



Arab American University

Faculty of Graduate Studies

**The Effect of Family Offices on Wealth Management in
Palestine: The Mediating Role Strategic Entrepreneurship**

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**This Thesis Was Submitted in Partial Fulfillment of the
Requirements for a Master's Degree in Strategic Planning
and Fundraising**

06/2023

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Thesis Title

**“The Effect of Family Offices on Wealth Management in Palestine: The
Mediating Role Strategic Entrepreneurship”**

By

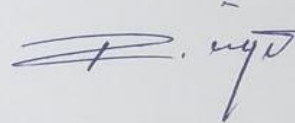
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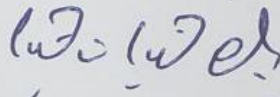
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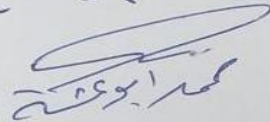
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Declaration

I declare that all the work in this thesis titled "*The Effect of Family offices on Wealth Management in Palestine: The Mediating role Strategic Entrepreneurship*" has been done to fulfill the requirements for the degree of Master's in **Strategic Planning and Fundraising** and submitted to Arab American University Palestine. All work is original and it has been written by me and I have duly acknowledged all the sources of information have been used in this thesis.

This thesis has also not been submitted to any other degree or university.

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Last but not least, I want to extend my heartfelt appreciation to my loving *husband Ibrahim*. Your unconditional love, unwavering support, and understanding have been my anchor throughout this journey. Thank you for standing by me, for your patience, and for believing in me even when I doubted myself. Your presence in my life has made all the difference.

To each and every person mentioned, you have played an integral role in shaping my academic journey and personal growth. Without your love, support, and guidance, I would not have reached this milestone. I am forever grateful for your presence in my life.

Abstract

The purpose of this study is to examine the impact of family offices on wealth management in Palestine, as well as the role of mediator entrepreneurship strategies. The study measure level of attitude of the dimensions and the direct and indirect effect of between dimensions. This study combines a quantitative approach and uses strategic entrepreneurship mediates family offices and wealth management that is measured using SMARTPLS4, the study used the convenient sample to fill the structure interviews, collected (30) structure interviews. The object of this study is (80) family business is registered by the Palestinian club of businesses (2022).

The findings of the thesis indicate a SE was found to significantly influence wealth management in these businesses. The study also a strong relationship between family offices, SE, and wealth management in Palestinian family businesses.

Based on the research findings, several recommendations are provided for owners of family businesses, it is recommended to develop and implement an integrated governance system, establish a family offices system, prioritize education and skill development for family members, separate the board of directors from the family, establish a family council, hold regular and structured meetings, develop written documentation and reporting, promote inclusivity and balanced decision-making, Foster an entrepreneurial culture, and embrace a long-term orientation focused on sustainability and the Future studies to explore factors influencing entrepreneurial perceptions and behaviors across multiple generations within Palestinian family businesses.

Keywords: Family Offices, Strategic Entrepreneurship, Wealth Management, Family Business.

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List of Abbreviations

| | |
|----|----------------------------|
| FO | Family Offices |
| WM | Wealth Management |
| SE | Strategic Entrepreneurship |

List of Definitions

| | |
|----------------------------|--|
| Family Offices | According to Rivo-López <i>et al.</i> (2017) FO as companies created by wealthy families that aim to transfer their wealth, culture, and values to the next generation |
| Wealth Management | According to Horan (2015) as a range of financial services designed to cater to high-net-worth and ultra-high-net-worth individuals' unique needs and goals. These services may include investment management, financial planning, tax optimization, estate planning, and risk management. |
| Strategic Entrepreneurship | According to Ireland <i>et al.</i> (2003) strategic entrepreneurship as integrating entrepreneurial and strategic perspectives to create wealth. |

1. Chapter One: Introduction

1.1 Background

A *Family Office (FO)* is a distinct family-owned business that offers customized wealth management solutions while upholding the family's identity and values (Benevides, 2009). Wealthy industrialists in the United States established the first FO in the nineteenth century due to dissatisfaction with the limited services provided by banks and brokerages. Instead, they formed teams of experts to handle their financial affairs (Eigenheer, 2014). The proliferation of FO began in the 1980s, primarily in the US, coinciding with a significant increase in family wealth (Morgan, 2017).

The demand for FO services is global. Wealthy families seek strategies that provide them with control, freedom, and privacy, all with the guidance of FO professionals. Families with clear wealth goals often opt for FO to effectively manage their assets (File, 1994). This approach grants them market power and reduces financial management costs through centralized decision-making (Lumpkin, 2010). Family members, freed from day-to-day management, gain the capacity to handle the management of substantial family resources better and leverage their wealth when they have access to reliable expert advice (Curtis, 2001), which increases the likelihood of adding value to both their wealth and society.

A FO serves as a bridge between the family and the family business (Lansberg, 1999), alleviating concerns of wealth owners regarding the next generation's ability to manage family wealth. It also limits access to wealth for children while facilitating the transfer of wealth, which encompasses not only financial assets but also cultural and values-based elements, to future generations (Rivo-

Lopez *et al.*, 2020). Additionally, FO contribute to family governance, helping resolve conflicts within family businesses (Campbell, 2020).

FO play a crucial role in motivating entrepreneurial families by investing in entrepreneurship and fostering a mindset focused on creating family equity and wealth (Rivo-Lopez *et al.*, 2020). They align the family's strategic goals, decision-making, and entrepreneurial orientation to identify profitable opportunities and convert them into valuable entrepreneurial ventures.

Family businesses aspire to increase their wealth and entrepreneurial investments to preserve their wealth for future generations. They can engage FO to implement WM practices, reduce conflicts, and foster unity among family members. Scholars have explored the relationship between wealth, entrepreneurial strategies, and wealth and FO. However, a globally applicable study that illustrates the relationship between entrepreneurship strategies and FO in WM still needs to be done. Therefore, this study aims to develop a model that elucidates the role of the relationship between FO on WM in Palestine and the mediating role of SE. The study will specifically focus on Palestinian family businesses as a case study and aims to create a conceptual model that provides strategic guidance for WM across generations using FO and ES.

In summary, this study seeks to investigate *The effect of family offices on wealth management in Palestine: The assessing the mediating role of strategic entrepreneurship.*

1.2 Problem Statement

Family firms in Palestine play a vital role in the private sector, encompassing commercial, industrial, agricultural, and service sectors (Sabri, 2008). These businesses are significant for the Palestinian economy as their success is intertwined with the family's success. Unlike other companies, family businesses are influenced by the family members who possess and operate them

(Salameh, 2017). The strong relationships between family members often contribute to the success of these businesses. Many families establish their own firms to reduce dependence on employment in Israel (Sabri, 2008).

However, Palestinian family firms also face challenges. Some members do not consult other family members before making decisions which may lead to potential conflicts (Sabri, 2008). In addition, hiring unqualified individuals in administrative positions based on kinship rather than entrepreneurship or leadership skills can hinder the business's success (Abuznaid, 2014).

Despite the family's tremendous efforts to overcome political, economic, governmental, and internal family challenges to preserve and transfer wealth across generations, studies have shown that the most significant threats to family firms come from within the family itself (Salameh, 2017). Issues such as inadequate management, internal conflicts, and missed opportunities to create a competitive advantage can hinder the growth and longevity of family businesses (Hutchings & Weir, 2006).

To address these challenges, adopting strategies such as establishing FO and implementing entrepreneurship strategies, as seen in European Countries and the Middle East, can be beneficial for preserving family business wealth (Sultan & Sultan, 2020). Research has shown that entrepreneurship strategies are crucial for creating and managing family wealth (Hutchings & Weir, 2006).

On the other hand, FO provide a platform for resolving conflicts and finding solutions to manage and preserve wealth. Accordingly, whether implementing this model can effectively preserve family business wealth arises. This study examines the effect of FO on WM in Palestine: the mediating role of SE. The goal is to develop a conceptual framework that supports family

businesses in enhancing their competition, managing their wealth, and ensuring its continuity across generations.

1.3 Significance of the Research

The importance of this study lies in the necessity of adopting FO in WM in Palestine. Entrepreneurship strategies achieve a competitive advantage based on wealth creation for family businesses since Palestinian entrepreneurs maintain strong social and economic networks inside and outside the Palestinian territories and have achieved great success in sustainability and entrepreneurship (Abuznaid, 2014).

The unstable political and economic situation in Palestine threatens family businesses, where family businesses also depend on mutual support between family members, and the importance of FO lies in arranging and organizing relationships between family members and owners to develop wealth and reduce differences between them. After reading and reviewing previous literature, FO are seen as the solution for family businesses.

Family businesses are indispensable for capital wealth (Costa & Cobián, 2022). Their primary goals are to preserve the family's wealth, businesses, and legacy (Fernández-Moya, 2011). In order to ensure the role of FO in achieving the strategic goal of families' businesses of preserving wealth and transmitting it across generations, "older generations tend to be more entrepreneurial, while younger generations are more conservative and risk-averse in wealth preservation." (Welsh, 2013, p.) FO motivate families to invest their money in entrepreneurship. Here, the question is: What is the role of FO and entrepreneurship strategies in wealth management? It was noted from the literature review that the relationship between FO and entrepreneurial strategies in WM is not clear enough; some studies discussed the relationship between FO and ES. Other studies discussed the

relationship between entrepreneurship strategies in wealth creation. Moreover, some studies discussed the effectiveness of FO in WM. However, no theoretical framework clearly defines the role of FO and entrepreneurship strategies in wealth management.

1.4 Objectives of the Study:

This study aims to examine the mediating role of SE in the effect of FO on wealth management in Palestine. This main objective is divided into the following sub objective

1. To identify the level of attitude family offices in Palestinian family businesses
2. To identify the level of attitude strategic entrepreneurship in Palestinian family businesses
3. To identify the level of attitude wealth management in Palestinian family businesses
4. To test the direct effect of attitude family offices on wealth management in Palestinian family businesses.
5. To test the indirect effect of attitude family offices on wealth management in Palestinian family businesses using strategic entrepreneurship as a mediator.

1.5 Questions of the Study

This study aims to answer main study question: **what is the mediating role of strategic entrepreneurship in the effect of family offices on wealth management in Palestine?** This main question is divided into the following sub questions:

1. What is the level attitude of family offices in Palestinian family businesses?
2. What is the level of attitude strategic entrepreneurship in Palestinian family businesses?
3. What is the level of attitude wealth management in Palestinian family businesses?
4. Is there a direct effect of attitude family offices on wealth management in Palestinian

family businesses?

5. Is there an indirect effect of attitude family offices on wealth management in Palestinian family businesses using strategic entrepreneurship as a mediator?

1.6 Hypothesis of the Study

The main hypothesis of this study is:

(H1): There is a significant impact of family offices on wealth management in Palestinian family businesses.

(H2), Strategic entrepreneurship mediating the impact of family offices on wealth management in Palestinian family businesses:

- (H2, a): There is a significant impact of family offices on strategic entrepreneurship in Palestinian family businesses.
- (H2, b): There is a significant impact of family offices on wealth management in Palestinian family businesses.
- (H2, c): There is a significant impact of strategic entrepreneurship on wealth management in Palestinian family businesses.
- (H2, d): There is an indirect effect of family offices on wealth management in Palestinian family businesses using strategic entrepreneurship as a mediator.

1.7 Conceptual Model

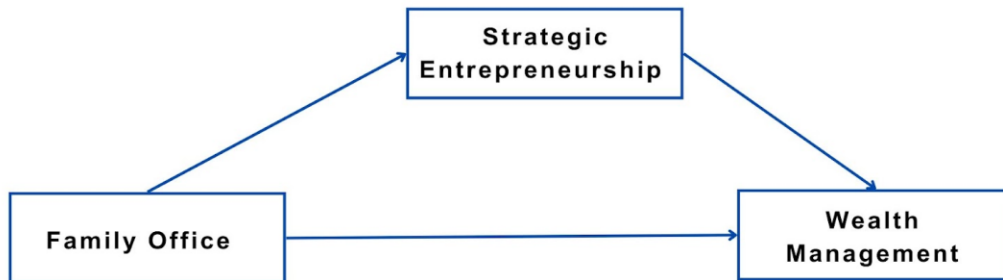


Figure 1 Conceptual Model

1.8 Structure of the Study:

This study will consist of five chapters as follows:

Chapter 1: Introduction.

Chapter 2: literatures Review.

Chapter 3: Research Methodology.

Chapter 4: Data analysis and results.

Chapter 5: Recommendations & Conclusions.

Chapter Two: Literature Review

2.1 Theoretical Literature Review

This chapter views and discusses literature about Family Offices (FO), Wealth Management (WM), and Strategic Entrepreneurship (SE). These components are particularly significant for this study since they will provide the basis for the impact of family offices on WM in the mediating role of SE. This chapter consists of two main sections. The first one presents the theoretical aspects of the study variables, i.e., FO, WM, and SE. It also discusses the dimensions of FO and SE. The second section presents the empirical literature review, with five studies for each variable. Furthermore, it highlights the gap this study assists in filling.

2.2 Family Offices

2.2.1 The Concept of Family offices

The *FO* concept can be traced back to the 15th century in Italy, where wealthy families would appoint a steward to manage their estates and affairs (Rivo-López *et al.*, 2021). Over time, these stewards evolved into trusted advisors responsible for overseeing all aspects of a family's wealth and well-being. Rivo-López *et al.* (2017) refers to FO as companies created by wealthy families that aim to transfer their wealth, culture, and values to the next generation (Rivo-López *et al.*, 2017). Moreover, Wessel (2014) believes that FO play a vital role in preserving family wealth and transferring it to future generations while educating family members on economic issues and promoting good family governance. Hence, it is regarded as a means of family governance.

Traditionally, FO can be seen as businesses run by and for a family, with the primary goal of consolidating the management of the family's assets (Rivo-López *et al.*, 2017). It may be viewed not only as a means to maintain the family's wealth but also as a means to provide advice on

entrepreneurial opportunities to help the family expand their wealth and meet its growing needs (Bierl & Kammerlander, 2019). Zellweger and Kammerlander (2015) mention that FO can improve family management and communication by providing a platform for family members to discuss and align on crucial decisions related to their wealth and business interests. On the one hand, it provides access to a broader range of investment opportunities that may not be available to individual investors, thanks to significant financial resources and the ability to participate in private equity and venture capital deals (Faktor, 2013). On the other hand, FO diversifies families' portfolios across different asset classes, which likely helps achieve higher returns and better risk management (Block *et al.*, 2019).

FO has a long history and has become essential for family governance and wealth management. It's operated by and for a family, offering customized WM solutions while preserving the family's identity and values. Also, the primary roles of FO include preserving family wealth, transferring it to future generations, educating family members on economic matters, and promoting good family governance. So, through their comprehensive approach, FO contribute to preserving and successfully managing family wealth over time. (Rivo-López *et al.*, 2021).

2.2.2 The Importance of Family Offices

FO plays a crucial role in developing the FO plays a crucial role in developing the Palestinian economy. As Palestinian families accumulate wealth, they face challenges in managing their assets and passing them on to future generations. (Howorth *et al.*, 2010).

Wessel (2014) thinks that FO provides expertise in investment management, allowing family businesses to diversify their assets and achieve higher returns. Further, FO can provide strategic advice and guidance to family businesses, helping them to navigate complex business decisions

and manage family dynamics (Gray, 2005). It assists family businesses with succession planning, ensuring a smooth leadership and ownership transition to the next generation (Kenyon-Rouvinez & Park, 2020), which is a critical matter for family businesses as the failure to plan for succession can lead to conflict and even the demise of the business (Canessa *et al.*, 2018). Furthermore, It offers various other services to family businesses, including tax planning, legal support, and philanthropic advising. These services can help family businesses manage their finances and legal obligations more effectively and support charitable giving initiatives (Hauser, 2002).

FO offers many advantages for improving family governance and communication. One advantage of FO is that it provides a platform for family members to discuss and align on critical decisions related to their wealth and business interests, which can help to minimize conflicts and improve decision-making. By establishing formal structures and processes for family communication and decision-making, FO can help families manage their assets better and avoid disputes arising from informal arrangements (Zellweger & Kammerlander, 2015).

Another advantage of FO is that it helps family businesses to preserve their legacy and values over multiple generations (Siebels and zu Knyphausen-Aufseß, 2012). Zellweger and Kammerlander (2015) find that FO develops family constitutions, creates governance structures, and provides education and training to family members to ensure that the family business remains aligned with the family's vision and values.

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2.2.3 Types of Family Offices

FO are private entities that manage high-net-worth families and individuals' financial and personal affairs. There are two primary types of FO: *Single-FO* (SFO) and *Multi-FO* (MFO) (Schickinger

et al., 2021). SFO are dedicated to serving a single family, whereas MFO provide services to multiple families. In addition, SFO are well-structured and oversee a variety of additional items, such as insurance needs, tax planning, fiduciary duties, trusts, aviation, and property ownership. MFO, on the other hand, offer a range of WM services to many independent, high-net-worth families and individuals. Although most FO are single-FO, some morph into multiple-FO over time (Hamilton, 2002).

2.2.4 Family Offices Dimensions

Previous studies have defined FO in many ways. The FO is defined as "a unique family business that is created to provide tailored WM solutions in an integrated fashion while promoting and preserving the identity and values of the family" (Amit, *et al.* 2008, p. 113). The FO has received limited attention and exploration from studies. According to Rivo-López *et al.* (2017), FO engages in three main categories of activities. Firstly, it handles investment-related activities such as asset allocation, manager selection, monitoring, and investing and measuring investment performance. Secondly, FO provides family-related services, including philanthropy, risk management, insurance, education for the next generation, concierge services, security, estate planning, and family governance. Lastly, FO is involved in administration-related activities such as banking, financial administration, information aggregation and client reporting, legal services, technology solutions and support, and trust and partnership accounting.

FO is established for various reasons, which can be broadly categorized into two factors: tangible (Financial goals), including creating intergenerational wealth, effective tax planning, and efficient asset management, and intangible factors (Financial goals), which encompass promoting family harmony, ensuring generational continuity, and facilitating philanthropic endeavors (Rivo-López *et al.*, 2021; Rivo-López *et al.*, 2016). Other studies have measured the FO throughout corporate

governance refers to the system and structures put in place to ensure effective management and decision-making within and include the board of administration, family board, and various executive committees, and investment refers to the allocation of resources, typically money, with the expectation of generating a return or profit over time and involves committing funds to different assets, securities, or ventures to increase wealth or achieve specific financial goals (Amit *et al.*, 2013; López *et al.*, 2013; Rivo-López *et al.*, 2021). After conducting an extensive review of previous studies and referring to this study, Wessel, S. (2008), this study has identified six other dimensions (the board of directors, family council, communication & reporting process, involvement of family members, planning of new investments & asset allocations, and family's investments & asset allocation that are clearer and more accurate in terms of measurement and likely to provide more precise and reliable data for the study. A further explanation of these dimensions is provided as follows:

1. The Board of Directors

The Board of Directors is a group of individuals elected or appointed by shareholders to oversee and govern a company's activities and direction and to supervise the operations and top managers (Lipton *et al.*, 2003; Turnbull, S, 1997; Zald *et al.*, 1969). A family business is typically composed of family members and external professionals, such as financial experts or industry advisors; the board of directors is an essential governance structure for FO to ensure alignment with the family's interests and goals (Lipton *et al.*, 2003).

2. Family Council

A family council can be defined as a structured group of family members responsible for managing and governing the interests of a family-owned business or wealth and including members from different family branches and generations, making decisions that impact the

family's legacy and assets (Hutcheson *et al.*, (2003); Jaffe & Lane (2004) and Sundaramurthy (2008). Additionally, the Family Council promotes unity, collaboration and addresses conflicts and issues related to ownership, succession, and governance (Amit, *et al* 2013).

3. Communication & Reporting Process:

Communication and Reporting is a formal system of information exchange and documentation that facilitates effective communication and decision-making within a family-owned business or WM context (Morris *et al.* 1996; Welsh *et al.* 2013; Hsueh, 2018) determined that this ensures transparency and accountability in decision-making and enables family members to stay informed and engaged in critical decisions that impact the family's interests and legacy.

4. Involvement of Family Members

It refers to the extent to which family members actively engage in the management and decision-making of a family-owned business or WM enterprise (Lin & Hwang, 2010; Morris *et al.*, 1998). So, involvement can take various forms, such as serving on the board of directors, participating in family meetings, or holding leadership positions within the business (Diéguez-Soto, 2015). Furthermore, Family members involved in the enterprise can bring unique insights, knowledge, and expertise to the table and help ensure the business is aligned with the family's values, goals, and vision (Nordqvist *et al.*, 2014).

5. Planning of New Investments & Asset Allocations

Planning new investments & asset allocations is a strategic process that enables the family business to allocate its financial resources effectively and efficiently (Wessel, 2013; López *et al.* 2013; Rivo-López, 2021). According to Rankin (1994), it involves setting investment goals, identifying potential investment opportunities, analyzing investment risks and returns, and implementing investment strategies aligning with the family's objectives. Also, the process

requires ongoing monitoring and evaluation to ensure that investments are performing as expected and to adjust the portfolio as needed to maintain the desired *asset allocation*. Family's investments and *asset allocation* (Naldi *et al.*, 2015).

6. Family's investments and Asset Allocation

Family investments and asset allocation is the process of determining how a family's wealth will be invested in different types of assets, such as stocks, bonds, real estate, or alternative investments, with the goal of achieving the family's financial objectives while managing risks (JWessel, 2013; López *et al.*, 2013). Kaye & Hamilton (2004) mention that this process involves deciding how to allocate investment decision-making responsibilities between family members and non-family members, developing investment policies and strategies that align with the family's values and goals, and effectively using financial tools and resources, such as Family Banks, to manage and grow the family's wealth over the long term.

2.3 Strategic Entrepreneurship

2.3.1 The Concept of the Strategic Entrepreneurship

Strategic Entrepreneurship (SE) is a field of study that emerged in the 2000s and has since gained increasing attention from scholars and practitioners alike (Ireland *et al.*, 2022). Ireland *et al.* (2003) define SE as integrating entrepreneurial and strategic perspectives to create wealth.

SE combines the perspectives of entrepreneurship and strategic management with a focus on creating and capturing wealth through the pursuit of new opportunities (Hitt *et al.* (2001). Further, Ireland *et al.* (2003) mention that SE integrates entrepreneurial and strategic perspectives to design and implement strategies that create wealth. This definition emphasizes the combination of opportunity-seeking actions, such as identifying and pursuing business opportunities, with

strategic actions, such as seeking competitive advantages (As-Sakarneh, 2008). The ultimate goal of entrepreneurship is to generate wealth by developing and implementing innovative ideas and business strategies.

Furthermore, it highlights entrepreneurship's dynamic and proactive nature, where individuals or organizations take calculated risks and actively pursue opportunities to create economic value (Shabat & Al-Masri 2019). Kraus *et al.* (2003) argue that SE refers to a company's attempt to exploit its current competitive advantages while exploring new opportunities to ensure future success. It combines entrepreneurship and strategic management by identifying and exploiting new opportunities and transforming them into sustainable competitive advantages. While entrepreneurship is concerned with identifying and pursuing new opportunities, strategic management is concerned with creating and maintaining a competitive advantage (Kyrgidou & Petridou, 2011).

To sum up, SE is considered one of the most critical integrations of a firm's entrepreneurial and strategic management activities. It requires a proactive and innovative mindset and the ability to manage risk and uncertainty (Webb *et al.*, 2013). On top of that, it involves identifying new opportunities and developing strategies that enable a firm to use those opportunities while leveraging its existing resources and capabilities. It also involves the creation of new products, services, and business models, as well as the development of new markets and customer segments (Ireland & Webb, 2007).

2.3.2 The Importance of Strategic Entrepreneurship for Family Business

Kansikas *et al.* (2012) find that SE for family businesses is the ability to manage risk and uncertainty. Family businesses often face significant risks and uncertainties, such as succession

planning, family conflicts, and market volatility. Furthermore, SE helps family businesses to manage these risks by promoting a culture of innovation, experimentation, and adaptability. Lumpkin *et al.* (2011) find that family businesses can leverage those matters to identify new markets, develop new products and services, and expand their customer base, which can help to stay ahead of the competition and create long-term value for their stakeholders. Family businesses can build resilience and flexibility in their operations by continuously exploring new opportunities and developing new capabilities, which help weather unexpected challenges and disruptions (Wright & Hitt, 2017).

Sharma (2011) shows that SE can help family businesses manage the aforementioned conflicts by providing a shared vision and strategy that aligns family and business interests. By developing a strategic plan that reflects the values and goals of the family, family businesses can create a sense of unity and purpose that can help to overcome differences and promote collaboration. Also, Webb *et al.* (2010) mention that SE can help encourage the next generation to explore new opportunities and develop new capabilities; family businesses can prepare them for leadership roles and ensure business continuity.

2.3.3 Strategic Entrepreneurship Dimensions

Many studies have used different SE dimensions, along with consensus about their importance. Ireland *et al.* (2003) developed a model for SE for wealth creation using six dimensions: Entrepreneurial mindset, entrepreneurial culture, and entrepreneurial leadership, managing resources strategically, applying creativity, and developing innovation. Luke and Verreynne (2006) studied and analyzed SE in the public sector using 12 dimensions: Innovation, acceptance of risk, flexibility, vision, growth, strategy-making process, culture, branding, operational excellence, cost minimization, and transfer and application of knowledge. Moreover, they revealed

four dimensions of SE effects on organizational performance: resourceful innovation, proactive change, risk anticipation, and adaptive capability (Wang *et al.*, 2008).

Each study emphasizes different dimensions of SE. According to Naeiji & Siadat (2019), the common dimensions of SE in the studies are: continence innovation (Luke *et al.*, 2011; García *et al.*, 2017), entrepreneurial mindset used by Ireland *et al.* (2013); Kyrgidou Petridou (2011), proactive behavior used by Villiers-Scheepers (2012), risk tacking used by Luke and Verreynne (2006); Villiers-Scheepers (2012) and value creation is outputting from SE for firms (Hitt *et al.*, 2001).

Therefore, according to the frequency of the most important dimensions that measure the SE, this study decided to measure the SE in this study through five main dimensions, which are as follows:

1. Continuous Innovation:

Continuous Innovation (CI) is a dynamic and ongoing process that involves continuous interaction between operating activities, gradual improvement, and radical innovation, achieved through an effective combination of operational and strategic aspects (Lianto *et al.* 2022; Farsi *et al.*, 2013). Farsi *et al.* (2013) argue that CI encompasses structured and sustained innovation efforts conducted over an extended period, resulting in benefits for the company, enabling organizations to continuously learn, update themselves, and develop new products, processes, organizations, and business models. CI enables companies to adapt quickly, meet current consumer needs, and stay ahead in a competitive market (Sarhan, 2005)

2. Opportunity-Based Mindset

Opportunity-based mindset is a proactive and optimistic approach focused on identifying and pursuing growth opportunities through innovation and problem-solving, emphasizing creating and capitalizing on opportunities rather than reactive problem-solving (Naeiji & Siadat, 2019; Pidduck

et al., 2021; Baptista *et al.*, 2014). As a result, its effective environmental search tools and systematic reactions to environmental demands enable timely recognition of opportunities and facilitate SE (Naeiji & Siadat, 2019).

3. Proactive Behavior:

Proactive Behavior (PB) is defined as the self-initiated actions taken by individuals within an organization to anticipate and address future problems or opportunities (Bateman & Crant, 1999; Parker & Collins, 2010; Naeiji & Siadat, 2019). Thus, it goes beyond the scope of assigned tasks and allows individuals to develop their own goals, thereby preventing problems in the long term by taking the initiative and being proactive in identifying and addressing challenges or opportunities (As-Saqqa *et al.*, 2022). Naeiji and Siadat (2019) mention that PB in SE involves a corporation's proactive focus on competitive activities, demonstrating leadership and innovation to gain a sustainable competitive advantage.

4. Risk-Taking

Risk-taking is a behavior that involves making decisions or taking actions that have a potential for negative consequences but also a potential for positive outcomes and has long been recognized as a crucial factor in the field of entrepreneurship and SE (Bechara, 2003; Luke & Verreynne, 2006; Reyna & Farley, 2006). Zuckerman & Kuhlmann (2000) refers to the willingness to try new approaches, explore unconventional ideas, and challenge existing norms and assumptions. (An-Najar, 2017) Mentioned that risk tacking demonstrates a link between risk-taking and the exploration of opportunities, indicating that companies willing to take higher risks in identifying market opportunities suggest also be prepared to accept the risks involved in exploring and pursuing those opportunities. This dimension is crucial for knowledge-based corporations operating in uncertain environments (Naeiji & Siadat, 2019).

5. Value Creation Firms

Value creation is organizations that focus on creating value for their stakeholders, including customers, shareholders, employees, and society as a whole (Chirico & Nordqvist, 2010; Lieberman, *et al.* 2018; Tian, 2012). In addition, it is a crucial aspect of SE and distinguishes it from traditional entrepreneurship to playing a vital role in achieving sustainable competitive advantage Naeiji and Siadat (2019). According to Nasser (2022), Companies engaging in SE must not only identify and pursue market opportunities but also generate value from those opportunities to attain desired organizational outcomes.

2.4 Wealth Management

2.4.1 The Concept of the Wealth Management

The term "wealth management" can be used interchangeably with "money management" or "asset management." Horan (2015) defines *Wealth Management* as a range of financial services designed to cater to high-net-worth and ultra-high-net-worth individuals' unique needs and goals. These services may include investment management, financial planning, tax optimization, estate planning, and risk management. Traff (2016) mentions that WM for business families is a specialized area of management that focuses on the unique needs and challenges of families who own and operate businesses. Likewise, Business families often have complex financial needs that require a tailored approach to wealth management. In addition to investment management, they may require assistance with succession planning, tax planning, risk management, and estate planning.

2.4.2 The Importance of Wealth Management

Due to their complex and unique challenges, Horan and Adler (2009) determine that WM is crucial for family businesses. Family businesses often have multiple family members involved in ownership and management, which can lead to conflicts of interest and competing priorities. They also have a long-term perspective to preserve wealth for future generations. According to research,

effective WM can help family businesses navigate these challenges by providing a clear framework for decision-making and a comprehensive strategy for preserving and growing the family's wealth (Haynes, *et al.* 2021).

WM includes developing a plan for transferring ownership and leadership to future generations, implementing risk management strategies to protect the business and its assets, and optimizing the family's investment portfolio to achieve their long-term financial goals. (Jaffe & Lane, 2004). Furthermore, WM can help family businesses maintain good governance and transparency, which is critical for preserving family harmony and avoiding conflicts. By having a formal structure for managing the family's wealth, family members can communicate more openly and make decisions that are in the best interest of both the family and the business (Musto, *et al.*, 2015).

2.5 Family Business in Palestine

2.5.1 The concept of Family Business:

Al-Farra (2005) defines *Family Business* as an establishment in which two or more persons belonging to the same family are involved and own the business, individually or jointly. One notable characteristic of family businesses is that they are typically owned and controlled by family members. Also, Ownership is often limited to the family, and the family establishes controls to ensure the survival and control of the company. According to Al-Farra and Al-Hayek (2014); Khalil and Al Debian (2016), *Family Business* is an establishment that one family entirely owns, in which strategic decisions and voting power are exclusively reserved for family members.

2.5.2 Family Business in Palestine:

In Palestine, there is limited available data on the exact number of Palestinian family businesses and their contribution to the national economy. However, According to Al_Hafi (2015) and At-

Tamimi (2018), family businesses play a significant role by a percentage of 90% in the Palestinian economy. Moreover, 99% of private sector companies are family businesses, contributing to job creation, economic growth, and overall stability (Imad, 2023). Nevertheless, the dominance of family businesses underscores their importance and impact on the local business landscape in Palestine.

Family businesses can be legally classified under various names, depending on the business. Some common classifications include limited partnership companies, joint partnerships, limited liability companies, and limited partnership companies. So, in these legal forms, family members can register their family companies, as there is no special legal frame for family companies since their owners are from one family.

2.5.3 The Development of Family Businesses

The development of family businesses can be observed through various stages of growth and evolution (Al-Hafi, 2015).

The first stage often involves a specific individual who initiates and establishes the project, which later develops into a business. In this stage, the founder holds absolute power and takes on the role of managing the company, making decisions without consultation. The founder's leadership is crucial in ensuring the sustainability of the family business. As the business progresses, some founders start considering their successors. They seek to choose an heir who can manage the business effectively. It is worth noting that many founders perceive family businesses as a collective legacy, and they distribute shares among the family members.

The second stage typically involves the transition of ownership to the next generation, such as the father passing the decision-making authority to his sons or one of them. During this stage, the

siblings may come together to exchange opinions informally and establish a council to reach a consensus on strategic matters. Roles may start to differentiate, with one of the siblings assuming the management position. At this point, trust among family members becomes crucial.

In the third stage, the family business expands, including a larger group of cousins. This expansion can result in changes in the size of family members and the size of the company. Cousins may participate in the management by forming a joint board of directors, and ownership stakes may become more diverse. The level of participation and interest can vary among family members, impacting the formal administration of the company. At this stage, the family business focuses on managing the company through trust and delegating responsibilities to individuals or a group of managers. The formalization of the company increases, affecting internal and external transactions. The complexity of governance increases as ownership, the board of directors, and management become interconnected. In some cases, the family business may transform into a holding company, acquiring shares of other companies and necessitating the formation of a capable board of directors for strategic management.

Family businesses in Palestine face various challenges that require attention and support in order to thrive and contribute effectively to the economy (Anabtawi, 2011; Salameh & Hatamleh, 2017). Some of these challenges include:

1. Weak institutional structure: Many family businesses need a more robust institutional framework and decision-making processes. Critical decisions often require the unanimous consent of family members, which can hinder agility and effective governance.
2. Poor planning and development: Family businesses may struggle with long-term planning and strategic development due to disagreements among family members regarding the direction and growth of the business. This can impede progress and hinder competitiveness.

3. Capital fragmentation: The capital of family businesses is often divided among multiple family members, leading to fragmented ownership and decision-making.

Palestinian family businesses have demonstrated resilience and success over generations despite these challenges. They have built solid business models and significantly contributed to the local community through charitable activities and social responsibility initiatives. Several prominent examples, such as the Bank of Palestine, Al-Jnade, Al Masrouji Group, and Al- Qawasmi for Gold and Jewelry, showcase the influential roles that family businesses play in various sectors. Family businesses in Palestine exhibit several characteristics that distinguish them from other types of enterprises. According to Al-Farra and Al- Hayek (2014), these characteristics include:

1. Social orientation: Family businesses prioritize the social aspect of their profits, aiming to maintain a positive image within the market and society. They recognize the importance of maximizing profits while considering their social responsibility.
2. Interdependence and cohesion: Family members who are part of the business feel a sense of belonging and work together cohesively. The familial connection fosters a strong bond and a shared commitment to the business's success.
3. Stability of management: Family businesses often have stable management structures and decision-making mechanisms. This stability stems from the close relationship between ownership and management, allowing smoother decision-making processes.
4. Mutual trust: Trust is a fundamental characteristic within family businesses. The intimate nature of family members fosters trust between the ownership and management, providing a solid foundation for business operations.

5. Market confidence: Family businesses benefit from the excellent reputation of the owning family, which enhances market confidence in their products and services. This reputation can provide favorable conditions for buying, selling, financing, and accessing credit.
6. Focus on long-term development: Family businesses demonstrate a commitment to the long-term growth and development of the company. They may be more inclined to invest in projects that yield long-term benefits, even if they do not provide immediate profits.

On top of that, family businesses in Palestine often retain decision-making authority within the hands of the founder or the family members who have acquired the capital. This concentration of decision-making power enables quick responsiveness to customer needs and fosters close relationships with customers, producing high-quality products and services. Family businesses also benefit from advantages such as mutual trust among family members, financial and moral support, and a strong commitment from family members because the business is a source of livelihood and shared goals. These characteristics contribute to the success and resilience of family businesses in Palestine, enabling them to create a harmonious blend of profitability, social responsibility, and familial bonds.

2.4 Empirical Literature Review

First: Family Offices

| Author | Aim of Study | Findings | Design of study | Conclusion | Limitations | Further research |
|----------------------------|---|---|-----------------|--|--|--|
| Welsh <i>et al.</i> (2013) | To examine generational perceptions of entrepreneurship in FO and their impact on ventures. | The study found that different generations of family businesses have different perceptions of entrepreneurship in FO. | Qualitative | Entrepreneurial behavior is crucial for sustainable FO and generating wealth with positive impact. | Sample size and composition, generational differences, variation in net worth, and exploratory nature | Future studies should explore optimal entrepreneurial training, leadership influence, cross-cultural differences, and FO heterogeneity |
| López <i>et al.</i> (2013) | to develop a model for the constitution of a FO in Spain. | The study identified three variables (objectives-scope, structure, governance) that impact FO development and proposed heuristic propositions | Qualitative | A model for the constitution of an SFO has been proposed. Further research is needed for quantitative measures and statistical analysis. | The study's findings cannot be generalized to all Spanish FO as the sample size is limited. | In-depth analysis of SFO' asset allocation and measurement of governance bodies and outsourced activities. |
| Faktor (2013) | The aim of the study is to develop a holistic framework of governance, specifically | The study finds that a culture of trust and the role of the board of directors are crucial for | Qualitative | | Limitations include privacy constraints, lack of access to financial data and meetings, and potential for incomplete or inaccurate survey responses. | Future research should focus on board selection, competencies, diversity, evaluation, and beneficiary involvement, as well as |

| | | | | | | |
|---------------------------|--|--|-------------|--|---|---|
| | adapted to FO, based on the role of the board of directors. | successful FO governance. | | | | following FO' implementation of governance structures. |
| Rosplock and Welsh (2012) | The study aims to explore how multigenerational family ownership groups develop and manage a FO for wealth acceleration. | Multigenerational family firms with strong entrepreneurial culture and aligned family and business vision facilitate FO development. | Qualitative | The FO is an entrepreneurial process, influenced by internal and external factors, requiring dynamic fit for sustainability. | Small sample size, biased sample, limited geographic representation, and reliance on interpretive research framework. | Future studies should explore the link between family governance, entrepreneurial orientation, and the development of FO for long-term sustainability. |
| Rosplock and Welsh (2011) | The aim of the study is to understand the FO as a WM and sustainability vehicle for affluent families. | | Qualitative | The growth of FO as a WM and sustainability vehicle requires further study due to its global ramifications and complex issues. | --- | Investigation is the relationship between the family business and the management of the family's wealth, and how the FO can be aligned with the overall mission of the family enterprise. |

Second: Strategic Entrepreneurship

| Title of study | Aim of Study | Findings | Design of study | Conclusion | Limitations | Further research |
|------------------------------|--|--|-----------------|--|---|--|
| Kantur (2016) | The aim of the study is to explore the relationship between firm-level entrepreneurship, SE, and organizational performance in emerging economies. | SE fully mediates the relationship between entrepreneurial orientation and financial and non-financial performance. | Qualitative | The study emphasizes the importance of distinguishing between different aspects of firm-level entrepreneurship for assessing its relationship with organizational performance. | The study's findings may not be generalizable to industries outside of the four dominant industries in the dataset. | Future studies could explore the moderating effects of environmental and organizational factors on the relationship between entrepreneurial orientation and real entrepreneurial events. |
| Gölgeci <i>et al.</i> (2017) | The aim of this study is to compare institutional and dynamic capabilities approaches in the context of SE. | Institutions and Dynamic Capabilities are intertwined and their joint adoption can provide unique insights for research. | Quantitative | The synthesized adoption of Institutional Approach and Dynamic Capabilities Approach can provide a stronger explanation to SE. | | The study proposes a synthesized approach that combines institutional and dynamic capabilities perspectives for future research in SE, focusing on four key phenomena: bricolage, business model, institutional work, and entrepreneurial orientation. |

| | | | | | | |
|-------------------------------|---|--|--------------|--|--|--|
| Kyrgidou and Petridou (2011) | This study aims to investigate the effects of competence exploration and competence exploitation on SE. | Competence exploration and exploitation both positively affect different aspects of SE, including mindset, innovation, resource management, and competitive advantage. | Qualitative | Competence exploration and exploitation both positively influence all aspects of SE, but caution is needed to avoid core rigidity. | Underspecified model without contextual variables and .industry-specific factors | Future studies could consider additional antecedents of SE and test performance implications. |
| Ziyae and Sadeghi (2020) | The study aims to explore the mediating effect of SE on the relationship between corporate entrepreneurship and firm performance. | Corporate and SE are positively related to firm performance, with SE mediating their relationship in Iranian financial technology companies. | Quantitative | The study establishes a theoretical framework for SE and its relationship to wealth creation, with corporate entrepreneurship serving as a resource for identifying venture opportunities. | Cross-sectional design and limited industry focus (Iranian financial technology companies) are the main limitations of this study. | Future studies could explore the combination of different organizational theories to gain a better understanding of SE and its challenges in different industries. |
| Meuleman <i>et al.</i> (2009) | To examine the performance implications of different types of buyouts and the involvement of private equity | The study investigates private equity-backed buyouts in the UK, finding that divisional | Qualitative | Private equity firm experience impacts growth, not profitability or efficiency, and divisional buyouts have positive effects | Study examines private equity buyouts in the UK and finds divisional buyouts have higher growth and efficiency, and PE firm experience impacts growth. | A study on private equity backed buyouts found that divisional buyouts lead to growth and efficiency, and experience impacts growth. |

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|--|--|---|--|---------------------------|--|--|
| | firms using agency theory and SE perspectives. | buyouts are associated with increases in efficiency and growth. | | on efficiency and growth. | | |
|--|--|---|--|---------------------------|--|--|

Third: Wealth Management

| Title of study | Aim of Study | Findings | Design of study | Conclusion | Limitations | Further research |
|------------------------------|--|---|-----------------|---|---|--|
| Singh and Kaur (2017) | The aim of the study is to evaluate the progress of robo-advisory and predict its impact on wealth management, with a focus on the future of advisory in light of evolving technology. | Robo-advisors are increasingly popular with Wealthfront and Betterment leading the way in the US, managing about \$19 billion globally in 2014 with personalized portfolio allocation and lower fees. | Qualitative | Robo-advisors have potential for improvement, but can be a valuable resource for investors, though they lack timing recommendations. A dynamic model could fill this gap. | Robo advisors lack personal guidance, flexibility, and are unable to handle complex demands beyond money matters. | Assessing the impact of robo-advisors on traditional WM and determining the future of advisory with evolving technology. |
| Sunikka <i>et al.</i> (2010) | To examine trust perceptions in the WM context | Different facets of trust were emphasized by | Qualitative | Perceived trust in WM differed between financial | Qualitative methods used, limited to Finland, | Future studies could gather extensive data on consumers' |

| | | | | | | |
|----------------|--|---|------------------------------|---|--|--|
| | in Finland from the perspective of financial experts and consumers. | financial experts and consumers, leading to four distinct groups based on trust and investment involvement. | | experts and consumers, with consumers emphasizing trustee characteristics. The study suggests a four-quadrant matrix to improve customer service. | generalization to other contexts may be limited. | knowledge, involvement, and trust in wealth management, and compare results across different countries. |
| Dziawgo (2021) | To explore Wealth Tech and global WM trends and familiarize readers with these concepts. | Wealth Tech has become a significant part of wealth management, with large investments in new companies and major technologies. It could attract younger and less affluent clients. | Quantitative and Qualitative | The study confirms that digital transformation and the impact of Wealth Tech are increasing in the global WM sector, with a need for adaptation to the younger client base and use of digital channels. | | Future studies could explore the potential impact of emerging technologies, regulatory changes, and evolving consumer preferences on the growth and evolution of the Wealth Tech industry. |

2.5 Study Gap

Based on the aforementioned detailed literature review presentation, either in the theoretical section or the empirical literature, the current study has benefited from the literature in choosing the most related and frequent variables related to FO. In addition, the current study benefits from the previous literature in developing the conceptual framework within its components and variables. Moreover, one important thing is that the literature has focused on *Strategic Entrepreneurship (SE)* as a mediator in the cause-effect relationship between *Family Offices (FO)* and wealth management.

This study will focus on *Strategic Entrepreneurship* as a mediation variable. Furthermore, the current study benefits from previous literature in developing the instrument of the study, which is used in the data collection process. It depends on many pieces of research throughout, benefiting from their scales, design, methodology, and the variables and factors examined in the current study. However, the current study is unique in its area of research, which examines *FO* in Palestine. In addition, the current study is considered to be the first study that touched upon the effect of FO on WM and the mediating role of SE. In addition, it is worth mentioning that the topic of the current study is considered new in terms of literature, in which its significance lies in the role of FO and in it addressing the challenges and opportunities related to the sustainability of Palestinian companies, resolving family disputes, strategic planning for investments, and contributing to the renaissance of the Palestinian economy. FO can play a vital role in revitalizing the Palestinian economy, stimulating economic growth and job creation by actively supporting and investing in local businesses, promoting entrepreneurship, and innovation.

To sum up, this study opens the scope for future research related to FO. It provides a vision for decision-makers into the Family Business, in general, and the Palestine government and Chambers of Commerce, in particular, toward adopting the FO as crucial to establishing the family business and to provide them with dimensions and processes needed for successful FO and its essential effect in WM within the mediating role of SE

3. Chapter Three: Research Methodology

3.1 Chapter Overview

This chapter aims to present the method used by this study and determine the research approach. It also defines the construct measurements, survey instruments, pilot study results, and survey respondents' analyses. Besides, it shows the population and sample of the study, then the analysis techniques, and final chapter summary.

3.2 Research Quantitative Approaches

The quantitative approach has used to test hypothesis and examine the relationships between variables through statistical techniques (Creswell & Creswell, 2018). This approach uses a quantitative method for collecting data, for instance, structure interview. It also used quantitative data analysis techniques, for example, graphs, figures, and statistical tables with numerical data using statistical and hypothesis testing software (Saunders *et al.*, 2009). The quantitative approach supports the deduction methodology style that moves from general to practical, starting at first from theory, then deriving hypothesis from it, testing those hypothesis, and revising it (Woiceshyn & Daellenbach, 2018).

3.3 Measurement

To measure the SE level, the researcher Naeiji & Siadat (2019) measure and develop this measure. This study used five-item Likert scale, including innovativeness (4) items, opportunity-based mindset (4) items, proactive behavior (3) items, risk taking (3) items, and value-creation capability (5) items, to measure FO level, the researcher used Wessel, S. (2008) measure and develop this measure. This study used five-item Likert scale, including board of directors (7) items, family council (5) items, communication & reporting process (4) items, involvement of family members (5) items, planning of new investments & asset allocations (15) items, and family's investments &

asset allocation (5) items and to measure WM level, the researcher used Horan (2015) measure and develop this measure.

This study depended on a closed and structure interview divided into three parts with 70 questions, the first part concerned respondents' demographic information including gender, age, education, generation, the number of generations that have passed on the company, the country. This section allows the respondent to answer the questions by choosing one of the suggested options. The second part allows the respondents describing the history of the family enterprise (the current situation the objective of this first set of items is to understand and review the owing family's current management & governance approaches to the wealth and the family). Part three allows the respondent to answer by choosing one choice from a five-point Likert scale (strongly agree, agree, neutral, disagree, strongly disagree) to assess the variables. The structure interview was design after reviewing other surveys from the literature related to the study topic, then displaying it on experts and taking feedback. The final version of the structure interview consists of (70) items divided into FO (41) item (Board of Directors (7) items, example “The Board of Directors helps to improve a company's financial performance”, Family Council (5) items example “The Family Council strives to meet its objectives and fulfill its responsibilities to the company”, Communication & Reporting Process (4) items example “I am satisfied with the family council's reports and their frequency”, Involvement of family members (5) items example “I am satisfied with the participation of family members in the management of the company”, Planning of new investments & asset allocations (15) items example “Planning processes for new investments and asset allocation are carried out” and Family's investments & asset allocation (5) items example “The family investment policy achieves the family's financial objectives”), second variable SE (19) items (Continues Innovation (4) items example “ Managers generally insist on R&D”,

Opportunity-based mindset (4) items example “The company ideas are truly the basis of the market”, Proactive behavior (3) items example “The firms react to competitive and risky activities quickly”, Risk taking (3) items example “The company tends extensively toward risky activities” and Value-creation capability (5) items example “The company prepares cost/benefit analysis for every project”, the third variable is WM (10) item example “I am satisfied with the general management of the wealth of your family business”. The final revision of the structure interview has prepared in English translated to Arabic (see appendix B). In the next stage, the structure interview was conduct as face to face and phone meeting. The process of collecting the data from the respondents spent one month.

Respondents were asked to indicate their level of agreement using a five-point Likert scale (1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree, and 5 = strongly disagree).

Likert scale allows the respondent to choose the degree of agree or disagree with each item in questionnaire when it comes to the stimulus purpose, The different dimensions were measured on 5- point Likert scale to check the participant’s degree of convenient with the items or not, as (SA:A:N:D:SD).

This study uses the following scale to assess the mediating role of SE in the effect of FO on WM in Palestine, this scale depends on interval length= $\text{range}/\text{number of intervals}$, $(5-1)/3=1.33$. The following scale represents the result: 1-less than 2.33 is low; 2.33- less than 3.66 is medium and 3.66-5 is high (Abu-Alhaija, 2019).

3.4 The Population and Sample size of the Study

This study has conducted in the owners of family businesses in Palestine; the population of the study is registered by the Palestinian club businesses (2022). There were about (80) family businesses in Palestine, where the unit of analysis in this study the owners of family businesses in

Palestine. This study used structure interview to collect the data, by calling the owners of the family businesses in Palestine, she used the non-probability method to fill the questionnaires, she collected (30) questionnaires.

3.5 Data Collection

In this study, a combination of primary and secondary data sources used. The primary data source was the structure interview, where respondents were restricted to answer options provided by this study. Otherwise, the secondary data source was books, literature, brochures.

3.6 Internal Reliability and Validity of the Strucher Interview

According to (Oluwatayo, 2012) define validity as “the accuracy of an assessment” in another words it means does the used instruments measure what supposed to measure?, and to have the confidence about the validity of the structure interview before distribute it to the last respondent, it has been sent to be evaluated by number of external evaluator’s see (Apx.3), the evaluator reviews the structure interview for readability, clarity, and comprehensiveness and provides a level of consensus on which items should be included in the final structure interview.

3.7 Dimension Analysis

Dimension analysis is used to minimize the numbers of components, as Pallant (2005) explains that the ideal sample size should be more than (25) responses. Thus, the results of dimension analysis can also be used for another analysis called multiple regressions (Cicenaite et al, 2012).

Kaiser-Meyer-Olkin (KMO) is used to check the adequacy of the sample, depending on the correlation between all variables should be between 0 and 1 (Pallant, 2005). Field (2005) set that KMO values between 0.5 and 0.7 are moderate, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are excellent. In this study the KMO equals to

0.964 which represents a good result. Table (1), shows the Bartlett's test result, the identity of the correlation matrix, the spherical significance should be statistically significant in $P < 0.05$, in this study the P value equals 0.000. Thus, the dimension analysis is convenient.

Table 1 KMO and Bartlett's Test

| | | |
|---|------|-----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | 0.964 |
| Approx. Chi-Square | | 12730.432 |
| Bartlett's Test of Sphericity | df | 1711 |
| | Sig. | 0.000 |

Source: SPSS outcome.

An eigen value rule or the Kaiser's criterion is one of the most common techniques. As assumed three dimensions should be retained table (2), therefore, for further investigation not all (70) components can be retained. The eigenvalue of a dimension indicates the total variance explained by that dimension (Pallant, 2005). As shown in the below table, dimension 1 has the highest score (20.49), thus, this dimension reports the most variance and explains (20.49%) of the total variance. Therefore, three components with the eigenvalue above than one explain 38.20% of the variance. This means that these three dimensions should be retained for rotation.

Table 2 Total Variance Explained

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 14.34 | 20.49 | 20.49 | 10.62 | 15.16 | 15.16 |
| 2 | 6.97 | 9.96 | 30.45 | 9.12 | 13.03 | 28.20 |
| 3 | 5.43 | 7.75 | 38.20 | 7.01 | 10.01 | 38.20 |

Extraction Method: Principal Component Analysis.

Source: SPSS outcome.

However, in order to make better judgment and choose the proper number of dimensions, also the Scree Plot should be used. Based on below Graph 1, as is clear that from dimension number ten, the line is getting straight.

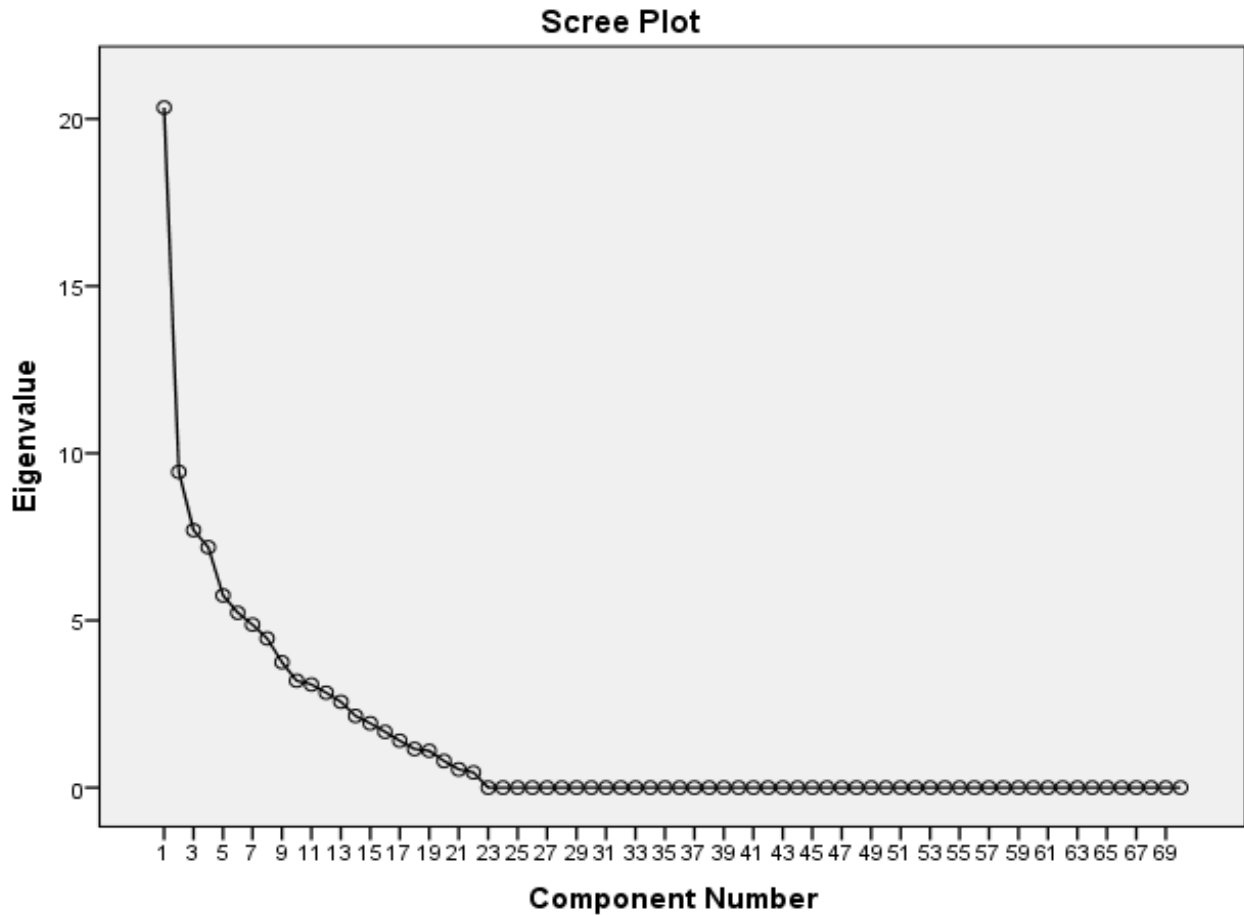


Figure 2 *Scree Plot of Combined data*

Source: *SPSS outcome*

This indicates that each consecutive dimension is the calculation of smaller quantities of the total variance. It should be noted that this study run dimension analysis for 3 dimensions. Since the results of dimension analyses for 3 dimensions give clear solutions generated by SPSS 25. As the number of the dimensions has been determined, they have to be ‘rotated’ in order to start interpretation, rotation does not change anything but it makes the translation of the analysis easier, it is used to decrease the number of variables which have high loads on each dimension (Pallant, 2005). Table (3) presents the loadings of the different variables as well as in which dimension it belongs.

Table 3 *Rotated Component Matrix*

| Dimension | 1 | 2 | 3 |
|-----------|------|---|---|
| FO | 0.52 | | |

| | | | |
|--|------|--|--|
| | 0.64 | | |
| | 0.76 | | |
| | 0.70 | | |
| | 0.65 | | |
| | 0.75 | | |
| | 0.63 | | |
| | 0.74 | | |
| | 0.67 | | |
| | 0.63 | | |
| | 0.45 | | |
| | 0.55 | | |
| | 0.49 | | |
| | 0.72 | | |
| | 0.77 | | |
| | 0.71 | | |
| | 0.53 | | |
| | 0.71 | | |
| | 0.44 | | |
| | 0.47 | | |
| | 0.66 | | |
| | 0.64 | | |
| | 0.50 | | |
| | 0.64 | | |
| | 0.55 | | |
| | 0.61 | | |
| | 0.45 | | |
| | 0.60 | | |
| | 0.61 | | |
| | 0.57 | | |
| | 0.61 | | |
| | 0.58 | | |
| | 0.62 | | |
| | 0.75 | | |
| | 0.74 | | |
| | 0.68 | | |
| | 0.66 | | |
| | 0.58 | | |
| | 0.51 | | |

| | | | |
|----------------------------|------|------|------|
| | 0.56 | | |
| | 0.45 | | |
| Strategic entrepreneurship | | 0.60 | |
| | | 0.63 | |
| | | 0.61 | |
| | | 0.52 | |
| | | 0.65 | |
| | | 0.66 | |
| | | 0.57 | |
| | | 0.72 | |
| | | 0.71 | |
| | | 0.75 | |
| | | 0.75 | |
| | | 0.71 | |
| | | 0.74 | |
| | | 0.73 | |
| | | 0.64 | |
| | | 0.67 | |
| | | 0.64 | |
| | | 0.71 | |
| | | 0.74 | |
| Wealth Management | | | 0.50 |
| | | | 0.64 |
| | | | 0.55 |
| | | | 0.61 |
| | | | 0.45 |
| | | | 0.60 |
| | | | 0.71 |
| | | | 0.74 |
| | | | 0.73 |
| | | | 0.64 |

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

Source: SPSS outcome.

An Oblimin with Kaiser Normalization rotation method discover the ten dimensions with (70) items, and the most important items in each dimension. As showed in table (3) the (70) items in the study instrument had been loaded on the three dimensions, this is depended also on

communalities analysis, the communalities also showed the variables that fitted well together (Child, 2006).

Below table (4) represents the dimensions in this study and the decision to retain or not:

Table 4 dimensions retained

| Label | Component number | Eigen value | Decision |
|----------------------------|------------------|-------------|----------|
| FO | 1 | 14.34 | Retain |
| Strategic entrepreneurship | 2 | 6.97 | Retain |
| Wealth Management | 3 | 5.43 | Retain |

Source: SPSS outcome.

3.8 Reliability analysis

While reliability mean the consistency of assessment and free of error, which means that all items in the instrument measure the same construct, and to measure the reliability or consistency of the instrument a statistical tool was used called Cronbach Alpha, this tool developed by Lee Cronbach in 1951 to achieve the purpose mentioned before, and it is expressed with numerical value located between 0 and 1, if the score of alpha was more than 0.7 this clarify that the questionnaire is reliable and vice versa if the result was less than 0.7 this means the questionnaire not reliable and need to be modified (Fraenkel & Wallen, 2003).

The purpose of this testing is to make sure that the respondents have no problem in understanding the questions, and after analyzed these data this study found that each dimension had a high value of Cronpach's alpha, and the overall was 0.91 which exceeded the 0.70 level indicating high reliability of high internal consistency:

Table 5 Reliability Statistics and validity analysis (n=30)

| Dimension | R2 | Cronbach's Alpha | Composite reliability | Average variance extracted (AVE) | N of Items |
|----------------------------|-------|------------------|-----------------------|----------------------------------|------------|
| FO | | 0.85 | 0.912 | 0.54 | 1-41 |
| Strategic entrepreneurship | 0.540 | 0.81 | 0.778 | 0.501 | 42-60 |
| Wealth Management | 0.821 | | 0.911 | 0.516 | 42-60 |

Source: SPSS outcome.

3.9 Statistical approach:

Combination of (SPSS, 25) and SMARTPLS4 were used to analyze the collected data. Linear and multiple regression analysis using the SPSS software used to analyze data collected, Pearson correlation to test the significance for the relationship hypothesis, moreover, means and standard deviations were used, path analysis is used to find the significant of the mediating role of SE in the effect of FO on WM in Palestine.

Chapter Four: Data Analysis & Results

4.1 Introduction

In this chapter, this study presents analysis using the combination of (SPSS, 25) and SMART-PLS 4, to answer the questions and accept or fail to accept the hypothesis. This chapter will separate into 4 parts, the first one: demographic analysis, the second part is the descriptive analysis; the regression analysis will be done in the third part, the fourth part tests, the mediating role of SE in the effect of FO on WM in Palestine using path analysis in SMARTPLS4.

4.2 Demographic Analysis

Table 6 Demographic characteristics of respondents (n=30)

| Variable | Level | Frequency | Percent (%) |
|---|-------------------------|-----------|-------------|
| Gender | male | 23 | 77% |
| | female | 7 | 23% |
| Age | less than 40 years | 11 | 37% |
| | between 40 and 44 years | 3 | 10% |
| | between 45 and 49 years | 5 | 17% |
| | between 50 and 54 years | 4 | 13% |
| | between 55 and 59 years | 5 | 17% |
| | 60 and more | 2 | 7% |
| Education | high school | 1 | 3% |
| | diploma | 3 | 10% |
| | Bachelor's degree | 19 | 63% |
| | post graduate | 7 | 23% |
| Generation | 1st | 6 | 20% |
| | 2nd | 18 | 60% |
| | 3th | 6 | 20% |
| The number of generations that have passed on the company | 2 | 14 | 47% |
| | 3 | 12 | 40% |
| | 4 | 4 | 13% |
| Location | Hebron | 7 | 23% |
| | Ramallah | 11 | 37% |
| | Nablus | 8 | 27% |
| | Qalqilya | 1 | 3% |
| | Tulkarem | 1 | 3% |

| | | |
|-------|---|----|
| Jenin | 1 | 3% |
| Gaza | 1 | 3% |

Source: SPSS outcome.

- Gender: the majority of the study sample includes 77% males, (23%) females.
- Age: The majority of sample respondents aged between less than 40 years with (37%), but the lowest period of respondents 60 years and more with (7%) of sample size.
- Education: the education level for the sample was distributed as following:
(63%) bachelor degree, (23%) post graduate, (10%) diploma, and (3%) high school.
- Generation: 60% of the FO are second generation the highest, (20%), are first and second generation for each.
- The number of generations that have passed on the company: two generation with a percentage of (47%) the highest, followed by three generation with (40%), while four generations the lowest percentage with (13%).
- Location: 37% of FO located in Ramallah, followed by Nablus with 27%, 23% in Hebron.

4.3 Descriptive Statistics

The descriptive analysis part describes the gathered numerical data to make it easier when explains; also, descriptive analysis results show the mean and standard deviation for each variable to determine the items that has the highest and lowest mean in each dimension. The purpose of this analysis to identify the central tendency of the responses through mean results and the spread of a set of observations through the standard deviation results which mean when the standard deviation is low it expressed most of the respondents has the same opinion (concentrated) toward the same items, on the other hand, if the score of the standard deviation is high it means that the respondents have a different opinion toward the same items (Cicenaite, et al. 2012). The 5-point Likert scale was used, where 5 means strongly agree and 1 means strongly disagree. this scale depends on

interval length=range/number of intervals, $(5-1)/3=1.33$. The following scale represents the result:
1-less than 2.33 is low; 2.33- less than 3.66 is medium and 3.66-5 is high.

First question: What is the level of attitude family offices in Palestinian family businesses?

To answer this question, means and standard deviations are calculated to know the level of FO in Palestinian family businesses.

Table 7 Descriptive statistics of family offices in Palestinian family businesses

| Dimensions | M | Sd | Level | Rank |
|---|-------------|-------------|--------------------|------|
| Board of directors | 3.80 | 0.46 | <i>High</i> | 4 |
| Family council | 3.88 | 0.61 | <i>High</i> | 1 |
| Communication & reporting process | 3.47 | 1.19 | <i>Medium</i> | 6 |
| Involvement of family members | 3.72 | 0.72 | <i>High</i> | 5 |
| Planning of new investments & asset allocations | 3.83 | 0.44 | <i>High</i> | 2 |
| Family's investments & asset allocation | 3.82 | 0.66 | <i>High</i> | 3 |
| Family offices | 3.78 | 0.42 | <i>High</i> | |

Note: M: Mean, Sd: Standard Deviation

According to table (7) the total average of FO of all 6 dimensions among the owners of Palestinian family businesses represents the level of high with (3.78), the means of dimensions between (3.47) related to communication & reporting process dimension with a medium level and (3.88) related to family council with a high level.

Based on the analysis, the attitude of FO in Palestinian family businesses is high but lacks formal structure and documentation. The principles and regulations guiding the FO are primitive, and transparent processes and official documentation are lacking. For instance, family laws, documents, and reporting are oral rather than officially documented on paper.

In addition, while there is a family council, it has yet to have official recognition on paper, and family members' involvement in the FO's administration appears to be random and unstructured.

It would be beneficial to establish clear governance structures and processes to address the mentioned challenges and enhance the effectiveness of FO. This includes documenting family laws, regulations, and family documents with official papers. Formalizing the family council and defining its roles, responsibilities, and decision-making processes can bring more structure to the FO.

Furthermore, it would be advantageous to establish clear criteria and procedures for the participation of family members in the administration of the FO. This can ensure that qualified individuals are selected for administrative positions based on merit and relevant skills rather than relying solely on kinship or random selection.

By implementing formalized structures, documented regulations, and clear processes, Palestinian family businesses can strengthen their FO and improve their ability to manage wealth, resolve conflicts, and support the long-term success of the family business.

Heterogeneity among family firms' similar heterogeneity among FO (Welsh *et al.*, 2013; Wessel *et al.*, 2014). It highlights the need to consider heterogeneity among FO to avoid conceptual and empirical deficiencies.

The following tables shows descriptive statistics shows the level of all items of each dimension of FO and represents the descriptive statistics of FO dimensions distributed by means, standard deviation, level and the rank of every items. The item represents 'I think it is important for the next generation of family members to be entrepreneurs' has a highest mean score (4.83) with a high level, while the lowest mean score equals (1.33) related to 'board members are elected periodically', with a low level. the total average score equals (3.78), with a high level.

To answer the question "What is the level of attitude family offices in Palestinian family

businesses?”

Table 8 Mean and Standard Deviation of Board of Directors

| (1) | <i>What is the level of attitude board of directors in Palestinian family businesses?</i> | <i>M</i> | <i>Sd</i> | <i>level</i> | <i>Rank</i> |
|-----|--|----------|-----------|---------------|-------------|
| 1. | The Board of Directors helps to improve a company's financial performance | 4.43 | 0.73 | High | 2 |
| 2. | The Board of Directors members have the necessary experience | 4.57 | 0.77 | High | 1 |
| 3. | The Board of Directors members have the necessary qualifications | 4.27 | 0.94 | High | 4 |
| 4. | The Board of Directors meets on a regular basis (monthly) | 3.43 | 1.02 | Medium | 6 |
| 5. | The board of directors has the power to separate the interests of family members and the company | 4.20 | 1.03 | High | 5 |
| 6. | Board members are elected periodically | 1.33 | 0.84 | Low | 7 |
| 7. | The Board of Directors has capability to properly manage the family's assets | 4.37 | 0.89 | High | 3 |
| | Board of directors | 3.80 | 0.46 | High | |

Note: M: Mean Sd: Standard Division

The high degree above confirms that the owners of family businesses have a board of directors and seek to achieve their financial family goals for the sustainability of family businesses.

It is noted that forming the board of directors by family members may lead to various problems within the company. This practice contradicts Ward and Handy’s Agency theory (1988), which emphasizes the separation of the family from the board of directors. In Addition, according to the agency theory, the ideal board should consist of independent outside directors and the CEO. The board can provide effective oversight and valuable counsel on important business matters by including independent outsiders. Furthermore, this external perspective helps to minimize conflicts of interest and promotes the long-term sustainability of the family business.

The irregularity of board meetings in many family businesses can have a negative impact on their sustainability, as observed in item (4). Regular and structured board meetings are essential for

effective governance and decision-making. They provide a platform for strategic discussions, financial reviews, and performance evaluations. Family businesses may miss crucial opportunities to address challenges and capitalize on emerging trends by having periodic meetings. As for item (6), this percentage is low due to the absence of periodic elections, as mandated by Law No. (42), i.e., Managing Private Shareholding Companies Article 104, that the election of the company's board of directors is held when the need arises. The absence of periodic elections significantly affects the sustainability of family businesses. Regular elections allow fresh perspectives and new ideas to enter the decision-making process. They ensure that board members are held accountable and allow the company to benefit from diverse skills, experiences, and networks.

While it is true that there may not be a specific law that enforces family businesses to hold periodic elections, such businesses need to recognize the value of regular elections and adopt good governance practices voluntarily. Implementing periodic elections and diversifying the board's composition with independent outsiders can contribute to the long-term success and sustainability of family businesses.

Table 9 Mean and Standard Deviation of Family Council

| (2) | <i>What is the level of attitude family council in Palestinian family businesses?</i> | <i>M</i> | <i>Sd</i> | <i>level</i> | <i>Rank</i> |
|-----|--|----------|-----------|--------------|-------------|
| 1. | The Family Council strives to meet its objectives and fulfill its responsibilities to the company. | 4.30 | 0.84 | High | 1 |
| 2. | The Family Council meets on a regular and regular basis | 3.03 | 1.03 | Medium | 4 |
| 3. | The Family Council has the capability to resolve family member conflicts of interest. | 3.93 | 1.04 | High | 3 |
| 4. | The family council possesses the necessary communication and decision-making abilities. | 4.17 | 0.79 | High | 2 |
| | Family Council | 3.88 | 0.61 | High | |

Note: M: Mean Sd: Standard Division

A council for a family company can be a positive step toward effective governance and decision-making. Nonetheless, the lack of documentation and the absence of regular and periodic meetings can pose challenges. Several considerations, such as documentation, meetings, the decision-making process, and transparency and inclusion, should be taken into consideration.

One thing that should be kept in mind when forming a family council is documentation. The family council's role and responsibilities should be documented officially. This includes creating a charter or formalizing its role through legal agreements. Documenting the family council's purpose, i.e., decision-making processes and membership, can clarify and prevent misunderstandings among family members.

Another vital aspect is meetings. Scheduling Regular and periodic meetings for the family council is essential for effective communication, collaboration, and decision-making. Setting a schedule for these meetings helps establish a sense of routine and ensures that important matters are discussed in a timely manner. Regular meetings also allow family members to voice their opinions, address concerns, and align on important decisions.

As for the decision-making process, oral decisions made within the family council may need more clarity, accountability, and consistency. Establishing a formal decision-making process within the family council is beneficial, outlining how decisions will be reached, documented, and communicated to stakeholders. This process can include recording minutes of the meetings, assigning responsibilities, and setting clear timelines for implementation.

One more aspect is transparency and inclusion, which is crucial within the family council to ensure that all family members are informed about decisions and have an opportunity to participate. Open communication channels and inclusive decision-making processes help prevent conflicts and promote unity among family members.

In summary, while having a family council is a positive step for family businesses, it is critical to formalize its existence, establish regular and periodic meetings, and document decisions and processes. This fosters transparency, accountability, and effective governance within the family business, ultimately contributing to its long-term sustainability.

Table 10 Mean and Standard Deviation of Communication & Reporting process

| (3) | <i>What is the level of attitude communication & reporting process in Palestinian family businesses?</i> | <i>M</i> | <i>Sd</i> | <i>level</i> | <i>Rank</i> |
|-----|--|----------|-----------|---------------|-------------|
| 1. | I am satisfied with the family council's reports and their frequency | 3.50 | 1.06 | Medium | 2 |
| 2. | I am satisfied with the opinion of other family members regarding the reports and their frequency | 3.67 | 1.04 | High | 1 |
| 3. | I am satisfied with the nature and frequency of family council meetings | 3.37 | 1.05 | Medium | 3 |
| 4. | I am satisfied with the performance of other family members at family meetings | 3.33 | 1.06 | Medium | 4 |
| | Communication & reporting process | 3.47 | 1.19 | Medium | |

Note: M: Mean Sd: Standard Division

Table (10) shows that communication and reporting are medium, particularly within the family council and board of directors. According to table (8) (9) and items (3) (4) in table (10), the absence of regular meetings leads to inconsistent communication and decision-making.

It was noted that there is a reliance on oral reports from the family business. Also, without written documentation, transparency, and accountability suffer. Oral reports can be subject to misinterpretation or forgotten details, making it challenging to track decisions or reference past discussions. This lack of formal documentation hampers effective communication and poses a risk to the accuracy and consistency of information shared within the family business.

It was observed that family business reports tend to prioritize the interests of the first generation over those of the second generation. This bias can lead to imbalances in decision-making and

neglect the evolving needs and perspectives of the younger generation. It is crucial to address this imbalance and incorporate a more inclusive approach that considers all family members' interests to ensure the family business's long-term sustainability.

The result matches (Ingalsuo,2014) that communication between family members is the biggest challenge for family businesses. Finally, by enhancing communication practices, the family business can foster collaboration, ensure fair representation, and strengthen its long-term sustainability.

Table 11 Mean and Standard Deviation of involvement of family members

| (4) | <i>What is the level of attitude Involvement of family members in Palestinian family businesses?</i> | <i>M</i> | <i>Sd</i> | <i>level</i> | <i>Rank</i> |
|------------|---|-----------------|------------------|----------------------|--------------------|
| 1. | I am satisfied with the participation of family members in the management of the company | 3.80 | 1.03 | <i>High</i> | 2 |
| 2. | I am satisfied that all generations are involved in the company | 3.80 | 1.03 | <i>High</i> | 3 |
| 3. | I am satisfied with the mentoring and/or financial education programs offered to family members | 3.17 | 1.02 | <i>Medium</i> | 4 |
| 4. | I think it is important for the next generation of family members to be entrepreneurs | 4.83 | 0.38 | <i>High</i> | 1 |
| 5. | I am satisfied with the guidance given to the next generation to be an entrepreneur, if such programs exist | 3.00 | 1.05 | <i>Medium</i> | 5 |
| | Involvement of family members | 3.72 | 0.72 | High | |

Note: M: Mean Sd: Standard Division

Table (11) shows that the involvement of family members in the company, including the second generation, is generally high. On the other hand, items (3) and (5) show that the results regarding education directed towards family members and guidance to become entrepreneurs are medium.

The lack of an integrated governance system within family companies can lead to challenges in education and guidance for the second generation. It was noticed that the members of the family who are busy running the family's business do not have enough time to teach the next generation

about the family's work. These results contradict Sardeshmukh & Corbett (2008) and Krueger (2007), the importance of developing education and entrepreneurship skills within family businesses.

Accordingly, fostering a solid financial and commercial knowledge foundation and encouraging entrepreneurial behavior among family members is recommended. Being exposed to the family business may not be sufficient to increase entrepreneurial self-efficacy.

To achieve long-term success through entrepreneurial actions, successors to family businesses should have a combination of "real business education" and internal and external experiences. While the influence of the family is essential, it tends to diminish over time as external experiences and perspectives become crucial for sustained entrepreneurial growth.

Despite the challenges discussed before, Al-Jibrinia company in Hebron, managed to go beyond these challenges and show a positive example. By actively seeking pioneering ideas outside the country and providing full financial and moral support to the second generation, this company demonstrates a proactive approach to nurturing entrepreneurial skills and encouraging innovation.

It is vital to emphasize the development of education and entrepreneurship skills among family members, achieved through targeted training programs, mentoring opportunities, and exposure to external networks and experiences. By broadening their knowledge and perspectives, family

members can enhance their entrepreneurial capabilities and contribute to the long-term success of the family business.

Table 12 Mean and Standard Deviation of new investment & asset allocations

| (5) | <i>What is the level of attitude planning of new investments & asset allocations in Palestinian family businesses?</i> | <i>M</i> | <i>Sd</i> | <i>level</i> | <i>Rank</i> |
|-----|--|----------|-----------|---------------|-------------|
| 1. | Planning processes for new investments and asset allocation are carried out | 3.93 | 1.06 | High | 8 |
| 2. | Planning processes are performed periodically | 3.33 | 1.03 | Medium | 12 |
| 3. | I am satisfied with the individual(s) who facilitate or lead the planning process | 3.83 | 1.01 | High | 10 |
| 4. | Risk management is integrated into the investment planning process | 3.63 | 1.05 | Medium | 11 |
| 5. | It is important for the family to invest in entrepreneurial projects, business or social entrepreneurship projects | 4.77 | 0.57 | High | 1 |
| 6. | The family business plans the investment in the short term | 4.17 | 0.95 | High | 7 |
| 7. | The family business plans to invest in the long term | 4.33 | 1.06 | High | 3 |
| 8. | The family business invests in warehouses | 4.50 | 0.90 | High | 2 |
| 9. | The family business invests in securities in the market | 4.30 | 0.84 | High | 5 |
| 10. | The family business invests in real estate | 1.83 | 1.02 | Low | 13 |
| 11. | The family business evaluates potential investment opportunities based on financial returns | 4.33 | 0.92 | High | 4 |
| 12. | The family business evaluates potential investment opportunities based on social impact | 3.87 | 1.03 | High | 9 |
| 13. | The family business evaluates potential investment opportunities based on other criteria | 4.27 | 0.52 | High | 6 |
| 14. | Active management is adopted as an investment strategy to achieve the family's investment goals | 3.17 | 0.53 | Medium | 36 |
| 15. | Passive management is adopted as an investment strategy to achieve the family's investment goals | 3.17 | 0.46 | Medium | 37 |
| | Planning of new investments & asset allocations | 3.83 | 0.44 | High | |

Note: M: Mean Sd: Standard Division

The provided table indicates that family businesses in Palestine prioritize planning for new investments and asset allocation. These businesses aim to diversify and expand their investments

to cater to all generations. However, they face challenges due to items (2) and (4) being medium, the lack of written plans and risk management strategies, which can be attributed to the rapid changes caused by the occupation in Palestine and its impact on the Palestinian population.

Similarly, previous studies by (Khamakhm (2010); Al-Farra and Al-Hayek (2014)) suggest that management's commitment to company development may encourage them to engage in long-term projects. Although these projects may not yield immediate profits, they offer investment structures that can contribute to the growth of the company's investment assets.

It's important to note that the availability of term structures for investment is abundant. Regardless, these structures are not well-established within the company, indicating the need for further development and implementation.

Palestinian businesses' low engagement in the stock market can be attributed to religious reasons, as Islam prohibits trading in specific securities. According to the provided source, the total number of companies registered in the stock market in Palestine was (47) for the year 2022.

Table 13 Mean and Standard Deviation of Family's investment & asset allocations

| (6) | <i>What is the level of attitude Family's investments & asset allocations in Palestinian family businesses?</i> | <i>M</i> | <i>Sd</i> | <i>level</i> | <i>Rank</i> |
|-----|--|----------|-----------|---------------|-------------|
| 1. | The family investment policy achieves the family's financial objective. | 4.20 | 1.00 | High | 3 |
| 2. | Family members make effective use of Family Bank | 4.00 | 0.98 | High | 4 |
| 3. | In the company's management approach, the family focuses on research and development to innovate new tools, technologies, or processes | 4.20 | 1.02 | High | 3 |
| 4. | The distribution of investment decision-making responsibilities between family members and non-family members is effective | 3.30 | 1.03 | Medium | 7 |
| 5. | Family members help to look for new investment opportunities | 3.43 | 1.05 | Medium | 6 |

| (6) <i>What is the level of attitude Family's investments & asset allocations in Palestinian family businesses?</i> | | <i>M</i> | <i>Sd</i> | <i>level</i> | <i>Rank</i> |
|---|---|----------|-----------|--------------|-------------|
| 6. | The family investment policy achieves the family's financial objective. | 4.20 | 1.00 | High | 1 |
| 7. | Family members make effective use of Family Bank | 4.00 | 0.98 | High | 5 |
| | Family's investments & asset allocation | 3.82 | 0.66 | High | |

Note: M: Mean Sd: Standard Division

Based on the table, it is evident that family investments and asset allocation within family businesses are high. This can be attributed to the centralized decision-making pattern of many family businesses. Research by Tikkakoski (2013) shows the cause of low item (4), highlighting the prevalence of decision-making authority resting with the natural person(s) who established the company or possessed the majority of the capital.

According to Tikkakoski (2013), centralization of decision-making in family businesses can have implications for organizational thought and innovation. It may result in a lack of diverse perspectives and limited exposure to new ideas, which can hinder the development and growth of the business. The concentration of decision-making power within the family can limit the involvement of external stakeholders or professional managers who may bring fresh insights and expertise to the table, which is the cause of item (5).

It is also common for family businesses to have at least one family representative formally involved in corporate governance. This further emphasizes the strong influence and control exerted by the family over key decision-making processes.

Balancing centralized decision-making and external perspectives is crucial to foster development and encouraging new ideas in family businesses. Family businesses can benefit from including independent directors, establishing advisory boards, or seeking external expertise through partnerships or collaborations. By incorporating diverse perspectives and embracing external

input, family businesses can enhance their ability to adapt, innovate, and achieve long-term success.

Q2-What is the level of strategic entrepreneurship in Palestinian family businesses?

To answer this question, means and standard deviations are calculated to know the level of SE in Palestinian family businesses.

Table 14 Descriptive statistics level of attitude strategic entrepreneurship in Palestinian family businesses

| Dimensions | M | Sd | Level | Rank |
|---------------------------|-------------|-------------|---------------|-------------|
| Continues Innovations | 4.30 | 0.62 | <i>High</i> | <i>1</i> |
| Opportunity-based mindset | 3.56 | 0.74 | <i>Medium</i> | <i>4</i> |
| Proactive behavior | 4.28 | 0.89 | <i>High</i> | <i>2</i> |
| Risk taking | 3.37 | 0.76 | <i>Medium</i> | <i>5</i> |
| Value-creation capability | 3.83 | 0.56 | <i>High</i> | <i>3</i> |
| Total average | 3.87 | 0.41 | High | |

Note: M: Mean Sd: Standard Division

According to table (14) the total average of SE of all 5 dimensions among the owners of Palestinian family businesses represents the level of high with (3.87), the means of dimensions between (3.37) related to risk taking dimension with a medium level and (4.30) related to innovativeness with a high level.

SE is integral to the success of family businesses in Palestine due to the challenging competitive landscape and the need to adapt to market dynamics while driving innovation and development. Here is an elaboration on the justification for the high emphasis on entrepreneurial strategies in family businesses and fit to (Abu Shameh, 2014)

Navigating High Competition: Family Businesses in Palestine)) operate in industries with fierce competition. Entrepreneurial strategies enable these businesses to stand out and maintain a competitive edge. By leveraging their entrepreneurial mindset, family businesses can identify niche markets, develop unique value propositions, and implement effective marketing and

branding strategies. These strategies enable them to differentiate themselves from competitors, attract customers, and secure their market position.

The Palestinian market is characterized by rapid changes and evolving customer preferences. Entrepreneurial strategies empower family businesses to stay agile and adapt to these market dynamics. They encourage continuous market analysis, customer feedback integration, and the ability to embrace emerging technologies and trends. By actively monitoring the market and swiftly adjusting their strategies, family businesses can seize opportunities, mitigate risks, and maintain relevance in the face of evolving market demands.

Entrepreneurial strategies in family businesses a culture of innovation and development. These strategies encourage creativity, experimentation, and the pursuit of new ideas. Family businesses often invest in research and development, encourage employee engagement in innovation initiatives, and collaboration with external partners. This commitment to innovation allows family businesses to introduce novel products, services, and processes that meet emerging customer needs and drive industry growth.

Family businesses often have a long-term perspective, aiming for sustainability and intergenerational continuity which ensures long term viability. Entrepreneurial strategies align with this objective by focusing on long-term viability. These strategies include succession planning, leadership development, and the creation of robust organizational structures. By fostering an entrepreneurial mindset throughout the business, family enterprises can ensure smooth transitions, groom future leaders, and sustain their competitive advantage over time.

In summary, SE is highly emphasized in family businesses in Palestine due to the need to navigate intense competition, adapt to market dynamics, foster innovation, and ensure long-term viability. By embracing entrepreneurial values and strategies, family businesses can effectively respond to

market challenges, seize growth opportunities, and secure their position as key contributors to the Palestinian economy.

The following tables shows descriptive statistics shows the level of all items of each dimension of SE and represents the descriptive statistics of SE dimensions distributed by means, standard deviation, level and the rank of every items. The items represents ‘many products and services have been prepared for market in the previous five years’ has a highest mean score (4.80) with a high level, while the lowest mean score equals (3.17) related to ‘the company tends extensively toward risky activities’, with a medium level. the total average score equals (3.87), with a high level.

Table 15 Mean and Standard Deviation of continues innovations

| <i>Sub-Qus (1)</i> | <i>What is the level of attitude continuing innovations in Palestinian family businesses?</i> | <i>M</i> | <i>Sd</i> | <i>level</i> | <i>Rank</i> |
|------------------------|---|----------|-----------|--------------|-------------|
| 1. | Managers generally insist on R&D | 4.10 | 0.89 | High | 4 |
| 2. | There exists a formal mechanism for turning ideas into products. | 4.13 | 1.04 | High | 3 |
| 3. | Many products and services have been prepared for market in the previous five years. | 4.80 | 0.48 | High | 1 |
| 4. | Employees who provide innovative ideas are encouraged. | 4.17 | 0.82 | High | 2 |
| | Continues Innovations | 4.30 | 0.62 | High | |

Note: M: Mean Sd: Standard Division

The result shows a high degree of continuous innovation in Palestinian family businesses. This high level of innovation signifies the cohesion and determination of these businesses to keep up

with the market dynamics. The study also reveals promising indicators and significant rates of innovation within the two sectors examined.

The results conform with Khatib *et al.* (2012) study. According to Khatib *et al.* (2012), innovation leads to greater export opportunities, increased revenues, and higher profits, particularly in more advanced and lucrative industries. Consequently, family businesses in Palestine recognize the importance of innovation as a means to drive growth and achieve financial success.

Overall, the study affirms the positive correlation between innovation and the performance of Palestinian family businesses. It underscores the need for continued emphasis on innovation as a strategic imperative for these businesses to achieve sustainable growth, seize export opportunities, and increase profitability. Future efforts can focus on fostering collaboration and addressing other barriers to enhance the innovative capacity of family businesses in Palestine.

Table 16 Mean and Standard Deviation of opportunity-based mindset

| Sub- Qu (2) | What is the level of attitude opportunity-based mindset in Palestinian family businesses? | M | Sd | level | Rank |
|----------------------------|--|-------------|-------------|---------------|-------------|
| 1. | The company ideas are truly the basis of the market | 3.57 | 0.94 | Medium | 3 |
| 2. | The company processes are evaluated regularly | 3.67 | 0.98 | High | 2 |
| 3. | Organizational systems exist to recognize the potential of situations | 3.73 | 1.08 | High | 1 |
| 4. | The company has a formal plan for recognition of opportunities | 3.27 | 0.99 | Medium | 4 |
| | Opportunity-based mindset | 3.56 | 0.74 | Medium | |

Note: M: Mean Sd: Standard Division

The opportunity-based mindset dimension is a medium degree attributed to limit exposure to entrepreneurial opportunities and a risk-averse attitude. These businesses limit access to

information and global trends, restricting their exposure to diverse opportunities. Additionally, the medium of the item (1), caused by conservative business culture and hesitation in taking risks, can hinder the development of an opportunity-based mindset. Moreover, the constraints on resources and challenges faced by the market due to Occupation and cultural factors contribute to this mindset case of low item (4). Overcoming these challenges requires increasing exposure to entrepreneurial opportunities, promoting a culture of calculated risk-taking, addressing resource constraints, and creating an enabling business environment that encourages innovation and

entrepreneurship. By addressing these factors, family businesses in Palestine can cultivate a stronger opportunity-based mindset and tap into the potential for growth and success.

Table 17 Mean and Standard Deviation of proactive behavior

| Sub- Qu (2) | What is the level of attitude proactive behavior in Palestinian family businesses? | M | Sd | level | Rank |
|----------------------------|---|-------------|-------------|--------------|-------------|
| 1. | The firms react to competitive and risky activities quickly | 4.37 | 1.02 | High | 1 |
| 2. | The company regularly looks for strengths and weaknesses of competitors. | 4.20 | 1.06 | High | 4 |
| 3. | The company insists on sending directive management to market | 4.27 | 1.04 | High | 3 |
| 4. | The firms react to competitive and risky activities quickly. | 4.37 | 1.02 | High | 2 |
| | Proactive behavior | 4.28 | 0.89 | High | |

Note: M: Mean Sd: Standard Division

The high degree of proactive behavior observed in family businesses in Palestine aligns with the findings by Naeiji (2019). This dimension of SE emphasizes the importance of actively engaging in competitive activities and undertaking leadership roles in the market and technology.

In complex environments like Palestine, reactive approaches alone are insufficient for success. Family businesses should adopt proactive strategies that involve innovating and creating a sustainable competitive advantage. By continuously venturing into new opportunities and embracing innovation, these businesses can position themselves ahead of their rivals and create value that is not easily imitated.

Value creation is a critical aspect of SE and is a differentiator between entrepreneurship and SE. Family businesses should not only seize market opportunities through continual venturing and

innovation but also focus on creating value from recognized opportunities. By doing so, they can achieve the expected organizational outputs, drive growth, and ensure long-term success.

The findings that family businesses in Palestine know the need to be proactive in their approach and recognize the importance of SE. By embracing proactive behavior, actively engaging in competitive activities, and creating value, family businesses enhance their competitive position, drive innovation, and achieve sustainable growth in the Palestinian business landscape.

Table 18 Mean and Standard Deviation of risk tacking

| Sub- Qu (4) | What is the level of attitude risk tacking in Palestinian family businesses? | M | Sd | level | Rank |
|----------------------------|---|-------------|-------------|---------------|-------------|
| 1. | The company provides the necessary resources for participating in new projects. | 3.63 | 1.02 | Medium | 1 |
| 2. | The level of risk taking in the company is more than that of the main competitors. | 3.30 | 0.79 | Medium | 4 |
| 3. | The company prepares cost/benefit analysis for every project. | 4.33 | 0.99 | High | 3 |
| | Risk taking | 3.37 | 0.76 | Medium | |

Note: M: Mean Sd: Standard Division

The high market fluctuations and political occupation in Palestine have led to a cautious approach by Palestinian family businesses, avoiding high-risk decisions. Family businesses in Palestine face many obstacles, including succession planning, governance practices, and the impact of wars, political risks, and instability on their sustainability. This study finding a solution to the complicated situation lies in ending the occupation and establishing a peaceful State of Palestine.

It is crucial to recognize the unique challenges that Palestinian family businesses face due to the political and economic circumstances. These challenges include the unpredictability of the market,

the need for cautious decision-making to ensure the sustainability of the business, and occupation as shown in item (2). On the other hand, a study by Dewia and Dhewantoa (2012) shows otherwise. Its family businesses in Turkey tend to be more risky, resilient, and dynamic unstable economic conditions. This means that despite the various obstacles that different economies face, success is still possible. Overall, the study's findings emphasize the need for a supportive and stable environment for family businesses in Palestine to thrive. This includes addressing political challenges and creating

Table 19 Mean and Standard Deviation of value-creation capability

| Sub- Qu (5) | What is the level of attitude value-creation capability in Palestinian family businesses? | M | Sd | level | Rank |
|----------------------------|--|-------------|-------------|---------------|-------------|
| 1. | There was high demand for the new products of the company. | 3.87 | 1.04 | High | 2 |
| 2. | The company hardly invests on unprofitable projects. | 3.37 | 0.95 | Medium | 5 |
| 3. | The company identifies customers before introducing new products. | 3.63 | 1.03 | Medium | 4 |
| 4. | The company provides formal business plans for extension of business activities. | 3.93 | 1.08 | High | 1 |
| 5. | There was high demand for the new products of the company. | 3.87 | 1.04 | High | 3 |
| | Value-creation capability | 3.83 | 0.56 | High | |

Note: M: Mean Sd: Standard Division

Based on the findings, the value-creation variable is high, which is attributed to the emphasis on entrepreneurial strategies that inherently seek to create value for companies. Previous studies have also supported SE, with value creation being the outcome (Hitt *et al.*, 2001).

The finding agrees with (Meuleman *et al.* (2009) and Ireland *et al.* (2003). According to them, the main capability of SE lies in its evolving to create value in a rapidly changing and dynamic environment like Palestine by exploring and exploiting opportunities.

By adopting strategic entrepreneurial strategies, companies can effectively navigate dynamic environments, identify new opportunities, and exploit them to create value. This value creation encompasses both financial gains and the generation of innovative solutions to address market needs.

In summary, the high result of the value creation variable supports the notion that entrepreneurial strategies are instrumental in creating value for companies. These strategies enable businesses to adapt to changing environments, capitalize on opportunities, and achieve a competitive advantage through continuous value creation.

Q3- What is the level of wealth management in Palestinian family businesses?

To answer this question, means and standard deviations are calculated to know the level of WM in Palestinian family businesses.

Table 20 Descriptive statistics shows the level of attitude all items of wealth management in Palestinian family businesses

| # | Items | M | Sd | level | Rank |
|-----------|---|----------|-----------|--------------|-------------|
| 1. | I am satisfied with the general management of the wealth of your family business | 3.97 | 1.02 | High | 4 |
| 2. | Manage the wealth of your family business with your own long-term goals and objectives | 3.83 | 0.92 | High | 5 |
| 3. | I am satisfied with the level of transparency and Communication regarding the wealth management of your family business | 4.27 | 0.98 | High | 2 |
| 4. | The ability of your family business to manage wealth in | 4.10 | 1.03 | High | 3 |

| | | | | | |
|-----|---|-------------|-------------|---------------|-------------|
| | addressing potential risks and challenges | | | | |
| | I am satisfied with the performance and returns generated by wealth management for your family business | | | | |
| 5. | Owning your family business with a formal wealth management plan | 3.60 | 1.07 | <i>Medium</i> | 8 |
| 6. | Your family business balances short-term liquidity needs with long-term investment goals | 2.77 | 1.06 | <i>Medium</i> | 10 |
| 7. | Involvement of family members and key stakeholders in the wealth management decision-making process | 4.33 | 0.99 | <i>High</i> | 1 |
| 8. | The ability of your family business to manage the risks associated with wealth management | 3.63 | 0.88 | <i>Medium</i> | 7 |
| 9. | Is your family business wealth management plan integrated with other business strategies and goals | 3.80 | 0.80 | <i>High</i> | 6 |
| 10. | | 2.83 | 0.96 | <i>Medium</i> | 9 |
| | Wealth Management | 3.71 | 0.87 | High | 3.71 |

Source: SPSS outcome

The table (21) shows that the result of the wealth tool is high, but due to the reason that all family businesses suffer from, it is very little that there are official documents, so there is no clear graphic plan for WM item (6).

Having official documents is crucial for effective WM in family businesses. It provides a structured framework for decision-making, succession planning, and long-term sustainability. Without clear documentation, it becomes difficult to establish a strategic direction, define roles and responsibilities, and implement effective WM strategies.

Family businesses can enhance their ability to manage and preserve wealth across generations by having formalized documents. These documents can serve as guiding tools, ensuring transparency, accountability, and clear communication within the family business. Additionally, they can facilitate the alignment of family members' interests and provide a foundation for effective decision-making in WM matters.

Family businesses in Palestine should seek professional guidance and support to establish these official documents and develop comprehensive WM plans. By doing so, they will contribute to the long-term success and sustainability of the family business, providing a solid framework for managing and growing wealth for current and future generations.

It is important for family businesses in Palestine to prioritize developing and implementing official documents and graphic plans for WM to overcome any challenges. This may involve engaging legal and financial professionals who can assist in creating necessary documents such as shareholder agreements, governance frameworks, and succession plans.

Table (11) represents the descriptive statistics of WM items in Palestinian family businesses distributed by means, standard deviation, level and the rank of every items. The items represent ‘Your family business balances short-term liquidity needs with long-term investment goals’ has a highest mean score (4.33) with a high level, while the lowest mean score equals (2.77) related to ‘owning your family business with a formal WM plan’, with a medium level. the total average score equals (3.71), with a high level.

-Testing hypothesis:

First, this study tested the assumption through (Normality) to make sure which testing hypothesis needed (parametric or nonparametric).

To check the normality test Kolmogorov-Smirnov test is used, the following table shows the result:

Table 21 Kolmogorov-Smirnov test for normality

| Test | Test value | Significance | Result |
|----------------------------|------------|--------------|--------|
| Family Offices | 0.73 | 0.67 | Accept |
| Strategic entrepreneurship | 0.97 | 0.31 | Accept |
| Wealth management | 0.79 | 0.56 | Accept |

Our assumption is the data distributed normally, referring to the significance value for three scales, all the significance values are greater than > 0.05 , we accept the assumption, which means that the data distributed normally we will use the parametric tests.

Second, before we test the hypothesis, we need to make assessment of the study model by PLS-SEM illustrating measurement model and the structural model assessment.

First- Measurement Model Assessment

To make measurement model assessment, we need to make validity of convergent analysis, by finding the outer loading degree. The second discriminant analysis validity by finding Fornell and Larcker criterion, cross-loadings, and the heterotrait-monotrait ratio of correlations (Hair *et al.*, 2016).

1-Convergent analysis:

Table (5) shows:

-Cronbach's alpha and composite reliability is above 0.7 and less than 0.95, the recommended value is 0.70, the internal consistency of all constructs are confirmed. (Hair *et al.*, 2019).

- Average variance extracted (AVE) accepted value should be 0.50 and higher, the values are greater than 0.50 the (AVE) is confirmed (Peterson & Kim, 2013).

-outer loadings test, the indicators with outer loadings less than 0.40 should be eliminated from the construct (Hair *et al.*, 2016). Table (3): rotated component matrix, confirm that all the rotated values are greater than 0.40.

2- Discriminant analysis:

- **Fornell and Larcker Criterion:** To prove the validity of this measure, the square root of each construct should exceed the average variance extracted with the correlation of other constructs in the model (Hilkenmeier *et al.*, 2020). Table (23), indicates that the model constructs' discriminant is confirmed.

Table 22 Discriminant validity check Using Latent Variables Correlations

| Construct | Family Offices | Strategic entrepreneurship | Wealth management |
|----------------------------|----------------|----------------------------|-------------------|
| Family Offices | 0.448 | | |
| Strategic entrepreneurship | 0.429 | 0.735 | |
| Wealth management | 0.718 | 0.788 | 0.882 |

- Heterotrait-Monotrait (HTMT) ratio of correlation

The accepted value of HTMT should be less than 0.90 (Ab Hamid *et al.*, 2017). else this will indicate a lack of discriminant validity. Table (24), confirms the result which is not exceeding 0.90.

Table 23 Heterotrait-Monotrait Ratio of Correlations (HTMT)

| Construct | Family Offices | Strategic entrepreneurship | Wealth management |
|----------------------------|----------------|----------------------------|-------------------|
| Family Offices | | | |
| Strategic entrepreneurship | 0.872 | | |

| | | | |
|--------------------------|-------|-------|--|
| Wealth management | 0.893 | 0.766 | |
|--------------------------|-------|-------|--|

Second: Structural Model Assessment

1- Coefficient of Determination (R^2 Value)

The accepted value of coefficient R^2 as for each as high (0.75), moderate (0.50), and weak (0.25) (Henseler *et al.*, 2009). Table (25), shows the medium coefficient of R^2 of strategic entrepreneurship (0.54), which means that 54% of the variance in FO can be explained by SE, also the coefficient of R^2 of WM equals (0.82) which is high, this means that 82% of variation of WM explains SE.

2- Predictive Relevance Stone-Geisser (Q^2)

The accepted value of Q^2 should exceed zero to indicate that the endogenous construct has predictive accuracy of the structural model for that construct (Hair *et al.*, 2019). Table (25) confirms the result.

Table 24 Redundancy (Q^2 value)

| | Q^2 |
|-----------------------------------|-------|
| Family Offices | 0.013 |
| Strategic entrepreneurship | 0.160 |
| Wealth management | 0.244 |

Now after making measurement model assessment and structural model assessment, we can test our hypothesis:

Question four: Is there a direct impact of family offices on wealth management in Palestinian family businesses.

To test this hypothesis bootstrapped test analysis in SMARTPLS 4 is used to test the following hypothesis

(H1, a): *There is a significant direct impact of family offices on wealth management in Palestinian family businesses.*

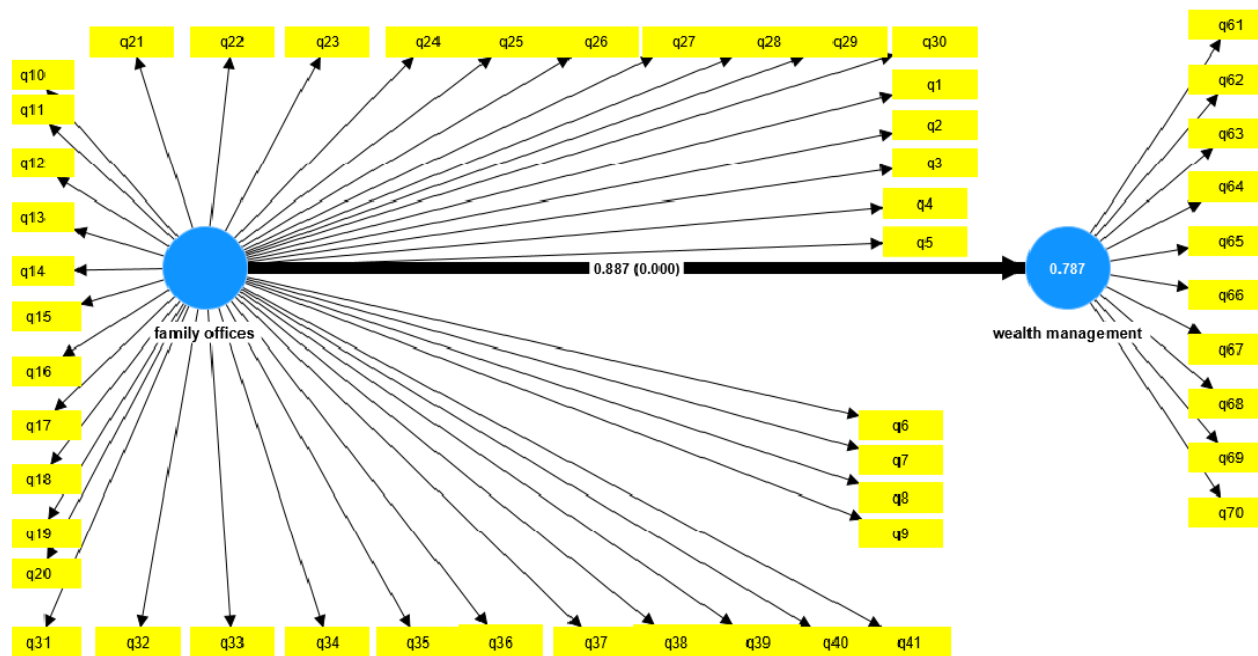


Figure 3 Bootstrapped Test Run: family offices (independent variable) and wealth management (dependent variable))

The above figure shows the bootstrapped test run results of the direct effect for FO (Independent variable) and WM (dependent variable), table (26) shows the bootstrapping results.

Table 25 bootstrap results direct effect of family offices (Independent variable) on wealth management – coefficients

| Family offices - wealth management | Original sample | Sample mean | Standard deviation | T-statistics | P-value |
|------------------------------------|-----------------|-------------|--------------------|--------------|---------|
| | 0.887 | 0.891 | 0.026 | 34.044 | 0.000** |

The above table shows the t-statistic value (34.044), which is above 1.96 at 0.05 levels meaning that the path is significant. It also shows a p-value of 0.000 which less than 0.05 as probability

level, which means both t-statistic and p-value are proven the rejection of null hypothesis, which means; there is a statically significant impact of FO on WM in Palestinian family businesses.

We conclude that there is a direct impact of FO on WM in Palestinian family businesses.

Question five: Is there an indirect effect of family offices on wealth management in Palestinian family businesses using strategic entrepreneurship as a mediator?

We need to test the following hypothesis:

(H2), Strategic entrepreneurship mediating the impact of family offices on wealth management in Palestinian family businesses.

Figure (3) represents the strategic entrepreneurship mediates FO (independent variable) and wealth management (dependent variable)

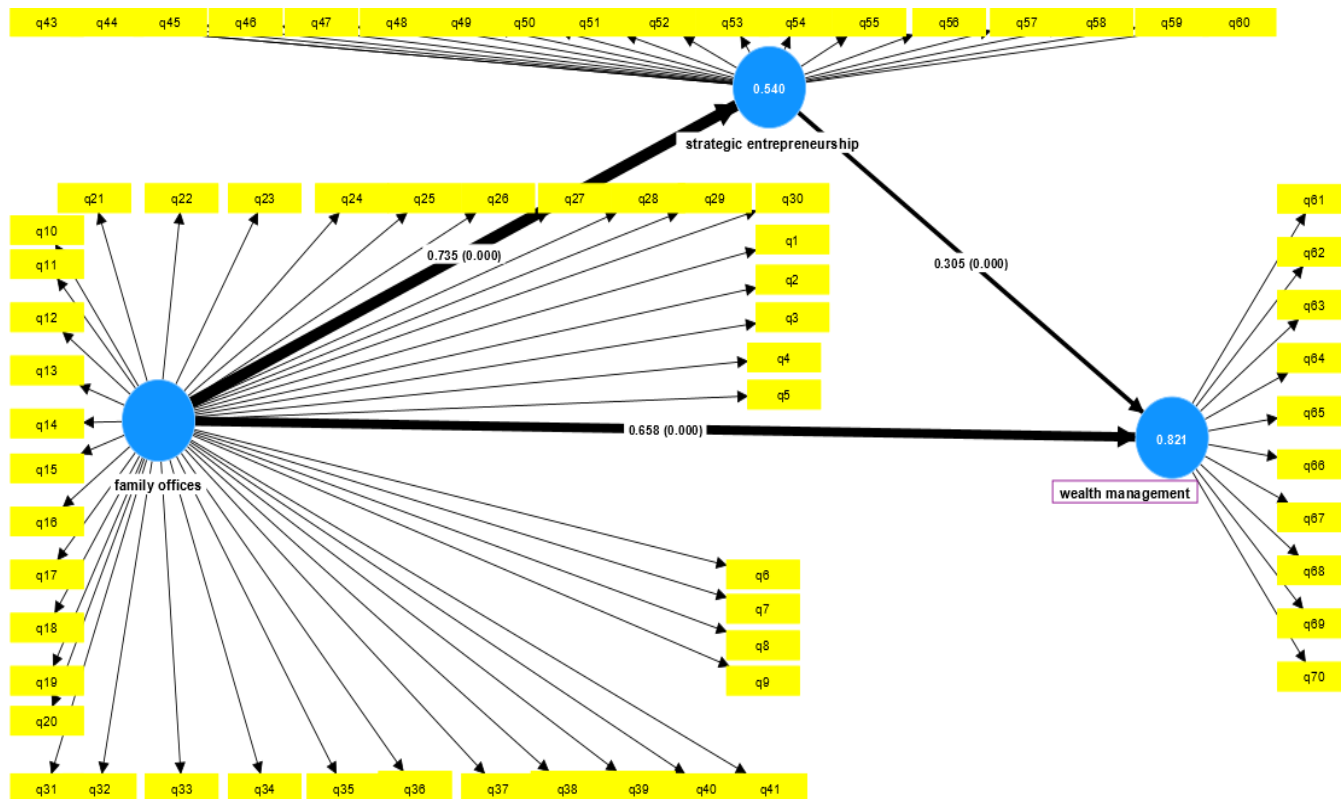


Figure 4 Bootstrapped Test Run: (strategic entrepreneurship mediating family offices (independent variable and wealth management (dependent variable))

It is clear from the above figure that we need to test three hypothesis, using the bootstrapping analysis in SMARTPLS4, (27) shows the direct bootstrap results:

Table 26 direct bootstrap results – coefficients

| Hypothesis | Original sample | Sample mean | Standard deviation | T-statistics | P-value |
|-------------------|-----------------|-------------|--------------------|--------------|----------------|
| (H2, a): FO ->SE | 0.735 | 0.764 | 0.050 | 14.581 | 0.000** |
| (H2, b): FO -> WM | 0.658 | 0.683 | 0.061 | 10.828 | 0.000** |
| (H2, c): SE -> WM | 0.305 | 0.262 | 0.079 | 3.868 | 0.000** |

First, we will test the direct impact by testing the three following hypothesis:

(H2, a): There is a significant impact of family offices on strategic entrepreneurship in Palestinian family businesses.

Table (27) shows the bootstrap results. the t-statistic value equals (14.581), which is above 1.96. It also shows a p-value of 0.000 which less than 0.05 as probability level, which means both t-statistic and p-value are proven the rejection of accept hypothesis (H02, a), which means; there is statically significant impact of FO on SE in Palestinian family businesses with a positive ($\beta=0.735$).

FO places a high value on SE. In addition, Organizational entrepreneurship is essential for promoting the long-term success of family firms, including FO. It involves entrepreneurial perceptions, attitudes, and activities within the organization. First-generation family members or founders are often more responsive to changes in the business environment and make rapid decisions based on heuristics and intuition, fostering entrepreneurial behavior.

This finding agrees with Hoy and Verser (2000), Carney (2005), Chrisman *et al.* (2003), and Chrisman *et al.* (2014). According to them, there is a strong connection between SE in FO that explores the relationship and family members' perceptions of entrepreneurship within FO and entrepreneurial orientation, which recognizes the significance of maintaining an enduring entrepreneurial orientation across generations for the transgenerational survival and success of FO and family enterprises.

While the relationship between SE and FO received some attention in previous studies, there need to be more comprehensive studies that specifically explore and clarify this relationship. Nonetheless, several research avenues and insights can illuminate the potential dynamics between entrepreneurial strategies and FO. Based on the information provided, this study explores the connection points between entrepreneurial strategies and FO.

FO and SE share a common focus on wealth creation, innovation, and long-term sustainability. FO, established by wealthy families, play a critical role in supporting entrepreneurial activities within family businesses. They facilitate the identification of innovative business ideas and opportunities, guiding the family in capitalizing on these prospects. Additionally, FO provide expertise in resource allocation, assisting in decisions regarding financial investments and strategic projects. They also contribute to risk management by evaluating and mitigating risks associated with entrepreneurial endeavors. Moreover, FO foster family business continuity by offering strategic advice, succession planning support, and promoting an entrepreneurial mindset across generations. Their efforts facilitate intergenerational knowledge transfer and create a culture of innovation within the family business. Overall, FO act as catalysts for SE, providing the necessary resources and support for entrepreneurial activities, innovation, and long-term wealth creation while aligning with the family's values and goals.

(H2, b): There is a significant impact of family offices on wealth management in Palestinian family businesses.

Table (27) shows the result. the t-statistic value equals (10.828), which is above 1.96. It also shows a p-value of 0.000 which less than 0.05 as probability level, which means both t-statistic and p-value are proven the rejection of the accept hypothesis (H02, b), which means; there is statically significant impact of FO on WM in Palestinian family businesses with a positive ($\beta=0.658$).

The relationship between FO and WM in Palestinian family businesses is high. According to FOX (2009), a FO is defined as a unique family business that offers tailored WM solutions while promoting and preserving the family's identity and values. This definition aligns with the understanding of FO presented by the Family Wealth Alliance and the FO Research Review.

The result aligns with Hoy & Verser (2000) is increased interest in the FO space, indicating growth in this form of wealth management. While WM is the primary role expected of a FO, there is a growing trend in academia where FO aim to achieve non-financial goals. Nonetheless, it should be noted that not all families subscribe to this trend, and many continue to focus exclusively on wealth management.

Many organizations and practitioners in the WM industry have identified and explored the concept of FO despite the absence of a universally accepted definition of it. Further exploration and understanding of FO are deemed necessary to comprehend why families choose to establish their own offices, join existing multi-FO, or opt for traditional financial institutions to manage their wealth.

FO and WM share an integral and mutually beneficial relationship. Established to manage the assets and wealth of affluent families, FO provide comprehensive WM services that encompass investment management, financial planning, tax optimization, estate planning, and risk management. With specialized expertise in various areas, FO offer valuable guidance and advice, leveraging their knowledge to optimize financial resources and develop customized strategies tailored to the family's goals and risk tolerance. Moreover, they take a holistic approach, considering both financial and non-financial aspects of wealth, such as family governance, philanthropic goals, and intergenerational wealth transfer. By providing comprehensive services, specialized expertise, and a holistic approach, FO contribute to the long-term financial stability and success of affluent families.

(H2, c): There is a significant impact of strategic entrepreneurship on wealth management in Palestinian family businesses.

SE greatly impacts WM in Palestinian family businesses. SE refers to the integration of entrepreneurial and strategic management perspectives to create wealth. This approach acknowledges that wealth creation is at the core of entrepreneurship and strategic management.

Palestinian family businesses can enhance their tangible outcomes (such as firm wealth) and intangible outcomes (such as intellectual and social capital) by combining entrepreneurial activities, which involve creating and seizing opportunities, with strategic management practices, which focus on exploiting current advantages and exploring new ones.

The concept of SE recognizes the importance of integrating entrepreneurial strategies to generate wealth. The results align with Venkataraman and Sarasvathy (2001) and Hitt *et al.*, (2001), which stress the significance of SE business practices in driving wealth creation within Palestinian family businesses.

Table (27) shows the result. the t-statistic value equals (3.868), which is above 1.96. It also shows a p-value of 0.000 which less than 0.05 as probability level, which means both t-statistic and p-value are proven the rejection of the null hypothesis (H2, c), which means; there is statically significant impact of SE on WM in Palestinian family businesses with a positive ($\beta=0.305$).

According to the rejection to the three null hypothesis, we reject (H2), which means SE mediating the impact of FO on WM in Palestinian family businesses.

Second, we will test the indirect impact of FO on WM in Palestinian family businesses using SE as a mediator.

The following table illustrates the result:

Table 27 indirect bootstrap results – coefficients

| Hypothesis | Original sample | Sample mean | Standard deviation | T-statistics | P-value |
|------------------------|-----------------|-------------|--------------------|--------------|--------------|
| (H2, d): FO -> SE-> WM | 0.224 | 0.200 | 0.063 | 3.570 | 0.000 |

Table (28) shows the result. the t-statistic value equals (3.570), which is above 1.96. It also shows a p-value of 0.000 which less than 0.05 as probability level, which means both t-statistic and p-value are proven the rejection of the null hypothesis (H2, d), *which means; there is statically significant indirect effect of family offices on wealth management in Palestinian family businesses using strategic entrepreneurship as a mediator with a positive ($\beta=0.224$)*

It was noted that FO has a positive indirect effect on WM in Palestinian family businesses, with Seating as a mediator. Several reasons are behind this result, including integration of entrepreneurial and strategic management, Long-term orientation and stewardship, responsive decision-making and entrepreneurial behavior, and transgenerational survival and success.

- **Integration of entrepreneurial and strategic management:** Recombines entrepreneurial activities and strategic management practices. This integration allows FO to proactively identify and exploit opportunities while strategically managing their resources, enhancing WM outcomes.
- **Long-term orientation and stewardship:** FO, extensions of family enterprises, often prioritize the long-term health and well-being of the firm. This stewardship perspective aligns with SE, emphasizing long-term value creation and sustainability, positively impacting wealth management.
- **Responsive decision-making and entrepreneurial behavior:** First-generation family members or founders in FO are often agile decision-makers, using heuristics and intuition to respond rapidly to changes in the business environment. This responsiveness fosters

entrepreneurial perceptions, attitudes, and activities within the FO, promoting effective WM strategies.

- **Transgenerational survival and success:** FO, like family businesses, aim to ensure transgenerational survival and success. This requires maintaining an enduring entrepreneurial orientation across generations. By leveraging SE as a mediator, FO can foster a culture of innovation, adaptability, and long-term value creation, ultimately enhancing WM outcomes.

Overall, the indirect effect of FO on WM in Palestinian family businesses, mediated by SE, So, that the integration of entrepreneurial and strategic perspectives can lead to improved WM practices and long-term success.

5. Chapter Five: Conclusion & Recommendations

5.1 Introduction

This chapter provides the main conclusion the overall study, according to the main results that have been achieved during the conducting of this study. In addition, based on those results, the recommendations will be provided in this chapter, as well the suggested future researches.

5.2 Conclusion

The aim of the thesis was to seek new theoretical contributions that shed light on the effect of FO on wealth management, particularly in the context of Palestine. The main argument put forth by the researcher is that SE plays a mediating role in the relationship between FO and wealth management.

The findings of the thesis indicate a high level of application of FO and its dimensions in Palestinian family businesses. The study highlights the significant role of WM and SE in these family businesses. Furthermore, the study reveals a statistically strong relationship between FO, SE, and wealth management.

These results suggest that FO, when combined with SE, have a positive impact on WM outcomes in Palestinian family businesses. The integration of strategic entrepreneurial practices enhances the effectiveness of WM strategies, potentially leading to improved long-term success and sustainability for these businesses.

Overall, the thesis provides valuable insights into the relationship between FO, SE, and WM in Palestine, highlighting their interplay and underscoring their importance in driving positive outcomes for family businesses.

5.3 Recommendations

In this section, the researcher provides some suggestions for Family Business, Federation of Chambers of Commerce in Palestine and Palestinian government and Arab American Unveracity, in order to help them improve the family business. These suggestions are developed from data analysis results in chapter four and mainly based on the effect of FO on WM in Palestine the mediating role of SE. Below are suggestions accordingly.

➤ ***Recommendations for Family Business:***

- Develop and implement an integrated governance system: Establish official documents, such as shareholder agreements, governance frameworks, and family charters, to provide clarity and structure for decision-making, succession planning, and wealth management.
- Implement the FO system: Create a dedicated department or team responsible for overseeing long-term family investments, wealth management, education planning for future generations and the relationship between family members.
- Prioritize education and skill development: Design and implement a comprehensive education plan for family members from an early age, focusing on management, accounting, and other skills relevant to business management. This will help prepare the next generation to effectively contribute to the company.
- Separate the board of directors from the family: Adopt the agency theory and ensure a clear separation between the board of directors and the family to promote objective decision-making and reduce bias.

- Establish a family council: Organize a family council to manage the interests of individuals within the family, allocate responsibilities, and facilitate open communication and collaboration among family members.
- Hold regular and structured meetings: Conduct periodic meetings of the family council and the board of directors to discuss important matters, ensure effective communication, and make informed decisions.
- Develop written documentation and reporting: Document decisions and important discussions in official reports to enhance transparency, accountability, and consistency of information within the family business.
- Promote inclusivity and balanced decision-making: Consider the interests of all family members, including the second generation, and ensure that decision-making processes take into account the perspectives and evolving needs of younger generations.
- Foster an entrepreneurial culture by encouraging innovative thinking and proactive mindset among family members and employees.
- Embrace a long-term orientation that focuses on sustainability and the long-term health of the family business.
- Promote entrepreneurial mindset and behavior, including risk-taking and continuous learning.

➤ ***Recommendations for Federation of Chambers of Commerce in Palestine and Palestinian government:***

- Facilitate knowledge sharing and best practices: Organize seminars, workshops, and conferences to promote education and skill development among family businesses.

Encourage experienced entrepreneurs and professionals to share their insights and success stories.

- Provide resources and support: Offer guidance and resources to family businesses on governance practices, strategic planning, and investment strategies. Collaborate with educational institutions to develop programs tailored to the needs of family businesses.
- Advocate for favorable policies: Work with relevant government entities to create an enabling environment for family businesses, including supportive regulations, access to funding, and incentives for long-term investments.
- Conducting research and disseminating ideas: implementing solutions to the challenges and opportunities of family businesses in Palestine. Publish reports and insights to raise awareness and provide guidance to family businesses and policymakers.
- Set laws and roles for family business example allocation of Funds to the Second Generation allocate a portion of the family treasury, such as 20%, specifically for investments by the second generation. Provide clear guidelines and criteria for the second generation to manage these funds, ensuring transparency and accountability. Set expectations for financial returns, specifying that 60% of the returns generated by the investments will be allocated to the individual and 40% will be returned to the family treasury.
- Jointly develop and implement programs for capacity building, skills development, and entrepreneurship training.
- Leverage the expertise of the Federation of Chambers of Commerce and the resources of the Palestinian Government to enhance the capabilities of businesses and entrepreneurs.

- Jointly develop and implement programs for capacity building, skills development, and entrepreneurship training.
- Leverage the expertise of the Federation of Chambers of Commerce and the resources of the Palestinian Government to enhance the capabilities of businesses and entrepreneurs.

➤ ***Recommendations for Arab American Univeracity:***

- Integrate entrepreneurship and business management programs: Enhance the curriculum to include courses and programs that specifically focus on entrepreneurship, family business management, and strategic planning. Offer specialized training and resources to support the development of entrepreneurial skills among students.
- Foster industry-academia collaboration: Establish partnerships and collaborations with local family businesses to provide students with real-world exposure and practical experiences. Encourage internships and mentorship programs to bridge the gap between academic knowledge and practical business skills.
- Strengthen ties with the business community: Facilitate networking events, guest lectures, and industry forums where students can interact with successful entrepreneurs and professionals from family businesses. Encourage alumni engagement to foster a strong network of support and collaboration.

5.4 Limitations of the study

It was be noted that there were limitations to this research. One of the challenges faced was obtaining a representative sample of family businesses in Palestine based on the available information. Since there is no precise number or census data on family businesses, identifying and selecting a diverse and representative sample of family businesses for research purposes can be

challenging. There could be variations in entrepreneurial perceptions and behaviors among family businesses that were not obtained in the qualitative data. To address this limitation, future research could incorporate quantitative methods, such as surveys or quantitative analysis of financial data, to provide a more comprehensive and objective understanding of family businesses in Palestine.

5.5 Future Studies

Future research on the effect of FO on WM in Palestine should examine the mediating role of SE. Additionally, it should explore factors that influence entrepreneurial perceptions and behaviors across multiple generations within Palestinian family businesses. The transfer of entrepreneurial training, role modeling, and leadership influence, as well as the impact of cultural and institutional contexts on entrepreneurial perceptions and behaviors, should be investigated. Comparative studies between Palestine and other countries, as well as within different regions within Palestine, can provide valuable insights into variations in entrepreneurial perceptions and behaviors. Longitudinal studies can enhance our understanding of agency problems and conflicts within Palestinian family businesses over time. Considering the influence of cultural and institutional contexts on family businesses' goals, including non-financial objectives, is essential. Exploring attitudes towards inherited wealth, philanthropy, and social responsibility within the Palestinian cultural context can help family businesses align their strategies and services with societal expectations. By deepening our understanding of entrepreneurial perceptions and behaviors in Palestinian family businesses, future research can contribute to their sustainability and growth within the unique Palestinian context.

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Appendices:

Appendix #1: Study Tool “Questionnaire” in English Language



Questionnaire

Dear Participant,

The researcher “Eng. Aseel Nabeel” is conducting a study entitled "The effect of Family Offices on wealth management in Palestine: The mediating role is strategic entrepreneurship".

In order to complete the requirements of the Master's Degree in Strategic Planning and Fundraising from Arab American University.

Therefore, you are kindly requested to cooperate by filling out this questionnaire completely objectively, in accordance with your point of view. Note that all answers and information will be appreciated, and the information contained therein will be treated with strict confidentiality, and will be used for scientific research purposes only.

Thank you for your efforts and cooperation

Part 1: General Information

For each question below, please put (✓) in the square to represents your answer:

Gender:

Male

Female

Age:

Less than 40 40-44 45-49 50-54 55-59 over 60

Education:

High school Diploma Bachelor's degree Master degree

Generation:

1st 2nd 3th 4th

The number of generations that have passed on the company

1 2 3 4

The Country

Part 2

1. Describe the history of the family enterprise (The current situation The objective of this first set of questions is to understand and review the owing family's current management & governance approaches to the wealth and the family)

- Who started the business? Year Founded?
- What was the opportunity?
- Was the founder an entrepreneur? Why or why not?
- Did he/she mentor the next generation to be entrepreneurial? Why or why not?
- Was the success built on how it was organized? How much luck was involved?
- How much do you attribute your success to luck now?
- How many projects has the family founded at present? An approximate number of workers in all projects?

Section Two: Dependent Variables

Please indicate with (X) sign on the suitable scale of which you (5) strong or disagree (1) with the following items:

1. Family Offices

| # | 1. Board of Directors | 1 | 2 | 3 | 4 | 5 strong |
|---|---|---|---|---|---|-------------|
| 1 | The Board of Directors helps to improve a company's financial performance. | | | | | |
| 2 | The Board of Directors members have the necessary experience | | | | | |
| 3 | The Board of Directors members have the necessary qualifications | | | | | |
| 4 | The Board of Directors meets on a regular basis (monthly) | | | | | |
| 5 | The board of directors has the power to separate the interests of family members and the company | | | | | |
| 6 | Board members are elected periodically | | | | | |
| 7 | The Board of Directors has capability to properly manage the family's assets | | | | | |
| 2. Family Council | | | | | | |
| 9 | The Family Council meets on a regular and regular basis | | | | | |
| 10 | The Family Council has the capability to resolve family member conflicts of interest | | | | | |
| 11 | The family council possesses the necessary communication and decision-making abilities | | | | | |
| 12 | The Family Council possesses critical planning skills for the company's long-term sustainability | | | | | |
| 3. Communication & Reporting Process | | | | | | |
| 13 | I am satisfied with the family council's reports and their frequency | | | | | |
| 14 | I am satisfied with the opinion of other family members regarding the reports and their frequency | | | | | |
| 15 | I am satisfied with the nature and frequency of family council meetings | | | | | |
| 16 | I am satisfied with the performance of other family members at family meetings | | | | | |
| 4. Involvement of family members | | | | | | |
| 17 | I am satisfied with the participation of family members in the management of the company | | | | | |
| 18 | I am satisfied that all generations are involved in the company | | | | | |
| 19 | I am satisfied with the mentoring and/or financial education programs offered to family members | | | | | |
| 20 | I think it is important for the next generation of family members to be entrepreneurs | | | | | |
| 21 | I am satisfied with the guidance given to the next generation to be an entrepreneur, if such programs exist | | | | | |

| 5. Planning of new investments & asset allocations: | | | | | | |
|--|--|--|--|--|--|--|
| 22 | Planning processes for new investments and asset allocation are carried out | | | | | |
| 23 | Planning processes are performed periodically | | | | | |
| 24 | I am satisfied with the individual(s) who facilitate or lead the planning process | | | | | |
| 25 | Risk management is integrated into the investment planning process | | | | | |
| 26 | It is important for the family to invest in entrepreneurial projects, business or social entrepreneurship projects | | | | | |
| 27 | The family business plans the investment in the short term | | | | | |
| 28 | The family business plans to invest in the long term | | | | | |
| 29 | The family business invests in warehouses | | | | | |
| 30 | The family business invests in securities in the market | | | | | |
| 31 | The family business invests in real estate | | | | | |
| 32 | The family business evaluates potential investment opportunities based on financial returns | | | | | |
| 33 | The family business evaluates potential investment opportunities based on social impact | | | | | |
| 34 | The family business evaluates potential investment opportunities based on other criteria | | | | | |
| 35 | Active management is adopted as an investment strategy to achieve the family's investment goals | | | | | |
| 36 | Passive management is adopted as an investment strategy to achieve the family's investment goals | | | | | |
| 6. Family's investments & asset allocation: | | | | | | |
| 37 | The family investment policy achieves the family's financial objectives | | | | | |
| 38 | Family members make effective use of Family Bank | | | | | |
| 39 | In the company's management approach, the family focuses on research and development to innovate new tools, technologies, or processes | | | | | |
| 40 | The distribution of investment decision-making responsibilities between family members and non-family members is effective | | | | | |
| 41 | Family members help to look for new investment opportunities | | | | | |

2. Strategic Entrepreneurship

| # | 1.Contunes Innovativeness | 1 | 2 | 3 | 4 | 5 |
|-------------------------------------|---|---|---|---|---|---|
| 1 | Managers generally insist on R&D | | | | | |
| 2 | There exists a formal mechanism for turning ideas into products | | | | | |
| 3 | Many products and services have been prepared for market in the previous five years | | | | | |
| 4 | Employees who provide innovative ideas are encouraged | | | | | |
| 2. Opportunity-based mindset | | | | | | |
| 5 | The company ideas are truly the basis of the market | | | | | |
| 6 | The company processes are evaluated regularly | | | | | |
| 7 | Organizational systems exist to recognize the potential of situations | | | | | |
| 8 | The company has a formal plan for recognition of opportunities | | | | | |
| 3. Proactive behavior | | | | | | |
| 9 | The firms react to competitive and risky activities quickly | | | | | |
| 10 | The company regularly looks for strengths and weaknesses of competitors | | | | | |
| 11 | The company insists on sending directive management to market | | | | | |
| 4. Risk taking | | | | | | |
| 12 | The company tends extensively toward risky activities | | | | | |
| 13 | The company provides the necessary resources for participating in new projects | | | | | |
| 14 | The level of risk taking in the company is more than that of the main competitors | | | | | |
| 5. Value-creation capability | | | | | | |
| 15 | The company prepares cost/benefit analysis for every project | | | | | |
| 16 | There was high demand for the new products of the company | | | | | |
| 17 | The company hardly invests on unprofitable projects | | | | | |
| 18 | The company identifies customers before introducing new products | | | | | |
| 19 | The company provides formal business plans for extension of business activities | | | | | |

3. Wealth Management

| # | | 1 | 2 | 3 | 4 | 5 |
|---|--|---|---|---|---|---|
| 1 | I am satisfied with the general management of the wealth of your family business | | | | | |

| | | | | | | |
|---|---|--|--|--|--|--|
| 2 | Manage the wealth of your family business with your own long-term goals and objectives | | | | | |
| 3 | I am satisfied with the level of transparency and communication regarding the wealth management of your family business | | | | | |
| 4 | The ability of your family business to manage wealth in addressing potential risks and challenges | | | | | |
| 5 | I am satisfied with the performance and returns generated by wealth management for your family business | | | | | |
| 6 | Owning your family business with a formal wealth management plan | | | | | |
| 7 | Your family business balances short-term liquidity needs with long-term investment goals | | | | | |
| 8 | Involvement of family members and key stakeholders in the wealth management decision-making process | | | | | |
| 9 | The ability of your family business to manage the risks associated with wealth management | | | | | |

I appreciate your effort, Thank you very much

Appendix #2: Study Tool “Questionnaire” in Arabic Language



استبيان جمع معلومات

عزيزي المشارك/ عزيزتي المشاركة،

تقوم الباحثة "أسيل نبيل" بإجراء دراسة بعنوان "تأثير مكاتب العائلة على إدارة الثروة في فلسطين: تقييم العامل الوسيط استراتيجيات الريادة". وذلك لاستكمال متطلبات درجة الماجستير في تخصص التخطيط الاستراتيجي وتجديد الأموال من الجامعة العربية الأمريكية.

لذلك، أرجو من حضراتكم التعاون من خلال تعبئة هذا الاستبيان بموضوعية كاملة، وفقاً لوجهة نظرك. مع العلم أنه سيتم تقدير جميع الإجابات والمعلومات، وسيتم التعامل مع المعلومات الواردة فيها بسرية تامة، وسيتم استخدامها لأغراض البحث العلمي فقط.

شكراً لجهودكم وتعاونكم

القسم الأول: معلومات عامة

- الجنس: ☐ ذكر ☐ أنثى
- العمر: ☐ أقل من 30 سنة ☐ 39-30 ☐ 49-40 ☐ 50 سنة فأكثر
- المؤهل العلمي: ☐ دبلوم فأقل ☐ بكالوريوس ☐ دراسات عليا
- الجيل: ☐ الأول ☐ الثاني ☐ الثالث ☐ الرابع
- رقم الجيل الذي شارك في الإدارة في الشركة: ☐ الأول ☐ الثاني ☐ الثالث ☐ الرابع
- البلد المتواجدة فيها الشركة في الوقت الحالي:

القسم الثاني: بعض الأسئلة المهمة في بداية الاستثمار:

- من بدأ العمل؟ سنة التأسيس؟
- ماذا كانت الفرصة؟
- هل كان المؤسس رجل أعمال؟ لما و لما لا؟
- هل قام بتوجيه الجيل القادم ليكون ريادياً؟
- هل كان النجاح مبنياً على كيفية تنظيمه؟ ما مقدار الحظ ينطوي عليه؟
- كم تنسب نجاحك إلى الحظ الآن؟
- عدد المشاريع التي أسستها العائلة؟ رقم تقريبي لعدد العاملين (موظفين) في جميع المشاريع؟

القسم الثالث: متغيرات الرسالة:

يرجى الإجابة على جميع الأسئلة والفقرات الواردة في الجدول أدناه، وذلك بوضع إشارة X في المكان الذي يمثل أفضل وصف، بحيث يتم تقسيم الدرجة من (1-5) أعارض بشدة إلى أوافق بشدة، مع ملاحظة أن الرقم الأعلى (5) يشير إلى أعلى درجة في الموافقة بينما يشير الرقم الأقل (1) إلى أدنى درجة موافقة.

| # | الفقرة | أعارض بشدة (1) | أعارض (2) | محايد (3) | أوافق (4) | أوافق بشدة (5) |
|-----------------|---|----------------|-----------|-----------|-----------|----------------|
| مكاتب العائلة | | | | | | |
| 1. مجلس الإدارة | | | | | | |
| 1 | يساهم مجلس الإدارة في تحسين الأداء المالي لشركة | | | | | |
| 2 | ما مدى أهمية حصول أعضاء مجلس الإدارة على خبرات | | | | | |
| 3 | ما مدى أهمية حصول أعضاء مجلس الإدارة على مؤهلات | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| 4 | يجتمع مجلس الإدارة بشكل دوري (شهرياً) | | | | |
| 5 | يمتلك مجلس الإدارة القدرة على الفصل بين مصالح أفراد العائلة والشركة | | | | |
| 6 | يتم انتخاب أعضاء مجلس إدارة بشكل دوري | | | | |
| 7 | يمتلك مجلس الإدارة القدرة على إدارة أصول العائلة بطريقة | | | | |
| 2. مجلس العائلة | | | | | |
| 8 | يعمل مجلس العائلة على تحقيق أهدافه ومسؤولياته اتجاه الشركة | | | | |
| 9 | يقوم مجلس العائلة بعقد اجتماعات منتظمة ودورية | | | | |
| 10 | يمتلك مجلس العائلة القدرة على إدارة تضارب المصالح بين أفراد العائلة | | | | |
| 11 | يمتلك مجلس العائلة المهارات المطلوبة للاتصال واتخاذ القرار | | | | |
| 12 | يمتلك مجلس العائلة مهارات التخطيط اللازمة لاستدامة الشركة على المدى الطويل | | | | |
| 3. التواصل و عملية التقارير | | | | | |
| 13 | أنا راض عن تقارير مجلس العائلة ووتيرتها | | | | |
| 14 | أنا راض عن رأي أفراد الأسرة الآخرين بشأن التقارير وتواترها | | | | |
| 15 | أنا راض عن طبيعة اجتماعات مجلس العائلة وتواترها | | | | |
| 16 | أنا راض عن أداء أعضاء العائلة الآخرين بالاجتماعات العائلية | | | | |
| 4. مشاركة أفراد العائلة | | | | | |
| 17 | أنا راض عن مشاركة أفراد العائلة في إدارة الشركة | | | | |
| 18 | أنا راض عن مشاركة جميع الأجيال في الشركة | | | | |
| 19 | أنا راض عن برامج التوجيه أو التعليم المالي المقدمة لأفراد الأسرة | | | | |
| 20 | اعتقد أنه من المهم أن يكون الجيل القادم من أفراد الأسرة من رواد الأعمال | | | | |
| 21 | أنا راض عن التوجيه المقدم للجيل القادم ليكون رياديًا ، في حالة وجود مثل هذه البرامج؟ | | | | |
| 5. التخطيط للاستثمارات الجديدة وتخصيص الأصول | | | | | |
| 22 | يتم تنفيذ عمليات التخطيط للاستثمارات الجديدة وتخصيص الأصول | | | | |
| 23 | يتم إجراء عمليات التخطيط بشكل دوري | | | | |
| 24 | أنا راض عن الفرد (الأفراد) الذين يسهلون أو يقودون عملية التخطيط | | | | |
| 25 | يتم دمج إدارة المخاطر في عملية التخطيط للاستثمار | | | | |

| | | | | | |
|--|--|----------------|-----------|-----------|----------------|
| 26 | من المهم أن تستثمر الأسرة في مشاريع ريادة الأعمال أو الأعمال التجارية أو مشاريع ريادة الأعمال الاجتماعية | | | | |
| 27 | تقوم الشركة العائلية بتخطيط الاستثمار على المدى القصير | | | | |
| 28 | تقوم الشركة العائلية بتخطيط الاستثمار على المدى الطويل | | | | |
| 29 | تقوم الشركة العائلية بالاستثمار بالمخازن | | | | |
| 30 | تقوم الشركة العائلية بالاستثمار بالعقارات | | | | |
| 31 | تقوم الشركة العائلية بالاستثمار في سوق الأوراق المالية | | | | |
| 32 | تقوم الشركة بتقييم فرص الاستثمار المحتملة على أساس العوائد المالية | | | | |
| 33 | تقوم الشركة بتقييم فرص الاستثمار المحتملة بناء على الأثر الاجتماعي | | | | |
| 34 | تقوم الشركة بتقييم فرص الاستثمار المحتملة بناء على معايير أخرى | | | | |
| 35 | يتم اعتماد على الإدارة النشطة كاستراتيجية للاستثمار لتحقيق أهداف العائلة الاستثمارية | | | | |
| 36 | يتم اعتماد على الإدارة النشطة كاستراتيجية للاستثمار لتحقيق أهداف العائلة الاستثمارية | | | | |
| 6. الاستثمارات العائلية وتخصيص الأصول | | | | | |
| 37 | تحقق سياسة الاستثمارات العائلية الأهداف المالية للعائلة | | | | |
| 38 | يستخدم أفراد العائلة لبنك العائلة بطريقة فعالة | | | | |
| 39 | تركز الأسرة على البحث والتطوير لابتكار أدوات أو تقنيات أو عمليات جديدة في نهج إدارة الشركة | | | | |
| 40 | هناك فعالية في توزيع مسؤوليات قرار الاستثمار بين أفراد الأسرة والأفراد من خارج العائلة | | | | |
| 41 | يشارك أفراد العائلة في عملية البحث عن فرص استثمارية جديدة | | | | |
| # | الفقرة | أعارض بشدة (1) | أعارض (2) | محايد (3) | أوافق بشدة (5) |
| استراتيجيات الريادة | | | | | |
| 1. الابتكار المستمر | | | | | |
| 1 | يصر المديرون بشكل عام على البحث والتطوير | | | | |
| 2 | توجد آلية رسمية لتحويل الأفكار إلى منتجات | | | | |
| 3 | تم تجهيز العديد من الخدمات والمنتجات للسوق في آخر خمس سنوات | | | | |
| 4 | يتم تشجيع الموظفين الذين يقدمون أفكارًا مبتكرة | | | | |
| 2. عقلية قائمة على الفرص | | | | | |
| 5 | أفكار الشركة هي حقًا أساس السوق | | | | |

| | | | | | |
|---------------------------------|--|--|--|--|--|
| 6 | يتم تقييم عمليات الشركة بانتظام | | | | |
| 7 | توجد أنظمة تنظيمية للتعرف على الوضع المحتمل | | | | |
| 8 | لدى الشركة خطة رسمية للتعرف على الفرص | | | | |
| 3. السلوك الاستباقي | | | | | |
| 9 | تتفاعل الشركات بسرعة مع الأنشطة التنافسية والمحفوفة بالمخاطر | | | | |
| 10 | تبحث الشركة بانتظام عن نقاط القوة والضعف لدى المنافسين | | | | |
| 11 | تصر الشركة على إرسال إدارة توجيهية إلى السوق | | | | |
| 4. إدارة المخاطر | | | | | |
| 12 | تميل الشركة على نطاق واسع نحو الأنشطة المحفوفة بالمخاطر | | | | |
| 13 | توفر الشركة الموارد اللازمة للمشاركة في المشاريع الجديدة | | | | |
| 14 | مستوى المخاطرة في الشركة أكثر من مستوى المنافسين الرئيسيين. | | | | |
| 5. القدرة على خلق القيمة | | | | | |
| 15 | تقوم الشركة بإعداد تحليل التكلفة / الفائدة لكل مشروع | | | | |
| 16 | كان هناك طلب كبير على المنتجات الجديدة للشركة | | | | |
| 17 | بالكاد تستثمر الشركة في مشاريع غير مربحة | | | | |
| 18 | تحدد الشركة العملاء قبل تقديم منتجات جديدة | | | | |
| 19 | تقدم الشركة خطط عمل رسمية لتوسيع الأنشطة التجارية | | | | |

| # | الفقرة | أعارض بشدة (1) | أعارض (2) | محايد (3) | أوافق (4) | أوافق بشدة (5) |
|-------------------------|---|----------------|-----------|-----------|-----------|----------------|
| 3. إدارة الثروات | | | | | | |
| 1 | أنا راض عن الإدارة العامة لثروة شركتك العائلية | | | | | |
| 2 | إدارة الثروات الخاصة بشركتك العائلية مع أهدافك وغاياتك طويلة المدى | | | | | |
| 3 | أنا راض عن مستوى الشفافية والتواصل فيما يتعلق بإدارة ثروات شركتك العائلية | | | | | |

| | | | | | | |
|--|--|--|--|--|---|---|
| | | | | | 4 | قدرة شركتكم العائلية على إدارة الثروات في معالجة المخاطر والتحديات المحتملة |
| | | | | | 5 | أنا راض عن الأداء والعوائد الناتجة عن إدارة الثروات لشركتكم العائلية |
| | | | | | 6 | امتلاك شركتكم العائلية خطة رسمية لإدارة الثروات |
| | | | | | 7 | تعمل شركة عائلتكم على تحقيق التوازن بين احتياجات السيولة قصيرة الأجل وأهداف الاستثمار طويلة الأجل |
| | | | | | 8 | قدرة شركتكم العائلية في إدارة المخاطر المرتبطة بإدارة الثروات |
| | | | | | 9 | يتم دمج خطة إدارة الثروات مع استراتيجيات وأهداف العمل الأخرى |

شكراً لجهودكم وتعاونكم

Appendix #3: Evaluators List

| Name | Contact Information | Academic Rank | Affiliation |
|---------------------|--|---------------------|--------------------------|
| Dr. Ahmad Hirzallah | ahirzallah@staff.alquds.edu/0599255448 | Assistant Professor | Al-Quds University |
| Dr. Attieh Musleh | amusleh@qou.edu/0599678746 | Associate Professor | Al-Quds Open University |
| Dr. Emad Wald-Ali | Emad.waladali@aaup.edu/0599745643 | Assistant Professor | Arab American University |
| Dr. Shahir Obaid | sobaid@qou.edu/0599252615 | Associate Professor | Al-Quds Open University |
| Dr. Majeed Mansour | majeed.mansour@aaup.edu/0599676270 | Associate Professor | Arab American University |

Abstract (Arabic)

الغرض من هذه الدراسة هو دراسة تأثير مكاتب العائلة على إدارة الثروات في فلسطين، بالإضافة إلى دور عامل الوسيط استراتيجيات ريادة الأعمال. تقيس الدراسة مستوى اتجاه الأبعاد والتأثير المباشر وغير المباشر بين الأبعاد. استخدمت الدراسة نهج كمي وتستخدم الدراسة استراتيجيات ريادة الأعمال عامل وسيط مكاتب الأسرة وإدارة الثروات التي يتم قياسها باستخدام SMARTPLS4 ، استخدمت الدراسة العينة الملائمة لملي المقابلات المنظمة، عينة الدراسة (30) عينة غير احتمالية من مجتمع الدراسة (80) شركة عائلية مسجلة من قبل نادي الأعمال الفلسطيني (2020).

تشير نتائج الرسالة إلى التأثير المباشر للمكاتب العائلية على إدارة الثروات في الشركات العائلية الفلسطينية. فضلاً عن ذلك، وجد أن ريادة الأعمال الاستراتيجية تؤثر بشكل كبير على إدارة الثروات في هذه الأعمال. كشفت الدراسة أيضاً عن وجود علاقة قوية بين المكاتب العائلية وريادة الأعمال الاستراتيجية وإدارة الثروات. تشير هذه النتائج إلى أن الجمع بين المكاتب العائلية وريادة الأعمال الاستراتيجية له تأثير إيجابي على نتائج إدارة الثروات في الشركات العائلية الفلسطينية.

بناءً على نتائج الدراسة، يتم تقديم العديد من التوصيات لأصحاب المصلحة المختلفين. بالنسبة للشركات العائلية، يوصى بتطوير وتنفيذ نظام حوكمة متكامل، وإنشاء نظام مكاتب العائلة، وإعطاء الأولوية للتعليم وتنمية المهارات لأفراد الأسرة، وفصل مجلس الإدارة عن العائلة، وإنشاء مجلس عائلة، وعقد اجتماعات منتظمة ومنظمة، وتطوير الوثائق والتقارير المكتوبة، وتعزيز الشمولية واتخاذ القرارات المتوازنة، وتعزيز ثقافة ريادة الأعمال، وتبني توجه طويل الأجل يركز على الاستدامة.

دراسات مستقبلية لاستكشاف العوامل التي تؤثر على تصورات وسلوكيات ريادة الأعمال عبر أجيال متعددة داخل الشركات العائلية الفلسطينية.

كلمات مفتاحية: مكاتب العائلة، استراتيجيات ريادة الأعمال، إدارة الثروات، الشركات العائلية.