospitality, services, and retail, which have a high level of customer contact, increasing the importance of the owner (or patriarch) and indirectly posing new potential challenges when the owner is no longer able to remain active in the management of the business [20]. However, the current study's primary goal is to determine the challenges and benefits of family business success in Saudi Arabia. The purpose is to discover relevant literature on this critical issue to understand the barriers to the growing family businesses in Saudi Arabia and the potential advantages of family enterprises to the country's economy. Furthermore, the article will review the literature on succession and procedures in ownership Saudi family businesses. Data from two credible databases, Web of Science and Scopus, were used in the current investigation. The PRISMA statement 2020 is used to include and exclude the records for the current study.

# 2. Research Methodology

# 2.1. Materials and method

The current study used the PRISMA statement 2020 to include and exclude records from the well-known databases Scopus and Web of Science to include high-quality documents. The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework was used to screen the records as suggested by [21] and shown in figure 1. However, the current study used the PRISMA statement 2020 for better reporting for records and relevant reports associated with the literature. We used the search terms "Family business" AND "Saudi Arabia", "Family AND "Performance" business" for our literature survey. In the beginning, 150 records were retrieved. The current study used the subject for the filtration of records, social science. computer sciences, engineering, business management, accounting, economics, econometrics, and finance, and multidisciplinary articles included for the current review. In that situation, results narrow down to 80 documents. In addition, we selected the only articles, reviews, and book chapters for the current research that shrank the documents to 53. Furth more, only published and English language records were included to imitate the study's scope for significant outcomes of literature. This step reduced the records to 50. However, removing irrelevant and missing document information duplication is the next step. A comprehensive selection was made for

each discovered categorization to evaluate

related documents. Only 45 publications were

included in the assessment to synthesize

it. Figure 1 depicts the current study's complete PRISMA statement selection and rejection procedure.

### 2.2. Descriptive analysis

multidisciplinary The research question disciplines' highlights the different contributions to the family business in Saudi Arabia. The most contributing field is business management and accounting with 27% of studies included in the review, economics, econometrics, and finance are 20 engineering with 18%, social sciences field is 15 % of studies, computer science with 13% of studies, and finally the contribution of multidisciplinary 9%. Figure 2 shows the subject percentage contribution.



Fig. 1. Distribution of subjects included in the study

In addition, the records from 2008-to 2022 were chosen for the study, as depicted in Figure 3. A significant number of articles are included from 2021 and 2020 due to the recent increase in family business intention from the researchers and academicians; seven records each year were selected for the current study. The other significant contribution is from 2014 with five documents, and 2010 and 2009 contribute the four documents in the current study. The other articles chosen years are illustrated in figure 3 below.

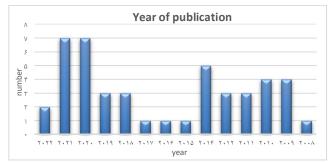


Fig. 2. The distribution of records included from the years based

Furthermore, the source-based results are depicted in table one with the source titles, several records from sources, and citation details from each journal. The significant contribution of articles is recorded from the Cogent Business and Management and International Journal of Human Resource Management with four records from each journal, 11 and 44 citations. The other significant contribution to the family business in Saudi Arabia is from the International Business Review, Journal of Family Business Management, and Journal of Developmental Entrepreneurship, with three records, 103, 23 and 16 citations from each source. The other source title records and citations are illustrated in table 1 below. Obstacles and Prospers of Family Businesses in the Kingdom of Saudi Arabia. A Systematic Literature Review from the Last Two Decades

Tab. 1. Distribution of source title, number of documents, and cited by times				
Source Title	Records	Cited by		
Cogent Business and Management	4	11		
International Journal of Human Resource Management	4	44		
International Business Review	3	102		
Journal of Family Business Management	3	23		
Journal of Developmental Entrepreneurship	3	16		
International Journal of Entrepreneurship and Innovation	2	5		
Journal of Business Research	2	69		
Journal of Family Business Management	2	15		
Journal of Management and Governance	2	37		
Journal of Risk Finance	2	27		
Asian Social Science	2	8		
International Journal of Sustainable Society	2	8		

Moreover, we employed key terms occurrences analysis to identify the significant themes in the review literature. The VOS Viewer emphasized the number of keywords and key phrases used in the published articles. Forty-five selected articles analysed the critical occurrence, with 43 essential terms appearing more than four

4

times. Three main themes were assigned during the key term's occurrence research: entrepreneurship, family business, and performance. We also offer the relevancy score for each sentence and the average score. Table 2 below illustrates the details of important phrase categorization.

Classification	Term	Occurrences	Relevance score
Entrepreneurship	dimension	6	0.4359
	entrepreneurship	5	2.8333
	government	5	2.6996
	hypothesis	5	0.576
	importance	7	0.5831
	kingdom	7	0.3787
	KSA	4	0.7944
	practical implication	4	0.3926
	SMEs	4	1.2232
Family firms	attitude	6	2.47
	case	4	0.6627
	company	8	0.5871
	economic development	4	1.7532
	education	5	1.9209
	effect	9	0.406
	factor	13	0.8299
	family business	12	0.4912
	family firm	8	1.0666
	family member	5	0.4363
	family ownership	6	0.9519
	firm	9	0.3846
	firm performance	5	1.0295
	originality value	5	0.3639
	ownership	6	1.1005
	Saudi family firm	5	0.9409
	woman	5	3.1413
Performance	determinant	4	0.1446
	economy	6	0.4375
	evidence	8	0.6366
	life	6	0.4512
	majority	4	1.4447

Tab. 2. key term occurrences, terms selected, and relevance score

Obstacles and Prospers of Family Businesses in the Kingdom of Saudi Arabia. A Systematic Literature Review from the Last Two Decades

Additionally, the documents were examined via content analysis to determine the classifications of the study. VOS Viewer software analyzes the published literature' content—data clusters created on the text established to group the related ideas. The current study found that in more detail in the journals' indexing procedure outlined in the databases, researchers' keywords and keywords are equally accurate for bibliometric analysis designed to uncover the structures of the examining field. Hence, we involved both class keywords for the co□ occurrence analysis within the study area

associated with social media and organizational sustainability. In total, 45 records were contained within the research, and the data delivered 71 keywords. We have thoroughly established and selected only the most numerous 44 keywords repetitive in a minimum of two records. Figure 4 illustrates the content analysis results. The cluster is represented by blue displays performance and Kingdom. The cluster in red is primarily ascribed to the family business. The orange cluster signifies entrepreneurship. Each cluster is further examined in the next section to determine.

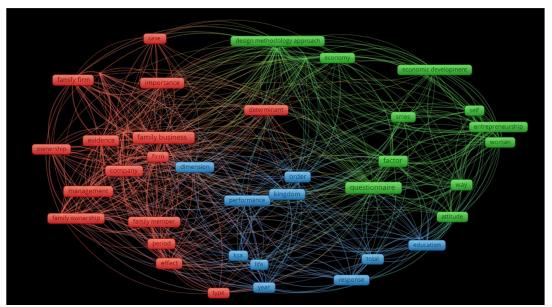


Fig. 3. The classification of literature using the VOS viewer

# 2.3. Classification

The preceding records were classified into three primary data streams using the VOS viewer and content analysis. According to the findings, prior researchers focused on entrepreneurship, performance, and family firms in the present study. The below part illustrates the classification of literature frequent work.

#### 2.4. Entrepreneurship

The Kingdom has implemented considerable

measures to increase female business professionals and to remove all barriers to women's work [22]. According to the World Bank's recent Women, Business, and the Law 2021 survey, the inclusion of females in entrepreneurship has been assessed in terms of no gender inequality in credit access, the woman signing a contract in the same way as a man, the woman registering a business in the same way as a man, and the woman opening a bank account in the same way as a man [23]. According to [24], females are more open to entrepreneurship as a professional option than males and believe that establishing a new firm brings a better social status and respect. In addition, businesswomen's identities are bound and formed by various masculinities (authority, professionalism, and self-determination) and femininities (restrictive and emancipatory) [25]. The intertwining of these gender discourses produces a "respect" identity in the family company group and a "self-determination" identity in the start-up business group [26]. Similarly, researchers like [27] agree that the government may play an essential role in developing entrepreneurial abilities in women; yet, their performance in this area is far from ideal.

government Furthermore, the Saudi understands that running a business allows women to contribute to the country's economy while adhering to traditional constraints [28]. In addition, the Saudi government launched the Saudi Arabia National Transformation Program 2030 in 2016, outlining a goal for the country's economy to transition to a post-oil age. The initiative will assist small enterprises. increasing job possibilities and allowing small

firms to contribute more to the country's GDP. Such efforts may address some, but not all, of the barriers women face when starting a business [29]. In addition, Saudi women entrepreneurs are confident in their abilities in the following areas: dealing with people, idea generation/product creation. general management, and organisational skills. Interestingly, women who own family companies rate their sales and idea generation/product innovation abilities higher than non-family business owners [30]. Additionally, running a family-owned firm, it appears, offers these women more confidence in their sales and idea generation/product invention talents. Saudi female entrepreneurs appear to prioritise purchasing, marketing, and financial abilities as areas in which they require extra training and expertise. Likewise, Saudi women entrepreneurs who operate familyowned businesses appear to have an enormous appetite for education in various management abilities than non-family business owners [31]. Table 3 shows the details of authors, total citations, segments, and settings below.

Authors	Cited by	Settings	Context
Abdullah Alnemer, 2021	2	start-up ecosystem	females
Alrubaishi, McAdam, et al., 2021	3	entrepreneurial behaviours	cultural context
M. A. I. A. A. Khan, 2019	6	woman Entrepreneurship	growth-oriented women entrepreneurs
Basaffar et al., 2018	16	Saudi women's engagement	entrepreneurial potential
Welsh et al., 2014	69	women entrepreneurs	women-owned firms
Sikandar et al., 2021	2	economic performance	self-employment opportunities
Lodhi et al., 2021	8	entrepreneurship environment	regulatory institutions

Tab. 3. Authors, citations, segments, and settings

However, the study of a family business is concerned with the entrepreneurial behaviours of family members and family companies. Despite a plethora of research analysing entrepreneurial behaviour in family businesses, the question of whether family businesses are entrepreneurial persists [32]. There is a solid cultural predisposition for pursuing commercial prospects inside the family first and subsequently with other ally families if available. The government has encouraged family businesses to create additional job possibilities for residents, which will be difficult for two reasons [33]. Historically, residents were neither highly talented nor committed to family companies, shifting from one to the next [34]. In addition, [35] findings

demonstrated the significance of the cultural environment on the entrepreneurial behaviour of Saudi family enterprises, a cultural background dominated by the importance of family values and relationships. Similarly, family business entrepreneurship presents the potential for higher employment, economic salvation, and more democratic engagement as citizens become more interested in government policies that directly influence their economic advancement [36].

# 2.5. Family firms

Family-owned businesses are the oldest and most prevalent type of company organisation. In today's competitive world, the ability of family businesses to establish, extend, or

capabilities organisational in restructure response to quickly changing surroundings is critical to their growth and survival [37]. According to [38], Saudi family businesses are a significant pillar of the Saudi economy because they depict an extension of economic progress in the economy, as well as the size of their financial benefit to providing goods and services to society, safeguarding ample employment opportunities, and actively participating in attaining more excellent economic performance. The degree to which

family members control the firm's ownership and participate in its management organisation and structure is referred to as family participation [39]. It is widely acknowledged that a family's engagement in the firm distinguishes the family business. It is advocated that family businesses be characterised by their conduct based on the firm's goal, vision, and mission [40]. Table 4 shows the details of authors, total citations, segments, and settings below.

Tab. 4. Authors, citations, segments, and settings				
Authors	Year	Cited by	Settings	Context
Alhashim et al., 2022	2022		food trucks	food safety
AL Kayid et al., 2022	2022		U	organisational
			challenges	capabilities
Alrubaishi, Alarifi, et al., 2021	2021	2	innovation	new generation
Bodolica & Spraggon, 2020	2020	2	sustainability of a family	cultural setting
			firm	
Alhebri & Al-Duais, 2020	2020	11	e	regulators and
			management	policymakers
Aloulou, 2018	2018	15	•	entrepreneurial
			management	orientation
Sahni et al., 2017	2017		corporate governance	public policy
				concern
Abdullah A. Al-Dubai et al.,	2014	8	5	firm's performance
2014			management	
S. A. A. Al-Dubai et al., 2014	2014	4	firm performance	ownership cut-off
Piesse et al., 2012	2012	37	institutional investors	corporate
				governance system
Ramady & Sohail, 2010	2010	3	economic development	policy
				recommendations
Al-Ajmi et al., 2009	2009	27	family ownership	Cost of capital

Tab. 4. Authors	, citations,	segments.	, and setting	S

Despite the significance of companies, there is a little study in the field and scant empirical associating family-controlled evidence ownership with profits management [41]. In addition, researchers like [42] have proposed that family company innovation is paradoxical in that family firms frequently exhibit less creativity than their non-family counterparts despite having the ability to be more inventive. [43] have suggested that, in addition to this skill, family enterprises must be willing to innovate and that both ability and willingness are essential prerequisites for family firms' behaviour [44]. However, studying a family business is difficult due to the intersection of two separate sectors, the business side marked by objectivity and the family side marked by emotions. Researchers used several methodologies investigate to corporate governance in family-owned businesses [45]. Besides this, the ownership structure is one of the corporate control approaches that impact companies' attainment of goals. It is a critical method, especially in businesses owned by a family or a group of families. This is because the firm's ambitions are intertwined with those of the family and owners, who defend the family agenda by keeping their company independent [46]. In addition to the family's majority ownership and long-term survival, it is often assumed that the alignment between the governing family's interests and the other shareholders' interests is superior in family businesses [47].

Furthermore, Saudi Arabia is an intriguing place to study family companies and the financial quality of financial reporting because of its high levels of family ownership concentration and because it is a dominating economy in the Gulf Cooperation Council (GCC) countries [48]. In Saudi Arabia, the government has still not come to the point where rules are imposed on family-run businesses, preferring instead to focus on internal family group changes [49]. However, given the pressure on the Saudi private sector to play a more significant role in the economy, this arrangement may not persist long [50]. Despite the significance of family companies, there is a little study in the field and scant empirical evidence associating familycontrolled ownership with profits management [51]. Regarding business development and performance, the researchers still need to add family firm rules and succession difficulties in Saudi Arabia.

# 2.6. Performance

Fast forward 20 years and the Saudi perspective on corporate governance has changed dramatically, both in spirit and substance. Following the current financial and economic crisis, Saudi Arabia's Masterplan 2030 has shifted its focus away from the oil industry and toward entrepreneurship and innovation [52]. [53], studied the performance of family-owned firms in Saudi Arabia and found no evidence to indicate any association between family

ownership and company success, as assessed by return on assets. In addition, a firm's ownership structure is one of the internal processes that have garnered increased attention in the literature [54]. In this scenario, family control, a sort of ownership structure, influences a company's performance and decision-making processes [55]. Furthermore, the impact of family control on corporate behaviour is affected by how it is paired with other governance mechanisms [56]. According [57] studied the relationship between founding-family ownership and company performance and discovered that, on average. S&P 500 family enterprises outperform their non-family counterparts. However, other analyses show that the between relationship founding-family ownership and firm performance has an inverted U-shape. These data support the welldocumented non-linear relationship between ownership concentration and performance. Table 5 shows the details of authors, total

citations, segments, and settings below.

Tab. 5. Authors, citations, segments, and settings					
Authors	Cited by	Settings	Context		
Lauring & Selmer, 2009	44	comfortable and safe environment	families		
Asfoura et al., 2021.		Internet of things	Applications required		
Zamil et al., 2021		Social media	SMEs		
Almalky et al., 2020	2	Students with disabilities	community-based partnerships		
Kamaludin et al., 2020		Stock Exchange	Socio-emotional wealth argument		
(Ghee et al., 2015	1	Sustainable human resource management	organizational learning capacity		
Hammad, 2019	2	Corruption, corporate governance	private companies and		
		(CG) and economic development	international companies		
Ajina, 2019	2	Content marketing	private hospital sector		
Nguyen et al., 2020	5	Ownership structure	Managerial ownership		
S. A. A. Al-Dubai et al.,	4	Family shareholders	expropriated-monitoring		
2015			behaviour		
T. T. Amin et al., 2011	23	Family members	Behaviour		
Lauring & Selmer, 2010	102	business expatriates	social networks		
A. J. Ali, 2009	1	political and economic stability	information and insight		

Tab. 5. Authors, citations, segments, and settings

In addition, given the nature of family firms, which contain varying degrees of family engagement, one may anticipate studies on owner management methods to cover not just managerial decisions but also family/business interface management [58]. However, little is known about the connection between gender and management techniques and the impact of relationship family this on company performance [59]. According to [60], the gender and performance interaction is unclear since past research has focused solely on women or has used basic male/female comparison with a gender proxy or parallel

female/male analysis. According to [61], using financial performance indicators such as profitability, survival, or growth, female-owned enterprises often outperform those led by men. Differences in financial metrics of corporate performance frequently disappear when other explanatory variables are adjusted for. In addition to gender, education, management abilities, and experience all contribute to business income, profitability, and growth [62]. The owner's training and hours worked in the business contribute to sales, and males work much more than women. Discovered that new, small, and home-based businesses have lower gross revenue than older, more significant, and non-home-based businesses [26].

However, one of the reasons that affect the performance of the business is succession issues in family businesses. According to [63], previous research has linked succession planning, offspring grooming, and other aspects to efficient succession. While most secondgeneration successors are more educated and learn to adapt to competitive environments, new technologies, new markets, and new customers with ever-changing expectations, knowledge obtained through college or university training may be too general to serve as a reference point when juggling dynamic market changes [64]. In addition, succession planning in giant corporations differs significantly from that of a small family-owned firm. The selection of successors in big enterprises is considerably broader than in small family-owned firms since the candidate in a family business is only reserved for family members [65]. [66] suggested that family businesses are built on a series of emotionally charged interpersonal interactions that can have beneficial or harmful outcomes. In order to thrive in business, family businesses must build business practises and philosophy while managing the link between family and company.

# 3. Discussion and Conclusion

This study aimed to determine the challenges and benefits of family business success in Saudi Arabia. The primary purpose was to discover relevant literature on this critical issue to understand the barriers to the growing family business in Saudi Arabia and the potential advantages of family enterprises to the country's economy. Furthermore, the article reviewed the literature on succession and ownership procedures in Saudi family businesses. Data from two credible databases, Web of Science and Scopus, were used in the current investigation. The PRISMA statement 2020 was used to include and exclude the records for the current study. The keywords used for the extraction of the data were "family "family business" AND "Saudi Arabia", business" AND "performance", "family business" AND "entrepreneurship". In addition, we used the database's internal keywords criterion to find the most relevant entries to the issue. Business, Management and Accounting, Economics, Econometrics and Finance, Social Sciences, Environmental Science, Computer Science, and Engineering were all chosen for the current study.

Additionally, published papers, citations, only English language records, articles, reviews, and book chapters are chosen for review. Furthermore, we utilised the VOS viewer to analyse the content analysis and find the primary data streams. The approach was used to identify relevant keywords, clusters, and a revenue score of critical terms and ultimately to analyze the categorization of literature to evaluate prior study work on Saudi family businesses—the major data streams identified during the content analysis, entrepreneurship, family firms and performance. The results and findings of the current study are illustrating in figure 6.

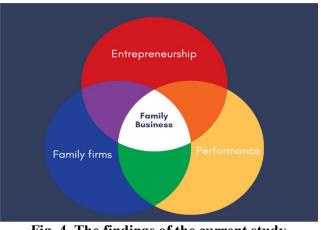


Fig. 4. The findings of the current study

Family businesses are an essential aspect of the Saudi economy, contributing heavily to it. Such

firms have lately received attention because of their critical role and contribution to job creation and employment, as well as the and encouragement promotion of entrepreneurship in their operations [67]. However, the study of a family business is concerned with the entrepreneurial behaviours of family members and family businesses. Despite a multitude of data on entrepreneurial behaviour in family firms, the question of whether family enterprises are truly entrepreneurial lingers. According to the findings, female entrepreneurs are essential in Saudi Arabian family companies. According to [22], the Kingdom has taken significant steps to boost female business professionals and remove all impediments to women's employment. In addition, in the recent World Bank's report on Women, Business, and the Law 2021 survey, female entrepreneurship has been evaluated in terms of no gender inequality in credit access, a woman signing a contract in the same way as a man, a woman registering a business in the same way as a man, and a woman opening a bank account in the same way as a man.

Furthermore, results showed that it is commonly accepted that the involvement of a family in the business differentiates the family business. It is recommended that family companies be distinguished by their behaviour, which is based on the firm's objective, vision, mission. However, studying family and businesses is challenging owing to the junction of two distinct sectors, one distinguished by objectivity and the other by emotions. Researchers investigated corporate governance in family-owned enterprises using various techniques [45]. Findings indicate that skill, family enterprises must be willing to innovate and that both ability and willingness are essential prerequisites for family firms' Aside from the importance of behaviour. family businesses, there has been minimal research and empirical evidence linking familycontrolled ownership to profit management. The researchers still need to include family company norms and succession issues in Saudi Arabia settings regarding business development and performance.

One of the significant conclusions in this context is that when financial performance metrics such as profitability, survival, or growth are included, female-owned businesses frequently outperform those headed by males. When additional explanatory variables are considered, differences in financial indicators of company success typically disappear. Education, managerial talents, and experience, in addition to gender, contribute to business income, profitability, and growth [62]. Additionally, the owner's training and hours worked in the business contribute to sales, and males work much more than women. New, small, and home-based businesses have lower gross revenue than older, more significant, and non-home-based businesses.

# 4. Future Studies and Limitations

The current study's goal is realized in the context of family businesses prospering and challenges in Saudi Arabia. However, the study's scope was confined to a small number of publications for the review. Future researchers must investigate quantitative and qualitative to comprehend the outcomes better. Furthermore, the current study's conclusions mainly focus on gender, succession, and managerial performance. However, there are still up available to analyse the evolution of ownership rules and regulations over time. Future academics must also examine the cultural and religious perspectives and the process impacts on the family business matrices.

# References

- [1] H. Chahal and A. K. Sharma, "Family Business in India: Performance, Challenges and Improvement Measures," *Journal of New Business Ventures*, Vol. 1, No. 1-2, (2020), pp. 9-30.
- [2] Ł. Sułkowski, A. Marjański and J. Sułkowska, "Entrepreneurship of family businesses in the European union," in *Contributions to Management Science*, Springer, (2018), pp. 255-270.
- [3] J. A. Woods, S. M. Danes and J. Uhalt, "The Impact of Customer Orientation and Family Decision-Making Style on Family Business Performance," *Journal of Enterprising Culture*, Vol. 27, No. 02, (2019), pp. 147-176.
- [4] H. Frank, A. Kessler, C. Bachner, E. Fuetsch and J. Suess-Reyes, "Principles for innovation management in family firms: An analysis of long-term successful good practices with a practitioner validation of the principles," *Journal of Family Business Management*, Vol. 9, No. 3, (2019), pp. 319-348,

- [5] R. Silva, A. Coelho, N. Sousa and P. Quesado, "Family business management: A case study in the Portuguese footwear industry," *Journal of Open Innovation: Technology, Market, and Complexity*, Vol. 7, No. 1, (2021), pp. 1-26.
- [6] W. Y. Ghee, M. D. Ibrahim and H. Abdul-Halim, "Family business succession planning: Unleashing the key factors of business performance," *Asian Academy of Management Journal*, Vol. 20, No. 2, (2015), pp. 103-126.
- [7] R. P. Harrison, N. Medcalf and Q. A. Rafiq, "Cell therapy-processing economics: Small-scale microfactories as a stepping stone toward large-scale macrofactories," *Regenerative Medicine*, Vol. 13, No. 2, (2018), pp. 159-173.
- [8] J. L. Miralles-Marcelo, M. del M. Miralles-Quirós and I. Lisboa, "The impact of family control on firm performance: Evidence from Portugal and Spain," *Journal of Family Business Strategy*, Vol. 5, No. 2, (2014), pp. 156-168.
- [9] C. Fendri and P. Nguyen, "Secrets of succession: how one family business reached the ninth generation," *Journal of Business Strategy*, Vol. 40, No. 5, (2019), pp. 12-20.
- [10] M. Kotarba, "Digital transformation of business models," *Foundations of Management*, Vol. 10, No. 1, (2018), pp. 123-142.
- [11] Y. L. Ni, S. C. Hsu, C. C. Kuo, M. Y. Chen and L. H. Chen, "High income but high stress: cross over effects of work and family role conflict in professional athletes and their partners," *International Journal of Sport and Exercise Psychology*, Vol. 20, No. 3, (2022), pp. 677-697.
- [12] N. Khan, M. I. Qureshi, I. Mustapha, A. A. Harasis and M. Ashfaq, "The Digital Marketing Past, Present, and Future in Malaysia," *Journal of Computational and Theoretical Nanoscience*, Vol. 17, No. 2, (2020), pp. 583-595.

- [13] M. I. Qureshi and N. Khan, "Business disruptions and innovations beyond COVID-19," *foresight*, Vol. 24, No. 3/4, (2022), pp. 297-300.
- [14] S. K. Arumugam and A. M. Sharma, "Effective HR Practices in Family Business in Technology Disruption Era," (2022), pp. 341-365.
- [15] A. F. Shahatha Al-Mashhadani, M. I. Qureshi, S. S. Hishan, M. S. Md Saad, Y. Vaicondam and N. Khan, "Towards the development of digital manufacturing ecosystems for sustainable performance: Learning from the past two decades of research," *Energies*, Vol. 14, No. 10, (2021), p. 2945.
- [16] S. Al-Dubai, K. Nor Izah Ku Ismail, N. Afza Amran and S. Abdullah Abdulwadod Al-Dubai, "Overview of Family Business in Saudi Arabia The Effect of Board Diversity, Board Characteristic and Ownership Structure on Real Estate Companies' Performance View project Related Party Transactions and Audit Fees View project Overview of Family Business I," (2012).
- [17] A. De Massis, F. Frattini, E. Pizzurno and L. Cassia, "Product innovation in family versus nonfamily firms: An exploratory analysis," *Journal of Small Business Management*, Vol. 53, No. 1, (2015), pp. 1-36.
- [18] I. Ekanem and L. A. Alrossais, "Succession challenges facing family businesses in Saudi Arabia," in Entrepreneurship and Business Innovation in the Middle East, (2017), pp. 122-146.
- [19] T. Shapiro, "The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide," no. February, (2013), p. 8.
- [20] A. Ali, Business and Management Environment in Saudi Arabia. (2009).
- [21] D. Moher et al., "Preferred reporting items for systematic reviews and meta-analyses: The PRISMA statement," *PLoS Medicine*,

vol. 6, no. 7. Public Library of Science, (2009), p. e1000097,

- [22] A. R. Abu Bakar, S. Z. Ahmad, N. S. Wright and H. Skoko, "The propensity to business startup: Evidence from Global Entrepreneurship Monitor (GEM) data in Saudi Arabia," *Journal of Entrepreneurship in Emerging Economies*, Vol. 9, No. 3, (2017), pp. 263-285.
- [23] H. Abdullah Alnemer, "Predicting start-up intention among the females of Saudi Arabia using social cognitive theory," World Journal of Entrepreneurship, Management and Sustainable Development, Vol. 17, No. 4, (2021), pp. 889-906.
- [24] S. Lodhi, A. ali Harasis, M. Shafiq, N. Khan and M. I. Qureshi, "Tourism Research is an Academic Field or a Multidisciplinary Subject, a Systematic Literature Review on Theoretical Development in Tourism Research," *Studies of Applied Economics*, Vol. 39, No. 10, (2021), PP. 10-39.
- [25] M. A. I. A. A. Khan, "Dynamics encouraging women towards embracing entrepreneurship: Case study of Mena countries," *International Journal of Gender and Entrepreneurship*, Vol. 11, No. 4, (2019), pp. 379-389.
- [26] N. Akhtar et al., "Post-COVID 19 Tourism: Will Digital Tourism Replace Mass Tourism?," *Sustainability*, Vol. 13, No. 10, (2021), p. 5352.
- [27] G. Berisha, B. Krasniqi, J. Shiroka-Pula and E. Kutllovci, "Conflict handling styles as predictors of entrepreneurial intentions," *Journal of Entrepreneurship in Emerging Economies*, Vol. 13, No. 5, (2021), pp. 967-991.
- [28] A. A. Basaffar, L. S. Niehm and R. Bosselman, "Saudi Arabian women in entrepreneurship: Challenges, opportunities and potential," *Journal of Developmental Entrepreneurship*, Vol. 23, No. 2, (2018), p.1850013.

- [29] S. A. Batool et al., "Investigating the Causal Linkage among Economic Growth, Energy Consumption, Urbanization and Environmental Quality in ASEAN-5 Countries," *International Journal of Energy Economics and Policy*, Vol. 11, No. 3, (2021), pp. 319-327.
- [30] D. H. B. Welsh, E. Memili, E. Kaciak and A. Al Sadoon, "Saudi women entrepreneurs: A growing economic segment," *Journal of Business Research*, Vol. 67, No. 5, (2014), pp. 758-762.
- [31] V. Bodolica and M. Spraggon, "Almajid Limited: the tumultuous journey of a multigenerational enterprise in Saudi Arabia. Case study: Parts A, B, C and D," *Emerald Emerging Markets Case Studies*, Vol. 10, No. 1, (2020), pp. 1-40.
- [32] D. Alrubaishi, M. McAdam and R. Harrison, "Culture, Islamic capital and the entrepreneurial behaviour of family firms in Saudi Arabia," *International Journal of Entrepreneurial Behaviour and Research*, Vol. 27, No. 6, (2021), pp. 1476-1501.
- [33] M. I. Qureshi, N. Khan, S. Qayyum, S. Malik, H. S. Sanil and T. Ramayah, "Classifications of sustainable manufacturing practices in ASEAN region: A systematic review and bibliometric analysis of the past decade of research," *Sustainability (Switzerland)*, Vol. 12, No. 21, (2020), p.8950.
- [34] H. Sikandar, Y. Vaicondam, S. Parveen, N. Khan and M. I. Qureshi, "Bibliometric Analysis of Telemedicine and E-Health Literature.," *International Journal of Online* \& *Biomedical Engineering*, Vol. 17, No. 12, (2021), PP. 52-69.
- [35] J. A. Davis, E. L. Pitts and K. Cormier, "Challenges Facing Family Companies in the Gulf Region," *Family Business Review*, Vol. 13, No. 3, (2000), pp. 217-237.
- [36] Maciej Serda, "Synteza i aktywność biologiczna nowych analogów tiosemikarbazonowych chelatorów

żelaza," Uniwersytet śląski, Vol. 83, No. 1, (2013), pp. 343-354.

- [37] W. AL Kayid, Z. Jin, C. V. Priporas and S. Ramakrishnan, "Defining family business efficacy: An exploratory study," *Journal of Business Research*, Vol. 141, No. 1, (2022), pp. 713-725.
- [38] W. J. Aloulou, "Examining entrepreneurial orientation's dimensions – performance relationship in Saudi family businesses: Contingency role of family involvement in management," *Journal of Family Business Management*, Vol. 8, No. 2, (2018), pp. 126-145.
- [39] Y. Vaicondam, N. Jayabalan, C. X. Tong and N. Khan, "FINTECH ADOPTION AMONG MILLENNIALS IN SELANGOR," *Education*, Vol. 2016, (2014).
- [40] L. A. Alhashim et al., "Food Safety Knowledge and Attitudes: A Cross-Sectional Study among Saudi Consumers from Food Trucks Owned by Productive Families," *International Journal of Environmental Research and Public Health*, Vol. 19, No. 7, (2022), pp. 1-13.
- [41] A. A. Alhebri and S. D. Al-Duais, "Family businesses restrict accrual and real earnings management: Case study in Saudi Arabia," *Cogent Business and Management*, Vol. 7, No. 1, (2020), p. 1806669.
- [42] D. Alrubaishi, G. Alarifi and M. McAdam, "Innovation heterogeneity in family firms: Evidence from the date industry in Saudi Arabia," *International Journal of Entrepreneurship and Innovation*, Vol. 22, No. 2, (2021), pp. 75-87.
- [43] N. Khan, N. T. Van, A. Imran, H. Raza and H. Sikandar, "Ecotourism is the future of alternative tourism for environmental sustainability and natural areas protection," *Systematic Literature Review and Meta-Analysis Journal*, Vol. 1, No. 2, (2020), pp. 99-116.

- [44] V. Bodolica and M. Spraggon, "Almajid Limited: the tumultuous journey of a multigenerational enterprise in Saudi Arabia. Case study: Parts A, B, C and D," *Emerald Emerging Markets Case Studies*, Vol. 10, No. 1, (2020), pp. 1-40.
- [45] J. Sahni, A. Alwy and M. Al-Assaf, "Corporate governance in family business: Evidence from Saudi Arabia," *International Journal of Economic Research*, Vol. 14, No. 8, (2017), pp. 39-57.
- [46] S. Abdullah A. Al-Dubai, K. Nor Izah Ku Ismail and N. Afza Amran, "Family involvement in ownership, management, and firm performance: Moderating and direct-effect models," *Asian Social Science*, Vol. 10, No. 14, (2014), pp. 193-205.
- [47] J. Piesse, R. Strange and F. Toonsi, "Is there a distinctive MENA model of corporate governance?," *Journal of Management and Governance*, Vol. 16, No. 4, (2012), pp. 645-681.
- [48] J. Lauring and J. Selmer, "Expatriate compound living: An ethnographic field study," *International Journal of Human Resource Management*, Vol. 20, No. 7, (2009), pp. 1451-1467.
- [49] S. A. A. Al-Dubai, K. N. I. Ku Ismail and N. Afza Amran, "Family business definition: A matter of concern or a matter of convenience?," *Corporate Ownership* and Control, Vol. 11, No. 2 C, (2014), pp. 274-280.
- [50] M. A. Ramady and M. S. Sohail, "Assessing the role of Family business in promoting economic growth: Perspectives from Saudi Arabia," *International Journal* of Entrepreneurship and Small Business, Vol. 10, No. 4, (2010), pp. 447-459.
- [51] J. Al-Ajmi, H. Abo Hussain and N. Al-Saleh, "Decisions on capital structure in a Zakat environment with prohibition of riba: The case of Saudi Arabia," *Journal of Risk Finance*, Vol. 10, No. 5, (2009), pp. 460-476.

### 14 Obstacles and Prospers of Family Businesses in the Kingdom of Saudi Arabia. A Systematic Literature Review from the Last Two Decades

- [52] K. Kamaludin, I. Ibrahim and S. Sundarasen, "Moderating effects of family business on audit committee diligence and firm performance: A middle eastern perspective," *International Journal of Economics and Management*, Vol. 14, No. 2, (2020), pp. 173-188.
- [53] J. Lauring and J. Selmer, "Expatriate compound living: An ethnographic field study," *International Journal of Human Resource Management*, Vol. 20, No. 7, (2009), pp. 1451-1467.
- [54] E. Asfoura, M. S. Abdel-Haq and G. Kassem, "Conceptualization of Smart System Based on RFID Technologies for Controlling Vehicle Speed," *TEM Journal*, Vol. 10, No. 1, (2021), pp. 192-196.
- [55] A. M. A. Zamil, A. Al Adwan and A. Y. Areiqat, "BUYING INTENTIONS FACTORS AND GROWING SCOMMERCE IN KINGDOM OF SAUDI ARABIA (KSA)," Academy of Accounting and Financial Studies Journal, Vol. 25, No. 2, (2021), pp. 1-17.
- [56] H. A. Almalky, S. S. Alqahtani and A. A. Trainor, "School-business partnerships that facilitate postsecondary transition: Evaluating the perspectives and expectations for families of students with disabilities," *Children and Youth Services Review*, Vol. 119, (2020), p.105514.
- [57] A. S. Ajina, "The role of content marketing in enhancing customer loyalty: An empirical study on private hospitals in Saudi Arabia," *Innovative Marketing*, Vol. 15, No. 3, (2019), pp. 71-84.
- [58] T. T. Amin, M. A. M. Amr and B. O. Zaza, "Psychosocial predictors of smoking among secondary school students in Al-Hassa, Saudi Arabia," *Journal of Behavioral Medicine*, Vol. 34, No. 5, (2011), pp. 339-350.
- [59] J. Lauring and J. Selmer, "The supportive expatriate spouse: An ethnographic study of spouse involvement in expatriate

careers," International Business Review, Vol. 19, No. 1, (2010), pp. 59-69.

- [60] A. A. Amin and A. M. Hamdan, "Evaluating the effect of ownership structure on firm performance: evidence from Saudi Arabian listed companies," *Journal of Economic Cooperation and Development*, Vol. 39, No. 3, (2018), pp. 65-92.
- [61] A. J. Ali, "Conducting business in Saudi Arabia: A brief for international managers," *Global Business and Organizational Excellence*, Vol. 28, No. 6, (2009), pp. 64-84.
- [62] S. A. A. Al-Dubai, K. N. I. K. Ismail and N. A. Amran, "Are family members expropriated-monitoring shareholders? Non-linear evidence from the Saudi Arabia," *Jurnal Pengurusan*, Vol. 44, (2015), pp. 57-65.
- [63] W. Y. Ghee, M. D. Ibrahim and H. Abdul-Halim, "Family business succession planning: Unleashing the key factors of business performance," *Asian Academy of Management Journal*, Vol. 20, No. 2, (2015), pp. 103-126.
- [64] Q. N. Nguyen, H. L. Nguyen and T. D. H. Le, "Relationships among novelty seeking, satisfaction, return intention, and willingness to recommend of foreign tourists in Vietnam," *Management Science Letters*, Vol. 10, No. 10, (2020), pp. 2249-2258.
- [65] M. Mokhber, T. Gi Gi, S. Z. Abdul Rasid, A. Vakilbashi, N. Mohd Zamil and Y. Woon Seng, "Succession planning and family business performance in SMEs," *Journal of Management Development*, Vol. 36, No. 3, (2017), pp. 330-347.
- [66] F. Bin Hammad, "The vision 2030: Corporate governance perspective in Saudi Arabia," *Journal of System and Management Sciences*, Vol. 9, No. 1, (2019), pp. 48-68.
- [67] W. J. Aloulou, "Examining entrepreneurial orientation's dimensions performance

relationship in Saudi family businesses: Contingency role of family involvement in management," *Journal of Family Business*  *Management*, Vol. 8, No. 2, (2018), pp. 126-145.

Follow this article at the following site:

Nawar Muneer J. Algthami & Nazimah Hussin. Obstacles and Prospers of Family Businesses in the Kingdom of Saudi Arabia. A Systematic Literature Review from the Last Two Decades. IJIEPR 2023; 34 (1) :1-15 URL: http://ijiepr.iust.ac.ir/article-1-1602-en.html

