A multi-layer organizational culture framework for enhancing the financial performance in tourism and hospitality family firms

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ABSTRACT

Prior research on factors influencing the financial performance of tourism and hospitality family firms concentrated mainly on family-level traits, thus limiting our comprehension of the organizational culture mechanism by which family-level values are transformed into firm-level business processes. We bridge this void in prior literature by presenting a multi-layer organizational culture framework comprised of the organizational values and organizational climate layers. Data stemmed from eight in-depth interviews, followed by a survey with 187 tourism and hospitality family firms reveal that stewardship climate inside the firms mediates the relationship between long-term-oriented values and financial performance. Moreover, our findings show that entrepreneurial orientation moderates the organizational culture mechanism that enhance the financial performance of tourism and hospitality family firms.

Keywords: family firms, entrepreneurial orientation, long-term orientation, organizational culture, stewardship climate, tourism and hospitality

INTRODUCTION

As the contemporary business landscape becomes progressively competitive, vibrant, and indefinite, becoming entrepreneurial and achieving strategic competitiveness has remained highly challenging to tourism and hospitality family firms (Cronjé & Plessis, 2020; Memili et al., 2020). These challenges are exacerbated when family firms fail to understand the factors influencing their performance (Kallmuenzer et al., 2019). While financial performance forms a fundamental goal for tourism and hospitality family firms (Kallmuenzer et al., 2019; Uyer et al., 2020), to date, tourism and hospitality literature profoundly leaned on family-level traits, for example, generational involvement (Kallmuenzer et al., 2018; Pikkemaat & Zehrer, 2016), family involvement in ownership, governance, and management (Kallmuenzer, & Peters, 2018; Kallmuenzer et al., 2021) in comprehending how family firms can become entrepreneurially-oriented and thrive in performance. More precisely speaking, there appears to be a widespread belief in tourism and hospitality literature that family-level traits sufficiently explain the variations in the performances of tourism and hospitality family firms (Kallmuenzer, 2018; Kallmuenzer et al., 2021). Although family-level traits may aid in exploiting novel business opportunities

(Kallmuenzer, 2018; Pikkemaat & Zehrer, 2016), focusing only on family-level traits may represent a simplistic theoretical standpoint limiting our ability to capture the contribution of firm-level organizational culture mechanisms and nonfamily employees in enhancing the financial performance of tourism and hospitality family firms in rich detail (Arz, 2019). In today's increasingly competitive business landscape, tourism and hospitality family firms require an organizational culture mechanism that fosters strong social bonds among their employees outside of conventional formal bureaucratic structures to encourage innovative work behaviors and exploit novel business opportunities (Kallmuenzer & Peters, 2018; Teixeira & Ferreira, 2019). Family firms that foster strong bonds with their employees may reflect the family's core values in the organizational culture (Arz, 2019). Thus, they may have a comparative advantage in business performances over family firms that manage solely through formal bureaucratic management structures and rigid hierarchical authorities. Since tourism and hospitality research has recently emphasized delving into the causes of heterogeneity of family firm performance (Memili et al., 2020), a more holistic organizational culture perspective is required to uncover how family-level traits can be translated into firm-level strategic orientations such as entrepreneurial orientation (EO) to thrive in performance.

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Although several scholars have applied organizational culture as an integrated theoretical perspective to fill the void among family-level traits and firm-level EO and financial performance in the family business realm (cf. Arz, 2019; López-Fernández et al., 2016), the notion of organizational culture seems to be under-researched in tourism and hospitality family business research to date (Kallmuenzer et al., 2019; Uyer et al., 2020). Moreover, of the few studies that examined the effect of organizational culture on EO and business performance of tourism and hospitality family firms (e.g., González-Rodríguez et al., 2019), none of these scholars have considered the organizational culture notion as *"a complex, patterned, multifaceted human socio-technical system"* (Schein, 2017, p. 16). In light of these considerations, our paper adopts the multi-layer organizational culture theory suggested by Schein (1995, 2017) as the theoretical underpinning in capturing the organizational culture mechanism through which tourism and hospitality family firms enhance financial performance. According to Schein's (1995) definition, organizational culture is a theoretical abstraction that includes numerous social patterns that manifest at multiple levels and, when combined, may bring employees together into a single community. Building on the multi-layer conceptualization of organizational culture initially proposed by Schein in 1995 and later expanded in 2017 as the theoretical standpoint, this study portrays organizational culture as a multi-layered phenomenon, consisting of (a) deeply embedded core values shared among family members and (b) salient climates that employees perceive throughout the family firm.

Since extant tourism and hospitality literature is incomplete in knowing which salient cultural orientation influences the performance of family firms, our research paper is motivated by López-Fernández et al.'s (2016) systematic literature review, which proposed long-term orientation (LTO) as a cultural orientation that enhances the firm performance. We are also inspired by the insights and suggestions of Arz (2019), who emphasized that ongoing reciprocal behaviors between managers and employees facilitate generating a deeper understanding of how structural family-level traits and values can be translated into firm-level business processes to enhance firm performance. Moreover, contemporary research emphasizes the significance of uncovering specific strategic orientations that restrained the link between organizational culture and performance outcomes, such as EO (cf. Schepers et al., 2020), in obtaining a better understanding of how tourism and hospitality family businesses can thrive. However, scant scholarly attention has been paid on examining the moderating effect of EO in linking organizational culture mechanism to firm performance, which represents a noteworthy void in extant tourism and hospitality literature (Kallmuenzer et al., 2019; Memili et al., 2020).

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Consequently, LTO, stewardship climate, and EO are used in this paper to delineate the organizational culture mechanism of how tourism and hospitality family firms transform family-level values into firm-level business processes to enhance firm performance. Building on this intent, we aim to address two pressing research questions mentioned below.

1. How does organizational culture mechanism enhance the financial performance of tourism and hospitality family firms by transforming family-level values into firm-level business processes?
2. How does EO moderate the organizational culture mechanism that enhances the financial performance of tourism and hospitality family firms?

Our paper offers three vital contributions to tourism and hospitality and family business literature. First, since Schein introduced the model of organizational culture to the family business context in 1995, only a few scholars have adopted his model in the family business literature (cf.

Arz, 2019; López-Fernández et al., 2016). Most importantly, to date, the notion of organizational culture is relatively unexplored in the tourism and hospitality family firm setting (e.g., Kallmuenzer et al., 2019; Uyer et al., 2020). However, tourism and hospitality is a social phenomenon that can be defined as an organizational culture that develops inside the organization, allowing tourism and hospitality firms to create unique and memorable experiences for their guests (Pizam, 2020). Consequently, this research adds to the heated discussion about family firm performance by emphasizing the pivotal role of organizational culture mechanisms in boosting firm performance in the tourism and hospitality context in particular and in the family firm realm more generally. Second, this study appends to the topical discussion in the extant literature over whether LTO and EO are essentially opposed to each other or might be mutually beneficial. Our findings indicate that long-term-oriented values cultivate a climate of collective stewardship throughout tourism and hospitality family firms, and EO moderates this relationship. Third, in line with the stewardship theory (e.g., Donaldson & Davis, 1991), the proposed organizational culture framework uncovers the pivotal role of non-family employees as stewards in achieving the firm's goals despite personal goals in the tourism and hospitality context. This is particularly important as employees are identified as one of the essential strengths of the hospitality and tourism industry due to their vital contribution in managing the complexity of providing unique and memorable tourism experiences to guests (Buhalis, 1996; Johnson & Park, 2020).

HYPOTHESES DEVELOPMENT AND CONCEPTUAL DISCUSSION

Family businesses in the realm of the tourism and hospitality industry

A family firm portrays a distinctive social institution that combines two social structures into a single entity, namely family and business (Kallmuenzer et al., 2021). Concerning the aspect of ownership, governance, and succession, family businesses share unique attributes that set them apart from non-family firms (cf. Querbach et al., 2020). Family businesses are those in which one or more families control the ownership and management, often for several generations (Andersson et al., 2017). Consequently, family firms are more flexible, less bureaucratic, use informal mechanisms, and make more fluid decisions than non-family firms since personal and business goals are frequently interwoven (Kallmuenzer & Peters, 2017). More specifically, in most instances, family firm goals tend to change over time as and when individual family members'

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values, priorities, and positions held in the firm change (Hernández-Perlines et al., 2020; Kallmuenzer & Peters, 2017).

Due to the high level of guest-host interactions demanded in the industry, family firms play a pivotal role globally in the tourism and hospitality industry (Hernández-Perlines et al., 2020; Kallmuenzer et al., 2021). The existing tourism and hospitality family business literature has focused primarily on their small firm size (Pikkemaat & Zehrer, 2016), frequent interactions with the local community (Kallmuenzer et al., 2021; Peters & Kallmuenzer, 2018), and cyclical demand caused by the seasonality nature of the business (Kallmuenzer et al., 2018; Vatsa, 2020). These distinctive traits provide opportunities for tourism and hospitality family firms to survive and flourish, as they usually include reciprocal host-guest interactions (Kallmuenzer et al., 2020; Peters & Kallmuenzer, 2018).

As emphasized above, although different theoretical prophecies are available, little is known about organizational culture mechanisms that enable tourism and hospitality family firms to enhance their financial performance (González-Rodríguez et al., 2019). The following section of this paper discusses in greater detail the proposed multi-layer organizational culture framework that may allow a tourism and hospitality family firm to transform family-level values into firm-level business processes in enhancing financial performance.

Organizational culture mechanisms in tourism and hospitality family businesses

According to Schein's (1995) definition, organizational culture is a theoretical abstraction that comprises two layers, namely values and climates. Values are rooted at an inner layer of culture, reflecting the unseen ideas that employees have on how things should function, whereas the climate is defined as the outer surface of the culture (Schein, 1995, 2017). In addition, it takes into account employees' overall impression of the observable behaviors of an organization's environment (Schein, 1995, 2017).

Following Schein's (2017) multi-layer organizational culture framework as the theoretical underpinning, the theoretical framework that evolved from our work proposes a holistic theoretical illustration of how tourism and hospitality family firms can translate family-level values into firm-level business processes in enhancing financial performance. The rationale suggests that long-term-oriented values and entrepreneurial spirit provide a family firm with a better understanding of a pragmatic futuristic viewpoint instead of a conservative historical event (Venaik et al., 2013).

This subsequently leads to the higher commitment of managers and employees to the success of the family firm above their own individual interests and ultimately leads to superior financial performance (see Figure 1).

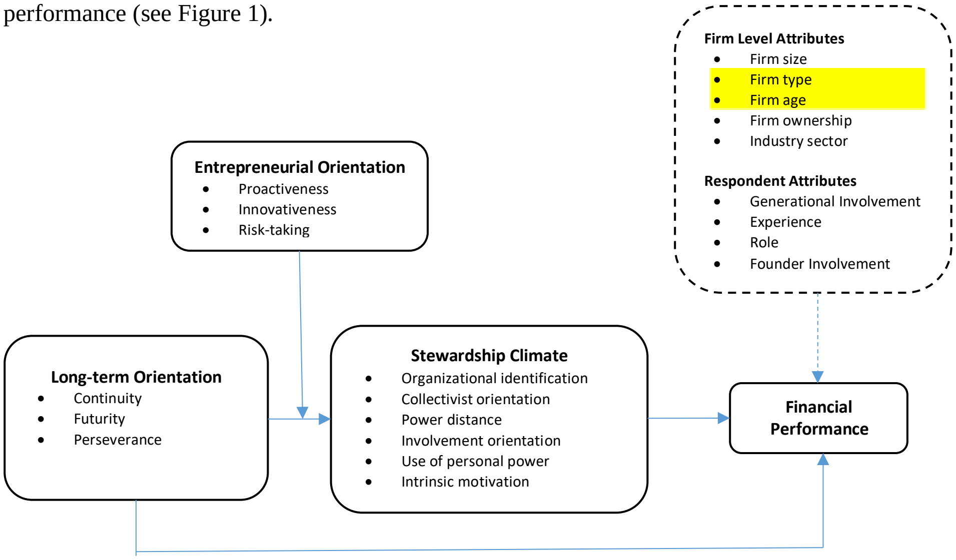

Figure 1: Multi-layer organizational culture framework for enhancing financial performance in tourism and hospitality family firms

Long-term orientation (LTO)

LTO stands for fostering priorities, goals, and steadfast investments that will succeed within a prolonged period (Memili et al., 2018). There is a widespread conviction that such an orientation is expected to be visible in family firms (Cherchem, 2017) as family members are concerned with intergenerational succession (Gimenez-Jimenez et al., 2021), tend to be more likely to seek longstanding careers (Diaz-Moriana et al., 2020), and, as a result, are more interested in a firm's long-term performance (Berrone et al., 2020). In most instances, family firms are said to thrive for the sake of the family's long-term reputation, so they appear to have a more long-term approach (Cherchem, 2017; Sageder et al., 2018). Moreover, since successful firms have been characterized as having a persistent strategic focus and act in the firm's and its stakeholders' long-term interests (Lee & Raschke, 2020), LTO can provide a competitive advantage for family firms.

Despite its prolific potential for explaining outcomes in family firms, the concept of LTO in tourism and hospitality literature is underdeveloped and fragmented (Kallmuenzer, 2018;

Memili et al., 2018). The limited number of studies conducted on the topic has used proxies instead of directly observable indicators to evaluate the significance of different time orientations in enhancing firm performance (Kallmuenzer & Peters, 2017; Kallmuenzer et al., 2018). Building on the conceptual arguments made by Brigham et al. (2014), our paper defines LTO as a multi-temporal phenomenon at the firm level. Notably, we perceive LTO as a time-sensitive multi-dimensional construct composed of three dimensions, namely futurity (i.e., the conviction that thorough planning and controlling are needed to achieve the future desired state), continuity (i.e., the assumption that previous experiences and exposures influence the plans and their implementation), and perseverance (i.e., the conviction that certain acts require patience, perseverance, and hard work to gain value). Consequently, unlike most prior conceptualizations, our work does not confine the notion of LTO as a futuristic phenomenon in tourism and hospitality family firms. Instead, we conceptualize LTO as a notion that bridges different time frames, making LTO a likely source of differentiation for tourism and hospitality family firms.

Concerning futurity, tourism and hospitality literature found that long-term-oriented family firm managers frequently feel an emotional attachment towards those who work for them, leading to solid stewardship motives (Kallmuenzer, 2018; Memili et al., 2018). In turn, it fosters an organizational climate that identifies and values collectivism and intrinsic motivation (Kallmuenzer et al., 2018). Moreover, those firms tend to demonstrate stewardship behaviors by making long-term commitments to employees and investing in local communities due to their concerns for the future and continuing the family's legacy and reputation. Such long-term priorities of family firms may lead to continual employer-employee relations characterized by trust and involvement (Löhde et al., 2020; Memili et al., 2020) and, consequently, preserves a low power distance climate within the firms (Kallmuenzer et al., 2018). Although the notion of LTO and its influence in creating stewardship motives have been discussed in various research settings (Cherchem, 2017; Sageder et al., 2018), it has not been comprehensively studied in the context of the tourism and hospitality family firm (Kallmuenzer et al., 2018). In conclusion, the above arguments lead to the following hypothesis:

H_1: *Long-term-oriented values fosters a stewardship climate throughout the tourism and hospitality family firms*

Although there was a conviction that the same traits and values that make family firms want to have an LTO also make them conservative (Memili et al., 2018; Zahra, 2018) and less competitive

(De Massis et al., 2018; Rondi et al., 2021), however, a rising body of literature suggests that an LTO is frequently linked to better rather than worse performance (Debicki et al., 2020; Dyer, 2018). Family firms outpace non-family firms on various performance criteria such as conservative profitability measurements, efficiency, and sales growth (cf. Dyer, 2018; Ntoung et al., 2020). This is basically because, unlike non-family firms, the LTO of the owner or owning family can help family firm owner-managers simplify decision criteria among strategic alternatives when facing challenging situations (Memili et al., 2018). Thus, having a long-term view is frequently identified as a significant source of differentiation and competitive advantage for family firms (Memili et al., 2018) in general and tourism and hospitality family firms (Kallmuenzer, 2018; Lumpkin et al., 2010; Memili et al., 2018) in particular. For instance, tourism and hospitality family firms are ready to take tremendous efforts to safeguard longstanding assets like the family name, reputation, and legacy (Kallmuenzer & Peters, 2017; Kallmuenzer et al., 2018). Consequently, they may reap various benefits, including lower cost of capital and improved product and service quality, all of which add to significant returns on investment (Memili et al., 2018). As such, there is clear evidence that an LTO may generate positive outcomes such as strong financial performance and business excellence to tourism and hospitality firms (e.g., Kallmuenzer et al., 2018; Kallmuenzer & Peters, 2017). When all of the preceding arguments are considered together, the following hypothesis emerges:

H$_2$: *Long-term-oriented values positively influence financial performance of the tourism and hospitality family firms*

Stewardship climate

Unlike the agency theory, which describes a principal-agent relationship within family firms where managers and employees are considered as utility maximizers, stewardship theory promotes a contrasting perspective emphasizing humanistic relationships (Donaldson & Davis, 1991). As stewardship theory emphasizes, owners and managers behave like stewards in family firms without being triggered by individual goals (Chrisman, 2019). Owners and managers in stewardship positions are motivated not to achieve personal goals but to improve the firm's performance, which gives them a sense of belonging and purpose (Chrisman, 2019). Thus, stewardship has been claimed to be more effective than the conformist principal-agent relationship (Le Breton-Miller & Miller, 2018; Madison et al., 2017).

Organizational behaviors aligned with stewardship theory are more likely to be seen in tourism and hospitality family firms because of the strong ties between family and business (Kallmuenzer et al., 2020). Consequently, a stewardship perspective is widespread among booming tourism and hospitality family firms (Kallmuenzer & Peters, 2018), and, in some instances, it could be the secret source behind their competitive advantage (Kallmuenzer, 2018). However, so far, scant scholarly attention has been paid to using stewardship theory to explain the organizational mechanism within tourism and hospitality family firms (Kallmuenzer, 2018; Kallmuenzer & Peters, 2018). Most of these efforts, like LTO, employ proxies to operationalize the stewardship perspective, for instance, family involvement in the management (Kallmuenzer & Peters, 2018), altruism (Kallmuenzer et al., 2018), empowerment (Kallmuenzer et al., 2018), trust (Kallmuenzer, 2018; Memili et al., 2018), and value commitment (Kallmuenzer et al., 2018). Most of the research in tourism and hospitality has considered a one-sided view of stewardship, focusing solely on the manager's perspective (Kallmuenzer & Peters, 2018). This viewpoint, however, is not sufficient to clarify the ability of stewardship in generating a distinctive competitive advantage for tourism and hospitality family firms as *"stewardship most likely will not be an effective competitive advantage unless it is embraced and institutionalized as an implicit way of functioning, and as such, cannot be easily imitated"* (Pearson & Marler, 2010, p.1117).

In amalgamation with the premise that collective stewardship helps a firm gain a competitive edge, Neubaum et al. (2017) introduce the notion of stewardship climate in the organizational climate literature. Organizational climate, in general, as Denison (1996) emphasized, refers to the employee's view of a firm's observable environment and *"link to thoughts, feelings, and behaviors of organizational members"* (p. 644). As defined by Schein (1995), it represents the most visible stratum of culture. Consistent with Neubaum et al. (2017), our paper theorizes stewardship climate as a firm-level, multi-dimensional phenomenon comprising six dimensions: organizational identification (i.e., the propensity of employees of a firm to identify with that firm), involvement orientation (i.e., employee autonomy and involvement in decision-making processes), collectivism (i.e., emphasis on group cohesiveness and prioritization of the group over the self), low power distance (i.e., have lower levels of power inequality often manifested by flat hierarchy), use of personal power (i.e., employees have a psychological preference for using personal power rather than institutional-based forms of power), and intrinsic motivation (i.e., employees are driven by internal rewards such as self-accomplishment, personal growth).

Building on the suggestion that LTO among family members fosters a perceived organizational climate of stewardship (Kallmuenzer et al., 2021), such a climate is expected to influence the performance of tourism and hospitality family firms positively (Kallmuenzer, 2018; Kallmuenzer & Peters, 2018). For example, a tourism and hospitality firm with a low power distance setup accommodates different viewpoints and voices, thus creating a climate in which employees feel free to contribute by voicing their innovative thoughts without fear of retributions (Kallmuenzer & Peters, 2018). Such a participative environment stimulates a more involvement-oriented culture, enhancing employees' commitment to the firm and its goals and collectively promoting better stewardship levels (Carradus et al., 2020). For instance, employee trust, dedication to the firm, and prosocial behaviors are likely to follow in such contexts. In such circumstances, employees are more inclined to put their interests sideline to benefit the firm's performance, prepared to bear risks to achieve organizational goals, and contribute to entrepreneurial opportunities focusing on its long-term success (Kallmuenzer et al., 2017). Consequently, novel ideas are more likely to be implemented less formally and planned (Kallmuenzer, 2018; Kallmuenzer & Peters, 2018). Further, family businesses with an intense stewardship atmosphere are more likely to make intuitive decisions when new business possibilities occur and invest in entrepreneurial activities more flexibly and speedily, enhancing financial performance in the long run (Pearson & Marler, 2010). In summary, based on the above arguments, the following hypothesis emerged.

H$_3$*: Stewardship climate inside the tourism and hospitality family firm positively influences financial performance*

Mediating effect of stewardship climate

Prior family business literature indicates that the relationship between LTO and financial performance is expected to be more complex than direct (Brigham et al., 2014; Chandler et al., 2016). In keeping with previous research that has used the multi-layer approach in studying the organizational culture mechanisms (e.g., Arz, 2019; Schein, 1995, 2010), we argue that stewardship climate may intervene between long-term oriented values and financial performance of tourism and hospitality family firms. Therefore, our paper suggests that we can better explain the relationship between LTO and the financial performance of the tourism and hospitality family firms by introducing stewardship climate as a mediator. More specifically, for a tourism and hospitality family firm seeking to thrive in financial performance, displaying high levels of LTO is not sufficient (Memili et al., 2018; Veider & Kallmuenzer, 2016). Instead, it is the existence of an organizational climate created via enduring mutual stewardship that allows LTO to be transformed into financial performance (Harms et al., 2015; Kallmuenzer & Peters, 2018). Moreover, a rise in LTO can strengthen the stewardship climate and boost the possibility of financial performance improvement in tourism and hospitality family firms (Memili et al., 2018). However, such a chain of relationships has not been extensively studied in the family firm context in general (Arz, 2019) and tourism and hospitality context in particular (Kallmuenzer & Peters, 2018). In conclusion, these voids in the prior literature point to the following hypothesis:

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H$_4$: *Stewardship climate inside the tourism and hospitality family firm mediates the relationship between long-term-oriented values and financial performance, such that this relationship is more robust in a high stewardship climate than in a more negligence climate.*

Moderating effect of entrepreneurial orientation (EO)

As the rapidly changing competitive business landscape has created an environment defined by high levels of market uncertainty (Bloodgood, 2019; Falciola et al., 2020), the relationship between LTO and stewardship climate and their influence on the financial performance of tourism and hospitality family firms need further consideration. Under such competitive and dynamic operational conditions, merely fostering LTO does not always guarantee that a tourism and hospitality firm will, indeed, result in higher levels of financial performance (Memili et al., 2018). Instead, as family business literature indicates, LTO in conjunction with EO can help overcome such limitations (e.g., Schepers et al., 2020). For instance, LTO provides a family firm a distinct advantage over its competitors by encouraging and nurturing entrepreneurial spirit (Brigham et al., 2014; Memili et al., 2018).

EO, which conceptualizes entrepreneurship at the firm level, is widely used in family business literature (Kallmuenzer & Peters, 2017, 2018). Miller (1983) introduced the notion of entrepreneurial firms and emphasized that entrepreneurial firms have a higher propensity towards product-market innovation and undertake moderate risky ventures compared to conservative, highly risk-aversive non-entrepreneurial firms (Miller 1983; Tajeddini & Mueller, 2012, 2019).

Miller's (1983) conceptualization identifies innovativeness (i.e., a firm's proclivity for pursuing and supporting new and creative ideas that could result in new goods, services, or processes), proactiveness (i.e., generally connected with a forward-thinking attitude and a desire to be the first mover) and risk-taking (i.e., as a firm's proclivity to borrow heavily, invest in unexploited technologies, or introduce novel products into new markets) as three key dimensions mirroring a firm's strategic stance toward fostering entrepreneurship.

The temporal orientation of a firm is mirrored in selecting its control systems, stimulating or hampering entrepreneurship (Lumpkin & Brigham, 2011). Indeed, tourism and hospitality family firms with a short-term orientation incline to support strict financial control systems frequently based on rigid goals, which are generally known to diminish employees' desire to take on the risks involved with entrepreneurship (Kallmuenzer et al., 2018). In contrast, tourism and hospitality family ventures that foster LTO leans towards prioritizing more subjective strategic controls like customer satisfaction and employee retention (Memili et al., 2018). As a result, continuous interactions among managers and employees are required to understand the associated risks and alternative actions tourism and hospitality family firms might take to evaluate their performance, stimulating entrepreneurial behavior (Buhalis, 1999; Kallmuenzer et al., 2020). Moreover, long-term oriented relationships with employees can boost employee commitment, which increases employees' entrepreneurial efforts above what is formally expected by the firm (Kallmuenzer & Peters, 2018). Consequently, employees will demonstrate a more substantial degree of entrepreneurship by pursuing innovative ideas independently, gathering information about latent market variations, or evaluating competitors' movements (Kallmuenzer & Peters, 2018). In the end, these entrepreneurial efforts focused on the firm's future, assisting the firm to be innovative and proactive in succeeding in rapidly changing market conditions (Kallmuenzer, 2018; Kallmuenzer & Peters, 2018; Peters & Buhalis, 2004). As a result, when EO is built into a strategic configuration in conjunction with LTO, a tourism and hospitality family firm is more likely to be risk-taking and foster a stewardship climate (Kallmuenzer & Peters, 2018). Such reasoning would imply that the EO is expected to moderate the relationship between LTO and stewardship climate, as indicated in the following assumption:

H_5: *Entrepreneurial orientation moderates the relationship between long-term-oriented values and the stewardship climate of the tourism and hospitality family firms*

METHODOLOGY

The inherent complex and distinctive nature of family businesses and the plurality of perspectives embedded in them such as the pursuit of non-financial value creation (Kallmuenzer & Peters, 2017), heterogeneity (Andersson et al., 2017), desires for intergenerational succession (Kallmuenzer et al., 2021), willingness to preserve and increase socioemotional wealth (Kallmuenzer et al., 2018) necessitate incorporating inductive (demands of theory development) and deductive (the utilization of rigorous statistical methods) logic (cf. Reilly & Jones, 2017) to contribute to the development of a comprehensive evidence base (Mills et al., 2013). Since the use of mixed methods research design in the tourism and hospitality realm is still in its infancy (cf. Mussalam & Tajeddini, 2016), this study allows counterbalancing the drawbacks of each approach by combining their strengths and provides a unique opportunity to stimulate the more prevalent implementation of this potentially powerful approach (Khoo-Lattimore et al. 2019).

We employed the exploratory sequential mixed methods approach wherein an initial phase of qualitative non-numeric data collection and analysis was followed by a quantitative instrumental phase. Since the notion of organizational culture is relatively unexplored in the tourism and hospitality setting (González-Rodríguez et al., 2019), the first phase was used to uncover the intricate and intrinsic organizational culture mechanisms in family firms and provide a profoundly characterized and realistic viewpoint on the phenomenon. Findings from the first phase were used to fine-tune the proposed multi-layer organizational culture framework to address the void concerning combining family-level values and firm-level business processes to enhance the firm performance of family firms. The proposed theoretical framework was then empirically tested using a questionnaire survey. The tourism and hospitality industry in Sri Lanka has been chosen as the context for this paper as it is one of the prominent business sectors that significantly contribute to the country's economy (i.e., contributing 12.6% of the country's gross domestic product) with a competitive advantage due to its geographical location, tradition, and cultural practices (Ediriweera et al., 2016; Ekanayake & Kuruppuge, 2017). In the Sri Lankan economy, family firms play a predominant role, accounting for more than 50% of the country's GDP and 20% of the industrial value and providing 70% of the country's employment (Economic Statistics of Sri Lanka, 2020). More specifically, nearly 50% of the tourism and hospitality firms in Sri Lanka are small, family-owned firms in which one or more generations of family members are involved (Deyshappriya & Nawarathna, 2020; SLTDA, 2020).

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Phase I: Qualitative semi-structured interviews

A case study method was employed adopting multiple evidence sources for the qualitative data collection and analysis. The main objective of the qualitative phase is to explore and identify the multi-layer organizational culture mechanisms within tourism and hospitality family firms by demonstrating the particular processes that describe the interrelationships between the key concepts that enhance financial performance. This approach ensures that novel ways of thinking, which are at the essence of family businesses, are not stifled. As cases, eight tourism and hospitality family firms registered with the Sri Lanka Tourism Development Authority (SLTDA) for 2020 were selected using purposive sampling consistent with the definition of a family firm guiding our research paper. By following Kallmuenzer and Peters (2017), in our research paper, family firms are described by three main requirements: (a) *one or more families own and manage the firm,* (b) *the family/ families own a significant portion of shares,* and (c) *minimum two family members are active in the operations of the business*. We conducted informal, semi-structured, in-depth interviews with owner-managers of the selected case firms. Using an interview guideline (see Appendix A), all the interviews were conducted to collect the information we needed, including how key informants perceived that the organizational culture and entrepreneurial behavior influenced the financial performance of case firms. On average, the interviews lasted 60 to 90 minutes, and following the qualitative research guidelines of Lucas (2005), they were tape-recorded with the interviewees' consent and transcribed verbatim afterward. The two authors conducted all interviews in English together. After eight interviews, data saturation was achieved when the same ideas repeatedly appeared with no new ideas emerging. Table 1 presents essential information on case firms and the key informants interviewed. Different types of tourism and hospitality family firms such as hotels, homestays/ rented apartments, and restaurants were considered for the in-depth interviews. However, since the hotel sector plays a dominant role in the tourism and hospitality industry in Sri Lanka (SLTDA, 2020), half of the sampled family firms were predominantly hotels. In addition, we collected information related to the selected cases from their websites, internal company publications (i.e., newsletters, reports, image booklets), and relevant industry and trade press. The qualitative research findings have institutionalized how family-level values could translate into firm-level business processes to improve financial business performance through stewardship climate and EO.

Table 1: Profile of case studies for semi-structured interviews

Case	Key Informant	Industry Sector	Number of years in operation
A	Owner-manager	Hotels	41
B	Owner-manager	Hotels	33
C	General manager	Hotels	29
D	Owner-manager	Homestays/ rented apartments	37
E	Executive director	Hotels	28
F	Owner-manager	Restaurant	51
G	Owner-manager	Restaurant	43
H	Owner-manager	Homestays/ rented apartments	31

Phase II: Quantitative survey

Population and sample selection

The list of family businesses registered with the SLTDA for 2020 is used as the sampling frame for identifying the tourism and hospitality family firms for quantitative data collection. Due to numerous tourism and hospitality family firms in Sri Lanka, several inclusion criteria have been applied to arrive at the final target population for quantitative data collection. First, due to the high density of family firms located in the Western and Southern province of the country (more than 55% of the family firms) (SLTDA, 2020), the quantitative data collection was restricted only to tourism and hospitality family firms located in the Western and Southern provinces to provide a complete picture of the majority of tourism and hospitality family businesses in Sri Lanka. In addition, the Western province includes major commercial cities and tourist attractions in the country, and it is plausible that the family firms operating in the province are representative of the family firms in the whole country (Ekanayake & Kuruppuge, 2017). Moreover, we focused on the South coast, as it is known as one of the finest stretches of coastlines globally (Deyshappriya & Nawarathna, 2020; Konarasinghe, 2018). Second, each family firm was carefully researched to confirm that it belonged to one of the major tourism and hospitality industry sectors in Sri Lanka, including hotels, homestays/ rented apartments, and restaurants (Karunarathne et al., 2021). Third, as we intend to investigate LTO, selecting mature tourism and hospitality family firms is paramount for this study. Accordingly, we have included tourism and hospitality family firms started before 2000 (i.e., at least 20 years old). Fourth, tourism and hospitality firms were chosen where individuals or a family act as shareholders, out of which a minimum of two shareholders actively engaged in the management. In line with the definition of a family firm guiding our paper, applying the inclusion criteria increases the possibility of creating a narrowly focused sample of tourism and hospitality family firms. The questionnaire was pre-tested with three academic experts specialized in tourism and hospitality and entrepreneurship and six owner-managers of leading tourism and hospitality family firms in Sri Lanka. Comments that stemmed from these academics and managers concerning the content, structure, and wording of the questionnaire were incorporated into the final questionnaire design. After using the inclusion criteria, out of the 1018 family firms available, we could identify 817 family firms eligible for the survey. Further, to locate the email addresses and ensure the accuracy of the information included in the list, these firms were cross-checked with their websites and popular industry publications. Unfortunately, due to wrong email addresses, closure of the firms, and firm policies prohibiting participation in surveys, we had to eliminate another 103 firms further. Consequently, in the end, the final target sample comprised 714 firms. A Web-based survey addressing the top-level management (i.e., owners-managers/ executive and non-executive directors/ general managers) of the selected tourism and hospitality family firms took place from August to October 2020. An email with the link to the survey was sent to the key informants of all 714 firms in August 2020. To conclude the data collection in October 2020, we sent out two email reminders on the 4th and 8th weeks and made a follow-up telephone call in the 12th week. After all these follow-ups, finally, the survey yielded 187 effective responses with an effective response rate of 26.19%. Of these 187 tourism and hospitality family firms, 86 were hotels, 52 were homestays/ rented apartments, and 49 were restaurants.

Measurement development

Stewardship climate: A 5-point Likert scale was used to measure all the items measuring the dimensions. All stewardship climate measures represent an aggregation of the individual scores to arrive at mean scores (Neubaum et al., 2017). As suggested by James (1982), we performed the Spearman-Brown prophecy formula for evaluating the interclass correlation (ICC) to assess the reliability of performing mean scores to aggregate perceptions. Our findings supported the use of mean scores to test aggregate perceptions (ICC (2) > .60 for all stewardship climate measurement scales). We followed the prior research (Neubaum, et al., 2017) and carried out the tests of the models fit and the scale's factor structure with data aggregated using first CFA and the results are as follows: $\chi^2_{(120)}$ = 154.709, χ^2/df=1.289, p-value=.018, GFI=.920, AGFI=.885, TLI= .968, RMR=0.029, robust CFI=.975, RMSEA=.039, Delta2=.976, NFI=.900. The results indicate that all factor loadings are statistically significant at .001 significance level (Table 2).

Table 2: Unidimensionality and convergent validity tests (Stewardship Climate) (n=187)

Constructs			*Indicator (parameter)*	*Factor loadings*
Dimensions		Field(s)	Item(s)	
Stewardship Climate	Organizational identification		α=.812, CR= .885, AVE=.721	
			Indicate the extent to which the below-mentioned statements reflect the views of your employees	
		OI1	Our employees believe that the success of the firm is their success	.738
		OI2	Our employees feel like it is a personal complement to them whenever someone applauses the company	.834
		OI3	Rather than just being employees, our employees always feel a sense of "ownership" about the company	.849 [a]
	Collectivist orientation		α=.822, CR= .775, AVE=.600	
			Indicate the extent to which the below-mentioned statements reflect the views of your employees	
		COLL1	Our employees believe that to solve the problems in the company, cooperation among employees is always helpful.	.720
		COLL2	Our employees feel that teamwork enables them to achieve the best work performance.	.778
		COLL3	Our employees believe that teamwork is vital to the success of the company.	.791[a]
	Power distance (reverse coded)		α=.908, CR= .872, AVE=.659	
			Indicate how far would you agree with the below-mentioned assertions concerning the decision-making process of your company	
		PD1_r	In our company, in most instances, managers make decisions without consulting subordinates.	.678
		PD2_r	In our company, managers often use authority and power while working with subordinates.	.760
		PD3_r	In our company, managers do not like to delegate essential tasks to employees.	.780[a]
	Involvement orientation		α=.763, CR= .852, AVE=.660	
			Indicate how far would you agree with the below-mentioned assertions concerning the decision-making process of your company	
		IO1	In our company, managers' decisions are influenced by employees' input.	.687
		IO2	In our company, managers seek to reach an agreement among employees concerning essential decisions.	.779
		IO3	In our company, managers make employees feel like they work with them, not for them.	.692[a]
	Use of personal power		α=.902, CR= .939, AVE=.837	
			Indicate the extent to which the below-mentioned statements reflect the role of supervisors in your company	
		UPP1	In our company, supervisors are individuals that employees can identify with.	.663
		UPP2	In our company, supervisors give good reasons for changing how employees do their jobs.	.673
		UPP3	In our company, supervisors have more technical knowledge.	.639[a]
	Intrinsic motivation		α=.752, CR= .806, AVE=.581	
			Indicate the extent to which your employees are satisfied with various aspects of their jobs, as mentioned below	
		IM1	Our employees are satisfied with the way supervisors express appreciation to them	.812
		IM2	Our employees are satisfied with the way supervisors give credit to them for the work they did	.837
		IM3	Our employees are satisfied with the way supervisors praise them for performing the job well	.911[a]

(1) Model summary statistics: $\chi^2_{(120)}$ = 154.709, χ^2/df=1.289, p-value=.018, GFI=.920, AGFI=.885, RMR=0.029, robust CFI = .975, RMSEA=.039, Delta2=.976, NFI=.900, TLI (rho2) = .968

(2) [a]Loading fixed to 1 for identification purposes.

LTO: Despite the prevalence of the LTO concept, one of the most thought-provoking complications is measuring and operationalizing the concept, which is reliable and valid (Brigham et al., 2014). Unlike the previous research, which has employed archival data to establish the LTO concept (cf. Chandler et al., 2016), Brigham et al. (2014) posit three dimensions, namely continuity, futurity, and perseverance form the construct of LTO. Considering the content-analytic measures, we agree with Brigham et al. (2014)'s suggestion that while the three proposed dimensions of LTO share some similarities, each of these dimensions describes a different aspect of the concept. In other words, LTO can be regarded as formative partly because the related dimensions illustrate a different aspect of an overarching concept. We adopted twelve items adopted from Brigham et al. (2014), entailing three dimensions of futurity, perseverance, and continuity forming LTO. The model fit analysis of the CFA results are as follows: $\chi^2_{(51)}$ = 60.810, χ2/df=1.192, p-value=.163, GFI=.949, AGFI=.923, TLI= .990, RMR=0.024, robust CFI= .993, RMSEA=0.032, Delta2=.993, NFI=. 956. Consequently, it appears that all factor loadings are statistically significant at .001 significance level (Table 3).

EO: EO is conceived as a construct observed at the firm level and was assessed adopting the nine-item scale suggested by Covin and Slevin (1989), entailing three components of strategic posture reflecting managerial behavior concerning innovativeness, proactiveness, and risk-taking (Hurley et al., 2003). Prior research has widely utilized an aggregate measure of these three components and considered them one element of the strategic orientation (Tajeddini & Mueller, 2012). The model fit analysis of the CFA results are as follows: $\chi^2_{(24)}$ = 34.850, χ^2/df=1.452, p-value=0.71, GFI=0.961, AGFI=0.928, TLI=0.972, RMR=0.029, robust CFI = 0.981, RMSEA=0.049, Delta2=0.982, NFI=0.943. The findings reveal that all factor loadings are statistically significant at .001 significance level (Table 4).

Table 3: Unidimensionality and convergent validity tests (LTO) (n=187)

Constructs			*Indicator (parameter)*	*Factor loadings*
	Dimensions	Field(s)	Item(s)	
Long-term Orientation[1] (LTO)	Continuity		α=.711, CR= .818, AVE=.534	
			Indicate how much you agree with the statements below (1=not at all; 5= to an extreme extent)	
		CONT1	The management of our company values decisions and actions that are enduring.	.770
		CONT2	The management of our company values a deep connection to the firm's history.	.989
		CONT3	The management of our company values consistency in pursuing a long-term mission.	.802
		CONT4	Our management values preserving the reputation of the company for the sake of the company's long-term viability.	.959[a]
	Futurity		α=.772, CR= .842, AVE=.515	
			Indicate how much you agree with the statements below. (1=not at all; 5= to an extreme extent)	
		FUT1	Planning, forecasting and assessing long-term effects are all beneficial to the company	.762
		FUT2	The management of our company is particularly concerned with long-term profitability.	.750
		FUT3	The management of our company prioritizes long-term goals over short-term ones.	.795
		FUT4	The management of our company makes significant investments in the long-term growth of its employees.	.835
		FUT5	The management of our company prioritizes long-term investments.	.556[a]
	Perseverance		α=.845, CR=.905, AVE=.761	
			Indicate how much you agree with the statements below. (1=not at all; 5= to an extreme extent)	
		PERS1	The management of our company believes that the efforts they made today will be beneficial in the future.	.695
		PERS2	The management of our company is patient in anticipation of future rewards.	.708
		PERS3	The management of our company values perseverance.	.601[a]

[1]Model summary statistics: $\chi^2_{(51)}$ = 60.810, χ^2/df=1.192, p-value=.163, GFI=.949, AGFI=.923, RMR=0.024, robust CFI = .993, RMSEA=0.032, Delta2=.993, NFI=.956, TLI (rho2) = .990

[a]Loading fixed to 1 for identification purposes.

Table 4: Unidimensionality and convergent validity tests (EO) (n=187)

Constructs			*Indicator (parameter)*		*Factor loadings*
	Dimensions	Field(s)	Item(s)		
Entrepreneurial Orientation[1]	Proactiveness			α=.902, CR= .939, AVE=.837	
			When dealing with the competition, our firm . . .		
		PRO1	… usually responds to moves initiated by competitors	… usually initiates moves to which competitors respond	. 902
		PRO2	... Is rarely the first company to introduce new products/services, administrative approaches, operating strategies, and so on.	... Is frequently the first company to present new products/services, administrative approaches, operating strategies, and so on.	. 775
			Generally, the top management of our company has…		
		PRO3	A sense of "ownership" for the company rather than simply being a part of it.	... A strong proclivity to get ahead of competition by introducing novel ideas or products	.764a
	Innovativeness			α=.763, CR= .862, AVE=.676	
			Generally, the top management of our company favor…		
		INN1	...A strong focus on the marketing of tried and true products or services.	...A strong focus on R&D, technological leadership, and innovations.	.768
			How many new lines of products or services has your company launched in the last five years?		.897
		INN2	There are no new product or service lines	There are numerous new product or service lines	
		INN3	Most changes to product or service lines have been minor	Changes in product or service lines have typically been rather substantial	.568[a]
	Risk-taking			α=.812, CR= .868, AVE=.689	
			Generally, the top management of our company has……		
		RIS1	... A strong tendency for low-risk projects (with normal and certain rates of return)	... A strong tendency for high-risk projects (with chances of very high returns)	.749
			Generally, the top management of our company believe that….		.732
		RIS2	... Because of the nature of the environment, the best thing to do is to explore it gradually via careful, incremental behavior	... Because of the nature of the environment, bold, broad-reaching actions are required to fulfill the objectives of the company	
			When faced with decision-making situations involving uncertainty, our company….		
		RIS3	... Usually takes a cautious, 'wait-and-see' approach in order to reduce the likelihood of making costly decisions	... Usually takes a bold, aggressive stance in order to maximize the likelihood of capitalizing on potential opportunities	.732[a]

[1]Model summary statistics: $\chi^2_{(24)}$ = 34.850, χ^2/df=1.452, p-value=0.71, GFI=0.961, AGFI=0.928, RMR=0.029, robust CFI = 0.981, RMSEA=0.049, Delta2=0.982, NFI=0.943, TLI (rho2) =0.972

[a]Loading fixed to 1 for identification purposes.

Financial business performance was operationalized using four self-reported perceptual measures derived from previous studies to evaluate revenue, profitability, return on investment (ROI), and sales growth relative to the goals over the past year, using a seven-point Likert scale ranging from 1 = 'Not at all' to 7= 'Very much so'. Since accessing the objective business performance measures certified by a third party is relatively uneasy, some academics (e.g., Chang & Chen, 1998; Dess & Robinson, 1984; Sin et al., 2005; Tajeddini & Trueman, 2012; Venkatraman & Ramanujam, 1986) argue that subjective measures can correlate to objective measures. The model fit analysis of the CFA results are as follows: $\chi^2_{(2)} = 7.6463$, $\chi^2/df=3.823$, p-value=0.22, TLI=0.952, robust CFI=0.984, RMSEA=0.092, Delta2=0.984, NFI=0.979. The findings reveal that all factor loadings are statistically significant at .001 significance level (Table 5).

Table 5: Unidimensionality and convergent validity tests (Financial Business Performance) (n=187)

Constructs		*Indicator (parameter)*		*Factor loadings*
Financial Business Performance	Field(s)	Item(s)		
			α=.806, CR= .85, AVE=.71	
	Please circle the number in each statement that best reflects your views.			
	PF1	Our firm met revenue goals over the past year.		.659[a]
	PF2	Our firm met profitability goals over the past year.		.718
	PF3	Our firm return on investment goals over the past year.		.853
	PF4	Our firm met sales growth over the past year.		.879

[1]Model summary statistics: $\chi^2_{(2)} = 7.6463$, $\chi^2/df=3.823$, p-value=0.22, robust CFI = 0.984, RMSEA=0.092, Delta2=0.984, NFI=0.979, TLI (rho2) =0.952

[a]Loading fixed to 1 for identification purposes.

Control variables

To avoid non-casual relationships between stewardship, LTO and EO, several variables were employed as measurement controls that were neither of direct interest for our research objectives nor our hypotheses' analyses. However, these variables could be theoretically associated with the dependent variable (financial performance) and might offer plausible alternative explanations for our research findings. These variables include firm-level attributes such as firm age, firm size, firm ownership, industry sector, firm type, and respondent attributes such as generational involvement, respondent role, experience, and founder involvement. Firm age was indicated by the logarithm of the number of years since the firm was founded. Firm size was measured by the logarithm of the number of employees and managers. Firm ownership was assessed by the dominancy of one family/ individuals using a dichotomous variable (1=Yes; 0=No). Firm type included (1=hotels, 2= homestays/ rented apartments, 3=restaurants) and the industry sector comprised of 1= 'accommodation', 2= 'food & beverage', 3= 'tourism'. Moreover, the respondent role (1=owner, 2=owner and CEO, 3=CEO, 4=employee in leadership position, 5=employee) along with generational involvement (1=one generation, 2=two generations, 3=multiple generations) was considered. Further, the respondent's experience was assessed by the logarithm of the number of the years of working in the same industry and the founder's involvement in the management of the company was coded as a dichotomous variable (1=yes; 0=no).

Common method bias (CMB)

Because each variable was measured by using data collected from a single respondent through survey-based questionnaires, there was a possibility of self-desirability bias. This could have raised the risk of exaggerated estimates of hypothesized connections and deceptive interpretations of the results, a phenomenon known as a common method bias (Campbell & Fiske, 1959; Podsakoff et al., 2003). Consequently, we performed multiple procedural and statistical remedies to mitigate and control any possible common method variance occurrence.

First, we observed the items carefully to avoid using any double-barreled questions. At the same time, we were careful to use the simple, short, and explicit items in mixed order (*ex ante*) in the questionnaire. Moreover, all the respondents were promised that all the data collected would be kept private (cf. Spector, 2006). In addition, the measurement scales were purified using unrotated factor loadings for all variables. Results of factor analysis yield eigenvalues greater than one that accounted for 61.12 % of the total variance. Factor 1 accounted for 29.15 % of the variance indicating no issue concerning common method variance. Finally, when the questionnaire was designed, the Marker-Variable Technique using some theoretically unrelated variables was carried out intentionally. As a proxy of marker-variable, a three-item employee incivility measurement scale was borrowed from van Jaarsveld et al. (2010). This scale was used because the items did not have any theoretical linking to any of the concepts embedded in the study. The items for the scale of employee incivility adopting seven-point scales comprises of (1) I got blunt with a customer; (2) I was derogatory to a customer, and (3) I escalated my tone of voice to a customer. The scale of employee incivility responding yields acceptable reliability (α=.88). Hence, we followed the recommendation of Lindell and Whitney (2001) and selected the second-lowest positive correlation (r_m=.028) between employee incivility and the other variables to mitigate capitalizing on chance. We employed the equations proposed by Grayson (2007) to observe the adjusted correlations and their statistical significance:

$$r_{ijm} = \frac{\left(r_{ij} - r_m\right)}{(1 - r_m}$$

$$t_{\frac{\alpha}{2},N3} = \frac{r_{ijm}}{\left(\frac{\left[1 - r_{ijm}^2\right]}{[N-3]}\right)1/2}$$

$Where: r_{ij} = the\ original\ (i.e., the\ pre - adjustment)\ correlation\ between\ \ constructs\ i\ and\ j;$

$r_m = the\ marker\ variable\ adjustment\ (i.e., the\ second\ lowest\ positive\ correlation\ between\ the\ marker$
$- variable\ and\ one\ of\ the\ other\ variables);$

$r_{jm} = the\ adjusted\ correaltion; and$

$t_{\frac{\alpha}{2},N3} = the\ t - value\ of\ the\ adjusted\ correaltion$

The results of the correlations among the pre-adjustment (the original variables) and the post-adjustment (after the Marker-Variable adjustment) of the variables have been reported in Table 5. The findings suggest that the Marker-Variable adjustment does not amend the sign and significance level of any correlation coefficient. As a result, this postulates that the intercorrelations shown in the proposed model are unlikely to be inflated due to CMB. Furthermore, employee incivility responding is also incorporated as controls in the investigation to diminish CMB issues.

Table 6: Mean, standard deviations, correlations, and shared variances (n =187)

	1	2	3	4	5	6	7	8	9	10	11	12	13
1.Firm age (log)	1	.013	.054	.009	.002	-.098	.048	.113	.031	-.039	-.039	-.078	-.037
2. Firm size (log)	.041	1	.036	.108	.055	-.158	.014	-.095	.060	.044	.042	.202**	.087
3. Respondent's experience (log)	.082	.064	1	.005	-.050	-.088	-.070	-.051	.009	.002	.117*	.002	.052
4. Firm ownership	.037	.136	.033	1	-.133	.064	-.054	.011	-.070	.005	-.032	.055	.003
5. Industry sector	.030	.083	-.021	-.104	1	-.053	-.074	.055	.020	-.035	.011	-.036	-.021
6. Generational involvement	-.069	-.129	-.059	.092	-.024	1	-.074	-.079	-102	.024	.005	.028	.011
7. Firm type	.076	.042	-.041	-.035	-.045	-.045	1	-.069	.003	-.031	-.099	-.083	-.053
8. Respondent's role	.141	-.066	-.022	.039	.083	-.050	-.040	1	.146*	-.278	-.149	-.077	-.248
9. Founder involvement	.059	.088	.037	-.041	.048	-.073	.031	.174*	1	-.058	-.032	.052	-.050
10. Long term orientation	-.010	.072	.030	.033	-.006	.052	-.002	-.249**	-.029	1	.348**	.294**	.207**
11. Entrepreneurial orientation	-.010	.070	.145*	-.003	.039	.033	-.070	-.120	-.003	.376**	1	.136*	.172**
12. Stewardship climate	-.049	.230**	.030	.083	-.007	.056	-.054	-.048	.080	.322**	.164*	1	.201**
13. Performance	-.008	.115	.080	.031	.008	.039	-.024	-.220**	-.021	.235**	.200**	.229**	1
14. Marker variable	.082	.030	.043	-.045	.014	.035	-.060	-.007	-.036	-.007	.033	-.019	.028
Average Variance Extracted	-----	-----	-----	-----	-----	-----	-----	-----	-----	.54	.62	.59	.66
Highest Shared Variance	-----	-----	-----	-----	-----	-----	-----	-----	-----	.14	.04	.05	.00

Note 1: Correlations below the diagonal are before the MV adjustment, whereas the correlations above the diagonal are after the MV adjustment (*p=<.05, two tailed test).
Note 2: *p<0.05 (2-tailed), **p<0.01 (2-tailed).

Table 7: Hierarchical Moderated Regression Analysis (n=187)

Predictor (Independent) variables	Criterion (Dependent) variables							
	Stewardship Climate				Business Performance			
Step1:Control variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Constant	3.069 (.458)	-.438 (.436)	-.309 (.429)	-.286 (.473)	4.144 (.433)	-.028 (.140)	-.111 (.154)	-.107 (.154)
Firm age (log)	-.077 (.113)	-.092(.107)	-.103 (.105)	-.102 (.106)	.024 (.107)	.007 (.034)	.003 (.034)	.002 (.035)
Firm size (log)	.281** (.091)	.260**(.087)	.280**(.085)	.281** (.086)	.113 (.086)	.010 (.029)	.009 (.029)	.010 (.029)
Respondent's experience (log)	.018 (.073)	.027(.070)	.004 (.069)	.004 (.069)	.064 (.069)	.028 (.022)	.027 (.022)	.026 (.023)
Firm ownership	.084 (.140)	.087 (.133)	.058(.130)	.057 (.131)	-.004 (.132)	-.004 (.042)	-.001 (.042)	-.002 (.043)
Industry sector	-.009 (.033)	-.008 (.031)	.003 (.031)	.003 (.031)	.007 (.031)	.003 (.010)	.003 (.010)	.004 (.010)
Generational involvement	.036 (.033)	.028 (.031)	.025 (.030)	.025 (.031)	.010 (.031)	-.013 (.010)	-.014 (.010)	-.014 (.010)
Firm type	-.221(.278)	-.234 (.265)	-.233 (.260)	-.234 (.261)	-.122 (.263)	-.021 (.085)	-.014 (.085)	-.015 (.085)
Respondent's role	-.039 (.081)	.053 (.080)	.055 (.078)	.055 (.078)	-.221** (.077)	.003 (.026)	.004 (.025)	.004 (.026)
Founder involvement	.076 (.072)	.073 (.068)	.066 (.067)	.066 (.067)	.006 (.068)	-.013 (.022)	-.012 (.022)	-.012 (.022)
Step 2: Direct effects								
Long-term orientation (LTO) (H_1)		.288*** (.097)	.416*** (.095)	.415***(.095)		.751*** (.032)	.753*** (.032)	.754*** (.033)
Entrepreneurial orientation (EO) (H_2)		.134 (.102)	-.163(.100)	-.163 (.101)		.132*** (.033)	.131*** (.033)	.129*** (.033)
Stewardship climate (SC) (H_3)		-----	----			.141*** (.024)	.142***(.024)	.140*** (.025)
Step3: The two-way interaction								
LTO × EO (H_3)			.397**(.136)	.396** (.137)			.014 (.010)	.019 (.046)
Marker variable				-.004 (.032)				.014 (.010)
R^2	.075	.176	.215	.215	.065	.305	.306	.306
ΔR^2	---	.101	.039	.00	------	.04	.001	.00
Adjusted R^2	.028	.124	.160	.156	.018	.399	.899	.898
F-value	1.604	3.402***	3.960	3.636	1.377	138.268***	128.277***	118.562***
ΔF	-----	1.798	.558	.324	------	136.891	9.991	9.715

Note: Unstandardized regression coefficients are reported. Standard errors in parentheses.

∗p<.05; ∗∗p<.01; ∗∗∗p<.001 (two-tailed test).

ΔR^2 means the increase in R^2 from the model to the previous model.

FINDINGS

Results and findings of qualitative phase

Inspiring by Braun and Clarke (2006), we adopted thematic analysis to analyze the qualitative interviews. Our analysis proceeded as follows. To become familiar with the content multiple times, we carefully read and reread all primary and secondary qualitative data, including interview transcripts, company publications, and trade press. We identified the in-vivo codes emerging from the data by meticulously going through the data items one by one. The codes were both emergent and borrowed, and we coded in a shared codebook to make it simpler to view each other's coding as we went along. Before finalizing the codes, we had multiple rounds of detailed discussion to reach a consensus about the codes identified. After several rounds of intense discussions, using various tables, charts, visual drafts, and unfolding extant literature, we synthesize these in-vivo codes into 1st order categories. Later, using a similar approach and looking at the patterns that emerged from 1st order categories, aggregated 2nd, and 3rd order themes were identified. The outcome of the qualitative data analysis procedure is illustrated in Figures 2 and 3. Notably, these figures do not depict a causal model. Instead, it portrays a visual representation of the main concepts (i.e., multi-layer organizational culture phenomenon and EO) and how they relate to the significant statements made by the respondents during the interviews. Consistent with Brigham et al.'s (2014) conceptualization, the qualitative findings also confirm the presence of the three dimensions of LTO and six dimensions of stewardship climate as emphasized by Neubaum et al. (2017) (see Figure 2). Moreover, qualitative findings are consistent with Miller's (1983) conceptualization of EO, confirming the presence of three dimensions as shown in Figure 3.

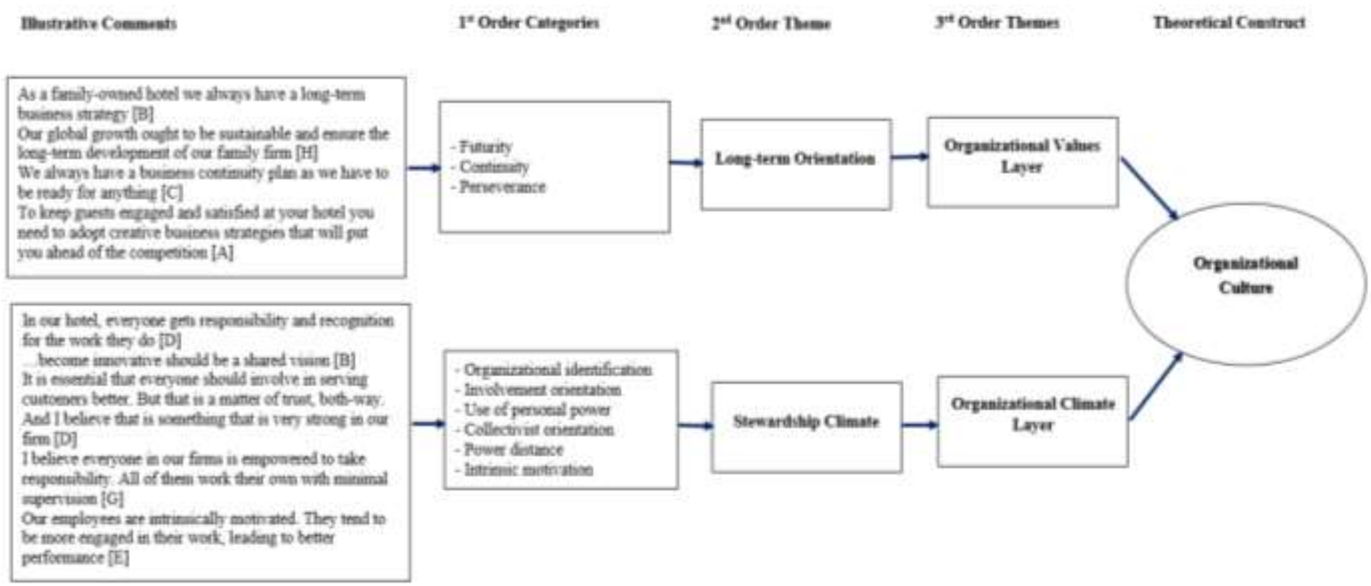

Figure 2: Identifying organizational culture mechanism of tourism and hospitality family firms

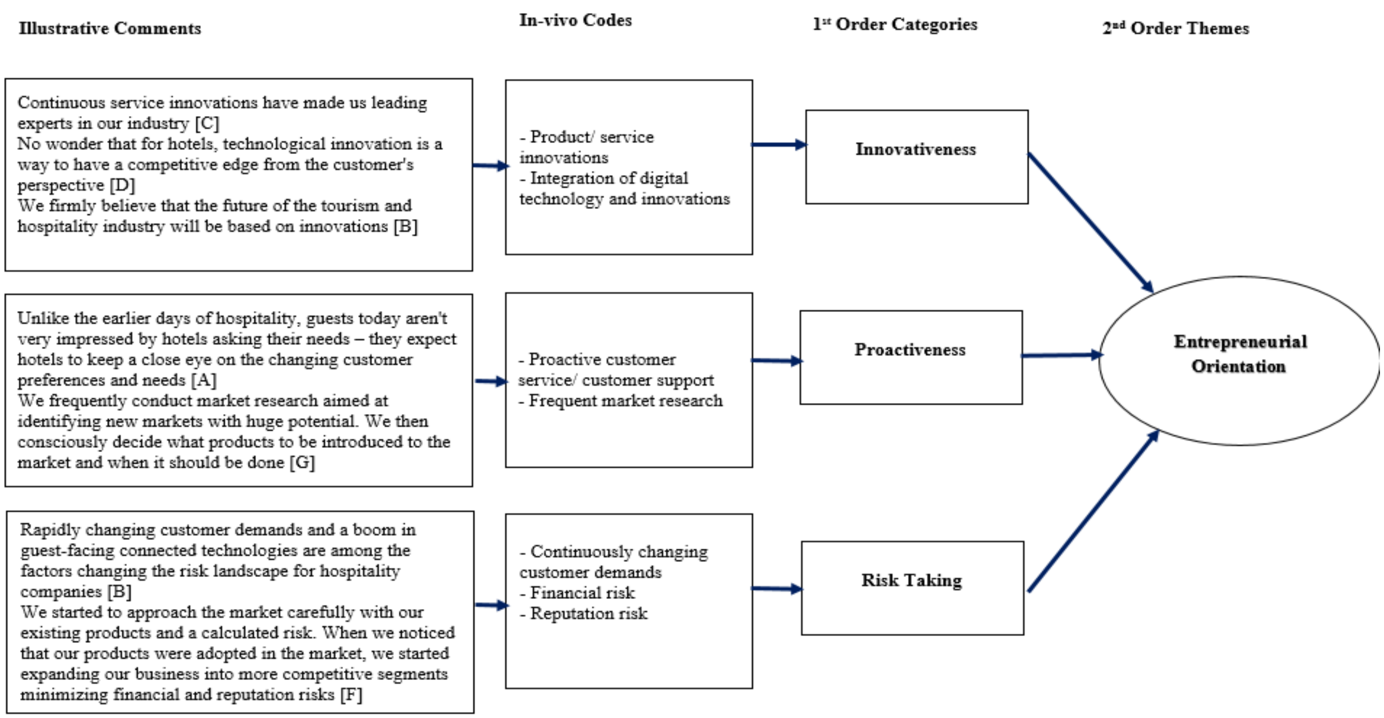

Figure 3: Evaluating EO of tourism and hospitality family firms

Results and findings of quantitative phase

The Effect of Controls

The relationship between stewardship climate and business performance is positively and significantly influenced by firm size. ($\beta = .281$, $p < .01$; see Model 1 in Table 7). However, contrary to our assumption, the other control variables have no statistically significant effect on the association between stewardship climate and business performance. These outcomes reflect that large-scale family businesses are more willing to foster an organizational climate by implementing rules and procedures that increase employee involvement and make them empowered. Furthermore, the role of managers is negatively associated with financial performance ($\beta = -.221$, $p < .01$; see Model 5 Table 7), indicating that the role of managers has a lower level of influence on financial performance. Neither founder involvement nor generational involvement, respondents' experience, firm ownership, and industry sector significantly affects stewardship climate and business performance.

Hypotheses testing

A hierarchical moderated regression approach was carried out to examine the proposed hypotheses. We followed the recommendation of Aiken and West (1991) to mitigate the threat of multicollinearity in equations where we contained interaction terms performing the mean-centering procedure for all the study variables. As a result, in this procedure, the regression coefficient for stewardship climate and LTO (the independent variable) determines its impact on the financial performance at the mean value of the moderator variable (i.e., EO) (cf. Aiken & West, 1991). In addition, we examined collinearity among the indicators by calculating the variance inflation factor (VIF) values of all the predictor constructs in the model. The largest VIF value was 1.628, well below the more conservative threshold of 3.3 (cf. Diamantopoulos & Siguaw, 2006; Neter et al., 1985), indicating that collinearity is not an issue in our model.

H1 through H3: main and moderator effects related to stewardship climate

Table 7 presents the results of the hypotheses testing. Models 1 through 4 have stewardship climate as the outcome variable. Models 5 through 8 have financial performance as the outcome variable. H_1 narrates that long-term-oriented values foster a stewardship climate throughout the tourism and hospitality family firms. We found support for this hypothesis ($\beta = 0.402$; $p<0.001$). In H_2, we predicted positive relationships between long-term-oriented values and financial performance of the tourism and hospitality family firms. As Table 7 shows, stewardship climate inside the tourism and hospitality family firm positively influences financial business performance (β = .141, $p < .001$) in support of H_3.

To further understand the mediating effects of stewardship climate indicated by power distance, use of personal power, organizational identification, collectivist orientation, involvement orientation and intrinsic motivation, we adopted the three-step approach recommended by Baron and Kenney (1986). We first assessed the relationship between the independent and dependent variables, and then we reviewed the relationship between the independent variable and the mediator. A significant relationship occurs between EO-moderated LTO and stewardship climate, as shown in Model 3 of Table 7 (B =.397, $p < 0.01$). Second, stewardship climate is significantly associated with the financial performance (B =.142, $p < 0.01$) as shown in Model 7. Third and finally, the coefficient for the EO-moderated effects of LTO on financial performance is insignificant when the regression equation includes the stewardship climate. The coefficient decreased from .48 to 0.46. Thus, stewardship climate fully mediates the relationship between EO-moderated LTO and financial performance of tourism and hospitality family firms. To determine whether partial or complete mediation is being established, the reduction in variance is explained by the independent variable (LTO) identified by the ratio of the indirect effect over its standard error (Sobel, 1982). Following the recommendation of Baron and Tang (2011), the outcome compared to a *z* distribution to test the statistical significance of the direct or indirect effect. The Sobel statistic test indicated that the indirect effect of EO-moderated LTO on financial performance (Sobel statistic test = 3.01, p = .011) was in the predicted direction and statistically significant, providing additional evidence for full mediation. Thus, H_4 is supported. H_5 predicts that the EO moderates the relationships between long-term-oriented values and the stewardship climate of the tourism and hospitality family firms. Table 7 illustrates that the interaction between long-term-oriented values and the stewardship climate is positive and significant (B =.397, $p < 0.01$), supporting H_5. To shed light on the nature of the interaction terms, we plotted the relationship between LTO and stewardship climate at high and low levels of EO, as suggested by Aiken and West (1991) (see Figure 4), coupled with a simple slope analysis. Figure 4 illustrates that the positive relationship between LTO and stewardship climate become significant at high levels (simple slope =+.33, t-value = 3.392, p<.001) versus low (simple slope =+.28, t-value = 2.056, p<.001) levels of EO.

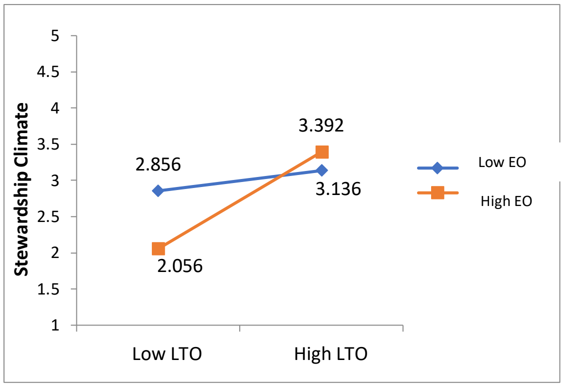

Figure 4: The interaction of stewardship climate and EO

DISCUSSION

This study discusses the survey results considering prior literature and findings from the eight interviews conducted with tourism and hospitality family firm owner-managers. Although our paper is mainly influenced by the multi-layer organizational culture theory proposed by Schein in 2017, it has not been adequately adopted in the tourism and hospitality context to comprehend how salient cultural orientation influences the performance of family firms. Consequently, in this paper, we propose a multi-layer organizational cultural framework, illustrating the theoretical utility of the Schein (2017) framework in the tourism and hospitality context. The proposed theoretical framework and hypotheses are further validated by what we inductively observed from analyzing the qualitative data collected in the first phase. The regression analysis results also support the theorized multi-layer organizational cultural framework, indicating that stewardship climate mediates the relationship between LTO and financial performance of tourism and hospitality family firms.

Consistent with Brigham et al. (2014) and Arz (2019), the specific firm-level traits and values uncovered in our work contribute to current discussions on LTO in family firms by not limiting LTO to a futuristic perspective. Instead, we uncovered evidence for a multi-temporal viewpoint of LTO in tourism and hospitality family enterprises through in-depth interviews, evidenced by the intention to preserve the firm's long-term reputation and value systems, thus bridging past, present, and future. Consequently, a stewardship culture is fostered throughout family firms, lessening managers' fear of failure when embarking on long-term and risky initiatives, encouraging entrepreneurial behavior.

Further, we uncovered that the fragmented findings on EO in family firms (e.g., Brigham et al., 2014; Lumpkin et al., 2010; Martin & Lumpkin, 2003) are due to a lack of understanding of the distinctive traits of family firms capable of fostering organizational climates that kindle family-level values and collaborative work behavior. While the majority of prior research often characterized family firms as risk-averse, conservative, and resistant to change compared to non-family businesses (Calabrò et al., 2019; Kempers et al., 2019), through in-depth analysis, we realized that when EO is built into a strategic configuration in conjunction with LTO, a tourism and hospitality family firm is more likely to foster a stewardship climate. In this respect, the interaction between LTO and stewardship climate may explain why some tourism and hospitality family firms can pull family-level values through the organization across multiple generations while others do not, and how this affects financial performance in the long run.

Our findings also challenge Cherchem (2017) and Kosmidou (2020), who argue that organizational culture within family businesses grows and differs through generations and that generational involvement may foster EO within family businesses. Instead, in line with Kallmuenzer et al. (2018), our findings show that both single-generation and multigenerational family firms can benefit from an organizational culture mechanism comprised of long-term pre-eminence and stewardship trends. In other words, our findings indicate that tourism and hospitality family firms can preserve their unique organizational culture mechanisms influenced by family-level values and traits over generations or even boost the pursuance of entrepreneurial opportunities after succession.

CONCLUSION

To summarize, this study provides a holistic and valuable perspective in answering how organizational culture mechanism enhances the financial performance of tourism and hospitality family firms in greater detail. By offering a grounded model based on theoretical inference and statistical generalization, our findings indicate that stewardship climate inside tourism and hospitality family firms mediates the relationship between long-term-oriented values and financial performance. This relationship is more robust in a high stewardship climate than in a more negligent climate. Moreover, our findings revealed that EO moderates the relationship between long-term-oriented values and the stewardship climate of the tourism and hospitality family firms.

Theoretical implications

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This research paper extends several insights that have been generated in the prior family business and tourism and hospitality literature. First, while previous literature is over-simplistic in viewing family-level traits as factors influencing the performance of family firms (e.g., Arz, 2019), this study introduces a more holistic perspective. Specifically, in line with Schein (1995, 2017) and Arz (2019), our empirical work presents a multi-layer organizational culture framework illustrating how family-level values can be translated into firm-level business processes through specific organizational culture mechanisms to enhance firm performance. By proposing such in-depth depictions of different organizational culture layers, the fundamental processes that mediate between the layers, and how these boost firm performance, we provide novel insights into the family business and tourism and hospitality literature.

Second, there has recently been an argument in the family business literature over whether LTO and EO are essentially opposed to or can be mutually beneficial. One research strand indicates that because of the desire to protect family traditions and customs and ensure cross-generational permanency, LTO may cause family businesses to become more conservative, less adaptable, and resistant to change, resulting in traditional decision-making procedures (Lumpkin et al. 2010). Conversely, the other research strand suggests that LTO is linked with the more robust performance of family firms, thus identifying it as a crucial source of competitive advantage (e.g., Brigham et al., 2014). This paper corroborates the latter viewpoint and sheds novel insights on the relationship between LTO and EO. In line with Kallmuenzer and Peters (2018), we argue that long-term-oriented values, reflected by futurity, continuity, and perseverance, cultivate a climate of collective stewardship throughout tourism and hospitality family firms. EO moderates this relationship by exploiting the potential of LTO and stewardship climax as sources of competitive advantage for family firms.

Third, although Schein’s (1995) definition of organizational culture as a bunch of notions manifesting at various strata is one of the most widely cited theoretical frameworks, empirical research using it as a specific theoretical lens in family business literature is rare (Arz, 2019). Most importantly, to date, none of the scholars have adopted it in the tourism and hospitality family firm context. Instead, most scholars relied on the resource-based view (Wernerfelt, 1984) to investigate the relationship between organizational culture and EO (e.g., Bhatti et al., 2020; Lopes et al., 2021). This research adds to the family business and tourism and hospitality literature by recognizing organizational culture as a multi-level social phenomenon, confirming Schein's (2017) proposition that *"we must avoid the superficial models of culture and build on the deeper, more complex anthropological models (p. 381)."*

Fourth, the multi-layer organizational culture framework proposed in our paper is linked to stewardship theory (cf. Donaldson & Davis, 1991), which depicts a viewpoint that portrays humanistic relationships where non-family employees also behave like stewards achieving the firm's goals despite personal goals. While extant literature identified a number of stewardship-like features necessary for enhancing the performance of family firms (e.g., Davis et al., 2010; Lee & Chu, 2017; Le Breton-Miller & Miller, 2018), our paper allowed us to pinpoint the particular mechanism via which stewardship climate at the family level might stimulate the entrepreneurial spirit.

Finally, although studies focusing on family firms are advancing at a greater rate in Western contexts than in Eastern contexts (Bettinelli et al., 2017; Calabrò et al., 2019), only a few attempts have been made to explore the performance of family firms in the Asian context (Dinh & Calabrò, 2019; Eddleston et al., 2020). However, the studies conducted in the Asian context mainly have come from China, South Korea, Thailand, and Japan, and a few from India (Chen et al., 2018; Singh & Mittal, 2019). Yet, studies focusing on non-listed tourism and hospitality family firms in a country like Sri Lanka with its unique characteristics (e.g., extended families and collectivistic culture mainly influenced by Buddhism) are rare (Ediriweera, 2016; Ekanayake & Kuruppuge, 2017). Hence, our research paper offers novel insights into the family business and tourism and hospitality literature in a non-Western context.

Practical implications

Our findings offer several valuable insights for family firm owners in general and those operating in the tourism and hospitality industry in particular. One of the critical contributions of our paper provides a deeper understanding of how organizational culture mechanism enhances the financial performance of tourism and hospitality family firms by transforming family-level values into firm-level business processes. Accordingly, tourism and hospitality family firm owners and managers should identify, understand, and implement salient organizational culture mechanisms in which family-level values can be translated into firm-level business processes to enhance firm performance.

Our findings also illustrate that family firm owners and managers who show patience for future profits and delayed payback can create a stewardship climate conducive to risky long-term investments (Lumpkin et al., 2010). As Lumpkin et al. (2010) pointed out, our findings show that LTO can increase a firm's tolerance for experimentation, inspire foresight into forthcoming trends, and take time to tolerate uncertainty prior to responding. Thus, tourism and hospitality family firm owners and entrepreneurs can effectively promote entrepreneurial activities within a family firm, enhancing financial performance in the long run.

Moreover, our findings show that a stewardship climate marked by empowerment and involvement fosters new viewpoints and different voices, allowing a tourism and hospitality family firm to discover better and exploit entrepreneurial opportunities instead of becoming inflexible or stagnant. Several specific actions that comprise a stewardship climate were highlighted in our paper as being congruent with stewardship theory. For example, as indicated in stewardship theory (e.g., Donaldson & Davis, 1991), tourism and hospitality family firm managers and owners can use personal power when working with subordinates by leading by example through their behaviors and providing strong rationales behind their decisions. Such relationships generate intrinsic rewards and create a sense of shared responsibility to foster entrepreneurial endeavors (Neubaum et al., 2017).

Finally, as our findings indicate, family businesses with managers who act like stewards rather than motivating personal goals can stimulate pro organizational behaviors. As such, tourism and hospitality family firm owners and entrepreneurs can create a stewardship climate characterized by low power distance and a corporate governance structure that offers authority and discretion for employees (Kallmuenzer & Peters, 2018; Kallmuenzer et al., 2020; Peters et al., 2019). Such stewardship climate enhances employees' commitment to the firm and its goals which also collectively promotes better levels of stewardship in the long run (Carradus et al., 2020).

Research limitations and future research directions

Even though this paper yielded some significant insights, several limitations open avenues for future research. First, the empirical setting of the research paper is limited to the Sri Lankan context, which may restrict the generalizability of the findings. For organizational cultural studies to be useful, it could be interesting to test the proposed multi-layer organizational culture framework in cross-country contexts in future studies for comparison purposes. Moreover, future researchers can extend our work to different industries and cross-check its applicability. For instance, as Arz (2019) emphasized, significant differences could be expected when testing the proposed model in dynamic and competitive industries against more stable and conventional industries. Second, this paper depends on the single informant approach for data collection in the survey. Although top managers are assumed to voice ideas of all members of the organization (Madison et al., 2017), and numerous tests showed that common method bias does not exist in this paper, future researchers may want to collect data from multiple respondents, preferably different managerial level employees at various hierarchical levels of tourism and hospitality family firms.

Third, employing cross-sectional data in this paper may give rise to significant issues in describing the dynamic relationships between LTO, stewardship climate, EO, and financial performance. Although the use of cross-sectional data appears passable to address the research problems of this paper, future researchers could investigate the proposed multi-layer organizational culture framework at different stages of a tourism and hospitality family firm's lifecycle. Exploring cultural patterns within an organizational change process might be beneficial to study, notably while implementing strategic renewal. Future researchers may conduct longitudinal research to investigate how the organizational culture of a tourism and hospitality family business changes during the inter-generational succession process and how such changes influence enhancing firm performance (Cabrera-Suarez et al., 2001).

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Fourth, tourism and hospitality family firms are not all alike (Kallmuenzer & Peters, 2018; Karunarathne et al., 2021). Their investment type and size, long-term growth-oriented goals could be different from one another. For instance, a hotel owner might want to expand the business by adding more rooms to attract more customers. In contrast, a homestay owner tries to keep the business' status quo as a lifestyle preference. Hence, it is vital to examine the possible differences in this model when applying to different tourism and hospitality family firms in future studies.

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Appendix A: Interview Guide

Theoretical Construct	**Questions**	**Related Literature**
Organizational Culture	What characteristics of this firm most motivate you to work here? What are the values that you believe are most prevalent in this firm, in your opinion? Where do you suppose these values come from? Do you think that the founder/ owner's characteristics have influenced the values of this firm? If that is the case, how powerful is the founder/ owner's influence on the firm? Could you please provide us with some specific examples?	Arz (2019); Schein (2017)
	How does this firm put these values into action? Could you provide any examples?	
	What, in your opinion, makes working at this firm so unique? How would you describe the organizational culture of this firm? As per your opinion, how do the above-stated values reflect in the firm's culture?	
	Which cultural aspects of this firm motivate employees to act the way they do? Could you give us some specific examples?	
	How strong, in your opinion, are family and business ties? What role do family interests play in critical business decisions?	
Entrepreneurial Orientation	Would you please explain the overall competitive strategy of your firm? In your opinion, how important to be innovative in achieving the competitive strategy of your firm?	Arz (2019); Schein (2017)
	How does your firm identify and exploit a new business idea? From whom does a new idea usually come from? Who takes final decision on whether or not to implement it? Could you give us some examples?	
	Can you describe the entire process of introducing new products/services, from idea generation to implementation and launch?	
	How far does your firm encourage risk-taking behavior? Would you please explain how does your firm cope-up with uncertainty while introducing new products/ services? Could you give us an example?	