BJM BRITISH JOURNAL of MANAGEMENT
BRITISH ACADEMY OF MANAGEMENT
British Journal of Management, Vol. 00, 1–27 (2022)
DOI: 10.1111/1467-8551.12626

Socio-emotional Wealth Preservation and Alliance Success in Family Firms: The Role of Political Instability and Alliance Management Capability

Omar Al-Tabbaa,[1] Abdalhamed Nasr,[2] Nadia Zahoor[3] and Muthu De Silva[4,5]

[1]Leeds University Business School, University of Leeds, Leeds, LS2 9JT, UK, [2]University of Huddersfield, Huddersfield, HD1 3DH, UK, [3]Hunter Centre for Entrepreneurship, Strathclyde Business School, University of Strathclyde, Glasgow, G4 0QU, UK, [4]Birkbeck, University of London, London, WC1E 7HX, UK, and [5]InnoLab, University of Vaasa, Vaasa, 65101, Finland
Corresponding author email: busofoa@leeds.ac.uk

Socio-emotional wealth preservation (SEW-P) can create a dilemma for family firms when seeking to establish strategic alliance: how to manage the need to establish strategic alliances aimed at obtaining complementary network-based resources (the economic dimension) with the fear that such a move may jeopardize family control and domination (the SEW dimension). To address this dilemma (also labelled as a 'mixed gamble'), we theorized that the concern to preserve SEW (i.e. SEW-P) can contribute to family firms' alliance success being dependent on the leverage of alliance management capability (AMC). We also propose that SEW-P can act as an organizational cognitive enabler for AMC. Yet the positive association between SEW-P and AMC will become stronger when family firms operate in a politically unstable environment. We tested these hypotheses using a unique dataset collected from 302 family firms operating in a politically unstable environment (the Libyan context), and the analysis lends support to our model and predictions. Overall, the study advances the alliance theories and family business literature by adding new insights that explain the effect of non-financial priorities of family firms, and related contingencies, in predicting alliance success.

Introduction

An important theme that cuts across most of the family business literature is the concept of socio-emotional wealth (SEW) (Gómez-Mejía and Herrero, 2022; Hughes *et al.*, 2018). This refers to the collective set of non-economic benefits (including self-identification, personal pride and satisfaction, and the sense of a family asset to be passed along) that family members receive from the business they own (Miller and Le Breton-Miller, 2014). This, in turn, drives family businesses to engage in maintaining 'family influence and the perpetuation of the family dynasty' (Gómez-Mejía *et al.*, 2007, p. 106). Accordingly, concern for SEW preservation (or SEW-P) is believed to be a 'real point of reference for family decisions and behaviors' (Sciascia, Mazzola and Kellermanns, 2014, p. 132), thus influencing their strategic orientation and preference (Gómez-Mejía *et al.*, 2007; Hernández-Perlines *et al.*, 2021; Shi, Connelly and Li, 2022). While the extant research has investigated the connection between SEW-P and various organizational decisions, such as diversification, internationalization, R&D investment and acquisition (for a review, see King *et al.*, 2021), we still

lack knowledge of the role of SEW-P in family firm alliances (Chirico *et al.*, 2019; Debellis *et al.*, 2021), which is the focus of this study.

The significance of addressing this gap is heightened by the fact that research has hitherto shown that SEW-P can have a double-edged sword effect on family firms' performance. On the one hand, the willingness to preserve the values that characterize the shared objectives and vision of such businesses can result in a higher degree of workforce cohesiveness and commitment, which potentially creates advantages that lead to high performance (Hillebrand *et al.*, 2020). By contrast, the desire to protect the identity and secure transgenerational control of the firm can develop a risk-averse mindset and even 'dysfunctional conservatism' (Miller and Le Breton-Miller, 2014) towards external opportunities (Chirico *et al.*, 2019; Lohe, Calabrò and Torchia, 2021). This is because the decision-making process can be compromised by conflicting agendas (e.g. to maintain control, family members may avoid profitable investments and initiatives that may be perceived as threatening their values and control) that can eventually undermine growth potential (Gomez-Mejia *et al.*, 2017; Gómez-Mejia *et al.*, 2022).

Applying this dilemma to the strategic alliance in family firms, two critical gaps can be identified. First, the association between SEW-P and the success of strategic alliances remains ambiguous. This ambiguity is due to the issue of how family businesses can balance their need to establish inter-organizational relationships aimed at obtaining complementary network-based resources (Lahiri, Mukherjee and Peng, 2020) with their fear that such a move may jeopardize family control and domination. This is because of family firms' belief that external parties are likely to intervene in their decision-making process and manipulate their priorities of SEW-P (Bouncken *et al.*, 2020). Addressing this gap is necessary to explain why some family firms, while focusing on the protection of the non-economic utility (Leitterstorf and Rau, 2014), are able to engage in successful alliance, regardless of their concerns over losing control (Chirico *et al.*, 2019). Second, little is known about the effect of institutional crises on family business alliances (Prügl and Spitzley, 2021; Wang *et al.*, 2020). In 2011, the Arab Spring erupted, causing the removal of several political regimes in the Middle East and creating a new era of institutional chaos and social insecurity that affected the entire business sector in many countries (Elbanna *et al.*, 2020). While the literature suggests that firms in such an environment would seek an alliance as a mechanism to enhance resilience (e.g. by sharing resources and information) (Korbi, Ben-Slimane and Triki, 2021), there is ambiguity on how the operation within a politically uncertain/unstable environment can shape the behaviours of family firms that embark on alliances. More specifically, such a condition raises questions of how family firms might react when encountering the double uncertainty (linked to the unstable external environment and concerns over losing family control when establishing links with external entities) (Chaib Lababidi *et al.*, 2020). For instance, Gils *et al.* (2004) found that perceived environmental uncertainty – or the inability of a firm to accurately assess its external environment and the changes that may occur in it (Milliken, 1987) – can create an internal tension between the desire to preserve family SEW versus the need to adopt a new strategy suited to deal with uncertain times. Also, the extant literature has highlighted the importance of taking an environmental contingency view when studying family businesses (Naldi *et al.*, 2013; Sirmon and Hitt, 2003). Particularly how these contingencies (e.g. the absence of the political system) can shed light on the inconsistent impact of SEW and its prioritizing effect on organizational behaviour (Firfiray *et al.*, 2018).

To address the above-mentioned gaps, we drew on the SEW-P and alliance management capability (AMC) concepts to explain how family firms can manage the need to establish strategic alliances aimed at obtaining complementary network-based resources (the economic dimension) with the fear that such a move may jeopardize family control and domination (the SEW dimension). AMC is a constellation of organizational skills and management routines that enable a firm to exchange credible and relevant information, harmonize the relationship and build social capital with their alliance partners (Dhaundiyal and Coughlan, 2022; Schilke and Goerzen, 2010). To validate our theorizing, we used a unique dataset collected from 302 family firms operating in a politically unstable environment (the Libyan context).

Our study makes two key theoretical contributions. First, it answers the call to investigate the role of SEW consideration in the behaviour of family firms when engaged in a strategic move that can be seen as a *mixed gamble* (potentially

entailing both gains and losses) (Debellis *et al.*, 2021; Lahiri, Mukherjee and Peng, 2020). Specifically, by integrating the SEW-P and AMC concepts to develop a model suited to explain the effect of SEW-P in alliance performance, the findings demonstrate that SEW-P is positively associated with alliance success when the AMC is leveraged. Therefore, despite the 'assumed' conservative attitudes held by family firms towards alliances (Hussinger and Issah, 2019; Lahiri, Mukherjee and Peng, 2020), SEW-P, when mediated by AMC, can generate a net positive effect on performance. Therefore, our study remedies the shortcomings due to the lack of focus of alliance theories on the effect of non-financial priorities of family firms in predicting alliance success (Chirico *et al.*, 2019). Furthermore, the model provides evidence for the association between the concern of prioritizing SEW – as a social attribute of family firms (Barrett and Moores, 2020; Cirillo *et al.*, 2020) – and the possession of AMC (comprising proactiveness, coordination and learning skills). Therefore, it contributes to the limited AMC-enablers body of knowledge (Kohtamäki, Rabetino and Möller, 2018; Wang and Rajagopalan, 2015) by emphasizing the role of setting (i.e. being a family firm) as an idiosyncratic enabler for these capabilities. Second, we add value to the family firm research that predominantly focuses on developed and stable economies, by studying the effect of political instability on the relationship between SEW-P and AMC. Therefore, we provide new insights into the external environmental impact on family firm behaviour (Cruz and Nordqvist, 2012; Zahra, 2018). By focusing on Libya as a typical example of a politically unstable country, we heed the call of researchers who urge examining the contingency effects embedded in under-studied domains on family firms' external activities (e.g. family firm alliances) (Al-Hyari *et al.*, 2012; Firfiray *et al.*, 2018; John and Lawton, 2018).

Theory and hypotheses

The influence of SEW-P on AMC in family firm alliances

Research shows that approximately half of the strategic alliances do not live up to expectations, which is largely attributed to ineffectiveness in managing the collaborative activities between partners (Flatten *et al.*, 2011). Accordingly, several researchers have highlighted the importance of AMC for alliance success (Kohtamäki, Rabetino and Möller, 2018; Sluyts *et al.*, 2011). In essence, AMC can be regarded as a set of organizational skills and routines (Schilke and Goerzen, 2010) that enables an organization to identify compatible partners, exchange credible and relevant information, and build relational social capital (Al-Tabbaa *et al.*, 2019; Kauppila, 2015). These capabilities are unique (Rothaermel and Deeds, 2006), rare and non-substitutable (Crook *et al.*, 2008), because firms vary in how they build and utilize them – either individually (i.e. as one AMC) or in combination (Wang and Rajagopalan, 2015). Despite the progress in this field, it is notable that little attention has been paid to the antecedents of AMC (Kohtamäki, Rabetino and Möller, 2018; Niesten and Jolink, 2015). This limitation is even more evident in the family business literature, where the idiosyncratic effect of the family on the possession of AMC is almost overlooked (Feranita *et al.*, 2017). Therefore, in our study, we address this limitation by investigating the effect of family firms' concern to preserve their SEW (Gomez-Mejia *et al.*, 2011) on the extent to which these firms would have the three prominent organizational skills that underpin AMC (namely proactiveness, coordination and learning). See Figure 1.

First, alliance proactiveness, which concerns the 'extent to which an organization engages in identifying and responding to partnering opportunities' (Sarkar *et al.*, 2001, p. 701), enables firms to identify and sense partners with potential compatibility and synergy (Wang and Rajagopalan, 2015). This implies that family firms with a greater concern over SEW-P (e.g. maintaining family control) will usually be more selective and seek to engage with trustworthy partners (Tasavori, Zaefarian and Eng, 2018). In other words, family firm owners will carefully identify and select their partners, focusing on those who share their interests and values (Kontinen and Ojala, 2012; Miller and Le Breton-Miller, 2005). Also, a higher level of prioritizing SEW-P means that family firm owners are likely to avoid any partners they might perceive as a challenge to their control (Gómez-Mejía *et al.*, 2007), and/or put their resources and image at risk (Carney, 2005; Pittino and Visintin, 2011). As a result, family firm owners with greater SEW-P logic are likely to possess the organizational skills required to seek, identify and select partners with whom they feel they will be able to

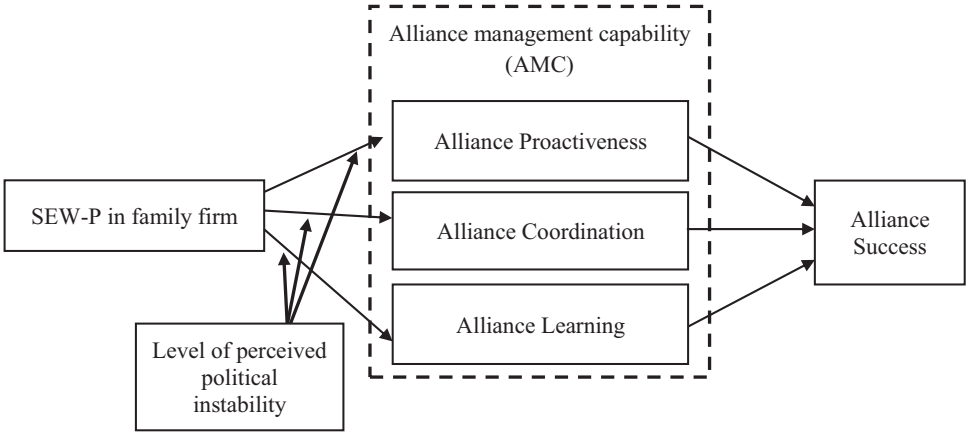

Figure 1. Research framework

establish long-term, sustainable and trustworthy strategic relationships (cf. Scholes, Mustafa and Chen, 2016). Furthermore, due to their family focus and strong internal social ties (Klein, Astrachan and Smyrnios, 2005), family firm owners seem to have a greater consensus (Feng *et al.*, 2019) over the nature of the partners with whom they should collaborate. This, in turn, increases their chance of enacting specific processes for the selection of the right ones, because proactive firms are more systematic in identifying and selecting partners due to their accumulation of alliance experience (Yang and Meyer, 2019). Accordingly, we argue that family firms with the motive to preserve their SEW are likely to possess the alliance proactiveness capabilities needed to seek and establish alliances with appropriate partners. Hence, we hypothesize:

H1a: In family firms, there is a positive association between SEW-P and alliance proactiveness capabilities.

Alliance coordination reflects the ability of a firm to build consensus about alliance requirements, map the interdependence and responsibility between partners, and specify a working framework for task co-execution and adaptation when change is needed (Schreiner, Kale and Corsten, 2009). In short, it aims to ensure that firms' alliance approach is effective and legitimate by building and maintaining social capital with their partners (Chaudhary *et al.*, 2021). Extending the previous argument, we anticipate that family firms will seek to have adequate coordination skills to routinize inter-firm cooperative behaviour that can preserve their SEW when collaborating.

The possession of coordinating skills is particularly critical to avoid SEW losses in alliance (e.g. loss of family control/domination), where research shows that family firms typically fear establishing external linkages as they might pressure the family to curb its influence (Gomez-Mejia *et al.*, 2014). Furthermore, to reverse their inward-looking nature and distrust of outsiders, family firms would typically focus on 'long-term sustained relationships' with outside parties such as suppliers and alliance partners (Le Breton-Miller and Miller, 2006). These lasting relationships would accumulate trust and mutual understanding over time (Feranita *et al.*, 2017), thus being preferred for SEW-P (Metsola *et al.*, 2021). This, in turn, would motivate the family firms to enact coordination capabilities to ensure that their alliances will be 'trouble-free' as a result of transparency and smooth execution of alliance activities. This is why family firms with SEW-P concern are likely to seek alliances via personal contacts (Kontinen and Ojala, 2012), because this will facilitate interaction between the partners (e.g. open communication, greater closeness and productive working relationships; Schilke and Goerzen, 2010) due to pre-existing trust and reciprocity (Eddleston *et al.*, 2010). On the other hand, family firms need to portray and maintain a better image (a characteristic of SEW-P) in the community (Sageder, Mitter and Feldbauer-Durstmüller, 2018). Accordingly, these firms will be motivated to establish alliance coordination capabilities (e.g. enact a transparent working

framework, maintain an ethical code of practice to ensure honesty and integrity) through which they can minimize the risk of their social image being threatened.

The above arguments are consistent with the observation that family firms are usually engaged in a limited number of carefully selected alliances characterized by shared common interests and values (Kontinen and Ojala, 2012). They are likely to strive to carefully coordinate these specific relationships and establish a mutual understanding (Graves and Thomas, 2004), which increases their skills and ability to coordinate such alliances successfully while preserving the family SEW. Therefore, we argue:

H1b: In family firms, there is a positive association between SEW-P and alliance coordination capabilities.

In principle, alliance learning pertains to the routines and procedural structures that facilitate learning and knowledge transfer from the partner (Schilke and Goerzen, 2010). By drawing on the arguments in the previous hypothesis (that family firms with SEW-P concern are likely to have higher social capital with partners), we propose that the tendency of family firms to establish partnerships characterized by mutual understanding, trust and shared objectives and values would increase the relational learning ability in these firms (Dyer and Hatch, 2006). These favourable relational qualities (that reside in the long-term relationship) encourage building close interactions between alliance partners, which supports a rich tacit knowledge exchange (Bouncken *et al.*, 2020) and creation (Grant and Baden-Fuller, 2004). Furthermore, the emotional attachment family firm owners typically develop with their partners (who are carefully selected to preserve SEW) (Carlock and Ward, 2001; Kellermanns *et al.*, 2008) increases trust and reduces the threat of knowledge leakage (Feranita *et al.*, 2017). In turn, this trust reduces opportunistic behaviours and increases engagement in mutual knowledge creation and learning within the alliance (Arslan *et al.*, 2021; Molina-Morales, Martínez-Fernández and Torlò, 2011). In this respect, Cesinger *et al.* (2016) explained that trust and commitment to the relationship facilitate the learning process.

On the other hand, as potential gains or losses of SEW are the primary frame of reference to explain family firm actions (Li and Daspit, 2016), these firms are likely to build 'purposeful network-based learning activities' that enable effective utilization of partners' knowledge (Cesinger *et al.*, 2016). This is because family firms would seek to offset the potential SEW-P effect (i.e. that leads to adopting a conservative management approach, for example, avoiding assigning experienced non-family members to the top management team, to minimize the loss in SEW) by building a systematic approach for identifying and exploiting external knowledge (i.e. learning) at the operational level (Lin and Wang, 2021). This is consistent with 'extent to which an organization engages in identifying and responding to partnering opportunities Berrone *et al.* (2012, p. 264), who assert that 'the preservation of the family dynasty, the perpetuation of family values through the business, and the intention to pass the business to subsequent generation[s] foster… commitment to building capabilities, and learning'. Hence, we hypothesize:

H1c: In family firms, there is a positive association between SEW-P and alliance learning capabilities.

The moderating effect of perceived political instability

Political instability (PI) refers to a 'situation, activity or pattern of behavior that threatens to change or changes the political system of a country in a non-constitutional way' (Gyimah-Brempong and Traynor, 1999). This sets the stage for the occurrence of instability events – such as public demonstrations, coups, riots, strikes and civil wars (Elbahnasawy *et al.*, 2016). PI gives rise to economic uncertainty and mismanagement, which poses a direct challenge on firms' survival (Chikweche, 2013). Focusing on developing economies, PI can cause three major consequences: poor regime performance, ethnic polarization and political factionalism (Kieh, 2009). As a prominent example, during the Arab Spring, some Arab countries witnessed instability in their political regimes, leading to uncertainty and turbulence in all economic sectors, including family businesses (Bekaert *et al.*, 2014; Darendeli and Hill, 2016). Specifically, the Arab Spring protests in Libya (2011) escalated into a full-scale conflict and eventually led to the overthrow of the government (Darendeli and Hill, 2016). The first free elections

took place in 2012, giving way to a wave of optimism and hope. However, in 2014, violence erupted again, and the country gradually sank into civil war (OECD, 2016). This created a weak legal framework, domestic insecurity and violence, and political uncertainty, which put huge stress on the Libyan business sector (Khodr and Ruble, 2013). While such conditions can affect businesses differently, based mainly upon their differential sensitivity and resilience to external shocks (Krammer, 2018), small and resource-constrained family firms are typically among the most vulnerable entities in such a condition (Battisti and Deakins, 2015).

In markets subject to PI, resources are typically hard to obtain; hence, efficiently sensing and making timely and essential adjustments is key for companies to achieve their goals (D'Aveni *et al.*, 2010). Thus, firms will be keen to form and exploit strategic alliances to access the knowledge and resources needed to enhance their survival (Herbane, 2019). However, Srivastava, Moser and Hartmann (2018) contended that alliances must be configured correctly, especially under the condition of external uncertainty, where there could be a partial or complete breakdown of state authority. We extend this argument by proposing that the level of perceived PI by family firms can affect the strength of association between their SEW-P and AMC concerns. Below, we discuss this moderation effect on each of the three capabilities.

First, when a firm faces turbulence in its external environment, there is a greater need for alliance proactiveness capabilities, such as scanning and analysing the market to appropriate new alliance opportunities (Sluyts *et al.*, 2011). Accordingly, when family firms perceive greater risk for PI, they are likely to become more concerned about preserving their SEW and thus to become more selective, as discussed in relation to H1a, in identifying potential partnering opportunities (Schilke and Goerzen, 2010), adapting to changing conditions (Quinn, 2000) and sensing the environment in relation to seizing opportunities (Teece, 2007). More specifically, we propose that when family firms are faced with turbulence or uncertainty, their actions are more likely to be driven by the need to preserve their SEW (Firfiray *et al.*, 2018), as the perceived risks associated with fraud, opportunistic mindsets and lack of reliability (McCarthy *et al.*, 2010) of potential partners will increase (Lahiri, Mukherjee and Peng, 2020). This is because, under conditions of perceived PI, there is an expectation to encounter limited market information, inefficient market regulations and lack of relational confidence due to institutional voids (Todeva and Knoke, 2005). These factors would complicate the process of initiating an alliance and make finding trusted and compatible partners more difficult. Therefore, under such conditions, family firms are likely to demand greater proactiveness capabilities to identify partners that would not jeopardize their SEW. This implies that family firms will be risk-averse and more selective in choosing partners from their existing networks, which – given that the preservation of SEW is the key selection criterion – are expected not to challenge their family-based values and with which they have a mutual understanding and reciprocity. Accordingly, when family firms perceive high PI, they are more likely to systematically seek, identify and negotiate with partners drawn from their trust-based network, which reflects greater need of the proactiveness capabilities. Therefore:

H2a: In family firms, the positive association between SEW-P and alliance proactiveness capabilities is positively moderated by the level of perceived political instability.

Environments perceived as politically unstable are typically associated with significant uncertainty; this is expected to expose a firm to several waves of change, which demand high flexibility (Yu *et al.*, 2019). Therefore, when a family firm finds a partner and establishes an alliance, its following actions would be aimed at protecting its identity and/or value (Carney, 1998). It would be further inclined to strengthen its alliance coordination capabilities in order to design, implement and accomplish collaborative tasks and activities that can be adaptable (Moshtari, 2016; Schreiner, Kale and Corsten, 2009). In other words, due to perceived PI, the structure and content of an alliance may need to be regularly re-evaluated and changed in order for it to remain compatible with the changing external environment (cf. Kwok *et al.*, 2019). Yet, as family firms would need to ensure that any new changes will not threaten their internal control or image (Hughes *et al.*, 2018), the SEW-P concern would drive the firms to own and leverage more coordination skills (including communication, negotiating, bonding and problem-solving) to account for changes and realign their alliances (Feranita *et al.*, 2017).

Additionally, when legal ordering is absent, market information is unverifiable and market conditions remain unstable, leading to higher transaction costs. This may increase the propensity of partners to act opportunistically (Delios and Henisz, 2003). As a result, the behaviours of family firms will be driven by the need to be proactive and savvy in protecting their SEW and its perpetuity against the potential risk embedded in external partnerships (cf. Culpepper, 2005). For example, Korbi, Ben-Slimane and Triki (2021) found that allying firms in Tunisia following the Arab Spring sought to redesign their organizational structure to create new governance mechanisms and roles to maintain the stability of their alliance.

Similarly, as environmental volatility can hamper attachment building, resource sharing and collective commitments (Luo, 2007) – thus causing alliance success to deteriorate (Daspit *et al*., 2016; Luo, 2002) and family values to be challenged – perceived PI is likely to drive family firms to further protect their SEW by deploying stronger coordination capabilities suited to stabilize their alliances. Hence, we hypothesize:

H2b: In family firms, the positive association between SEW-P and alliance coordination capabilities is positively moderated by the level of perceived political instability.

Inter-organizational learning enables partnering firms to connect and share experiential knowledge, and to pursue the process of knowledge acquisition (Bouncken *et al.*, 2020). Yet the extant research shows that this learning (e.g. via R&D activities and technology–market knowledge transfer) is typically less efficient in regions characterized as politically unstable (Allard *et al.*, 2012; Liao and Yu, 2012; Nadeem *et al*., 2020). This is because PI is likely to result in a deficiency of information (Todeva and Knoke, 2005), uncertainty and mistrust in the integrity of rules and regulations, and a lack of reliability of market knowledge (Delios and Henisz, 2003). Therefore, we posit that the association between family firms' desire to maintain family control and exercise family influence (i.e. to place high importance on SEW-P) with their alliance learning capabilities will be stronger under the conditions of PI.

Firms, including family ones, can reduce market and technology uncertainty by accessing external knowledge (Marinković *et al*., 2022; Monteiro and Birkinshaw, 2017), and the need for this knowledge becomes even more critical during times of PI (Saadatyar *et al*., 2020). For instance, Mansour *et al*. (2019) have found that Libyan firms have established crisis management approaches in response to the armed conflict. However, developing this approach was underpinned by the ability of these firms to collect and analyse information during the early stages of a crisis. Processing this information enabled the design of operational routines to monitor the post-civil war circumstances, recognize potential risks and make attempts to avoid or at least minimize the consequences of these risks. Yet the typical inward-looking nature and distrust of outsiders of family firms (due to SEW-P concerns) (Metsola *et al*., 2021) will complicate the process of obtaining up-to-date and reliable knowledge. As such, the weakness (associated with PI) of the legal and regulatory systems intended to monitor the market status would increase the risk of opportunistic and exploitive behaviours (Delios and Henisz, 2003; Todeva and Knoke, 2005). Therefore, family firms would rely fundamentally on knowledge received from their trusted partners; this is because trust (i.e. the expectation of partners not to challenge their SEW value system) is a crucial criterion to which they look when forming alliances (Cesinger *et al*., 2016). Accordingly, to protect their SEW, family firms would focus on creating further learning opportunities with their trusted partners (Bell *et al*., 2004). In order for this to work, the need to capitalize on and further strengthen the learning capabilities becomes more important when perceiving higher PI. Therefore, these firms would carefully design explicit, yet adaptable (Cesinger *et al*., 2016), learning mechanisms to maintain their authority over knowledge-sharing practices and processes. This learning capability enables firms to access the knowledge assets of trusted partners, to leverage any complementarities that may exist among the different and unique competencies found along their extended value chain (Kauppila, 2015). Hence, we hypothesize:

H2c: In family firms, the positive association between SEW-P and alliance learning capabilities is positively moderated by the level of perceived political instability.

SEW-P and alliance success: The mediating role of AMC

Prior research has frequently regarded family firms as social groups within which economic activities are embedded, and their survival and growth as being typically based on the exploitation of opportunities found in their domestic markets (Swoboda and Olejnik, 2013). However, these firms are often unable to access the resources and capabilities they need to remain competitive (Herrero and Hughes, 2019), which also increases 'lock-in' situations and reduces innovation (De Massis *et al.*, 2013). These challenges have encouraged an *outward* orientation (Liang, Lu and Wang, 2012) aimed at sustaining and protecting the family ownership (and thus preserving SEW), with several studies indicating that appropriate cooperation with external partners fosters family firms' performance (Feranita *et al.*, 2017; Flatten *et al.*, 2011). Yet, the decision to engage in an alliance can be problematic. The interference of external partners may *challenge* the significance placed on the emotional attachments and social ties between family members, and *threaten* transgenerational succession (Arregle *et al.*, 2007). Moreover, as an effective alliance demands contracts to regulate the processes of interaction and exchange, the family firm may concede a degree of control (i.e. endow rights to their partner), which is incompatible with the logic of SEW-P (Bouncken *et al.*, 2020). This is why, when making strategic decisions (such as starting an alliance), SEW utilities can often be prioritized over economic considerations (Berrone *et al.*, 2010). As a result, family firms would aim to protect their social identity and control by engaging in distinctive behaviours, for example, by pursuing nepotism (Firfiray *et al.*, 2018), focusing on succession (Zellweger, Nason and Nordqvist, 2012) and accepting a greater influence of emotions on decision-making (Stanley, 2010). Such behaviours are, in turn, likely to complicate the establishment and management of effective alliances (Debellis *et al.*, 2021). Therefore, to resolve this dilemma (i.e. preserve SEW while establishing alliances with external partners), we posit that family firms with SEW-P concerns are likely to make every effort to achieve alliance success. Yet this path is dependent on the leverage of AMC as mediating mechanism.

AMC is typically vital for starting and managing the alliance process (Kandemir *et al.*, 2006), where research on AMC has found an association between their possession (as organizational capabilities) and outcomes such as the achievement of alliance objectives (Kohtamäki, Rabetino and Möller, 2018) and increased competitiveness (Kohtamäki, Rabetino and Möller, 2018). The theoretical conjecture is that AMC will enable partners to harmonize their relationship by adjusting its attributes in response to environmental and partner-related changes (Niesten and Jolink, 2015). Next, we discuss the specific mediating role played by each of the three capabilities.

Alliance-proactive firms typically make 'efforts to identify [i.e., sense] potentially valuable partnering opportunities' (Sarkar *et al.*, 2001, p. 121) by applying their related micro-skills (e.g. scanning the market) to spot, interpret and pursue any valuable opportunities in the environment (Bonner *et al.*, 2005). Therefore, such firms are able to spot market requirements and effectively identify and classify new alliance opportunities suited to gain resources (Schilke and Goerzen, 2010). However, the sensing skill is important not only in recognizing suitable alliance partners endowed with complementary competencies and resources (Teece, 2007), but also in identifying trusted and compatible partners that are less likely to challenge the family firm's SEW. In this regard, those family firms that are capable of dexterously sensing safe alliance opportunities – driven by the need to preserve their SEW (Fitz-Koch and Nordqvist, 2017) – are likely to enjoy initial first-mover advantages on the market because they are more confident and thus move faster than their rivals, which can be translated into a higher alliance success (Schilke and Goerzen, 2010). In addition, the mediating role played by alliance proactiveness can become more evident 'when the family's emotional attachment is so strong that it values existing knowledge assets, attributing lower value to external opportunities that are distant from their knowledge base' (Debellis *et al.*, 2021, p. 100739). In other words, the desire of a family business to become involved in high-risk alliances will be curbed by fear of harming its SEW, which will lead it to embrace an *inward* orientation that focuses on its current 'proven to work' resource arrangements, and to avoid any risky external initiatives that might require a substantial reconfiguration of its existing resources and structures (Kotlar and Sieger, 2019). In such a case, proactiveness can play a key role as firms endowed with it will be able to effectively identify partners

in possession of complementary knowledge and resources, and have strategic compatibility, which is a prerequisite for maximizing value creation in an alliance (Kandemir *et al.*, 2006) and avoid unwarranted risk-taking orientation (Al-Tabbaa *et al.*, 2019).

Firms endowed with alliance coordination can better manage resources and activities with partners (Gulati *et al.*, 2005). Such ability enables firms to identify and build consensus in regard to the task requirements of a given alliance, the nature of the associated interdependence between partners and the specification of the working procedures needed for task execution (Schreiner, Kale and Corsten, 2009). Extending this argument to family businesses, we argue that coordination (as an organizational ability encompassing several skills such as communication, negotiation and bonding to build relational trust) plays a particular mediation role in the relationship between SEW-P and alliance success, and the rationale is twofold. First, the presence of dependencies among partners demands close coordination because the resources and tasks would otherwise be dispersed over the various partners, thus requiring an effective co-management approach (Schilke and Goerzen, 2010) to avoid underperforming processes (Niesten and Jolink, 2015) due to SEW-P pressure. In this respect, Ng, Dayan and Di Benedetto (2019) found that family SMEs can reduce the negative effect of SEW concerns (e.g. prioritizing family members and imposing succession mechanisms on non-family members) on firm performance by incorporating the managerial capabilities effect (i.e. including the ability to motivate others, align resources to achieve goals, communicate with family and non-family actors) as a mediator. Therefore, the capacity for joint working would be necessary for efficient and appropriate task execution (Schreiner, Kale and Corsten, 2009), and family firms keen to preserve their unique values and identity are more likely to apply their coordination skills to achieve alliance success. Second, through communication and negotiation, firms reconcile and balance collective and individual interests to pre-empt any potential conflicts (Todeva and Knoke, 2005). In other words, alliance coordination will be necessary to quickly build social capital (which entails reciprocal trust and commitment) between the family firm and its external partner, which would be essential to preserve its risk-averse attitude (e.g. due to expectations of alliance opportunistic hazards) and facilitate the post-alliance formation processes leading to the fulfilment of its objectives (Kohtamäki, Rabetino and Möller, 2018).

Finally, the alliance learning capability (which encompasses micro-skills/processes that include the processing and diffusion of systematic information across the firm) increases a firm's ability to facilitate the articulation and transfer of knowledge from partners (Dyer and Nobeoka, 2000), which is widely regarded as a key advantage of intergenerational relationships (Leischnig and Geigenmüller, 2020). This is why any strategic alliance will involve a learning aspect, which can be either explicit (as in the case of R&D alliances), implicit (i.e. co-learning through social interaction between partners), or a mix of both (Schreiner, Kale and Corsten, 2009). The empirical evidence shows that, by utilizing their learning skills, firms can expand the scale of their resource appropriation from alliances (Schilling and Steensma, 2001). Accordingly, we expect alliance learning to play a critical role in enabling family firms with a higher focus on SEW-P (and thus keen to keep developing and sustaining their business) to identify, transform, systematize and socialize knowledge and, accordingly, to excel in knowledge acquisition, which is a fundamental source of alliance success (Cesinger *et al.*, 2016). Moreover, the possession of specific organizational learning systems (e.g. dedicated R&D unit) can compensate for the exclusion of non-family executives (resulting from concerns to maintain family control) (Gu *et al.*, 2019), where these executives typically 'possess diverse skills not available within the family' (Gomez-Mejia *et al.*, 2018, p. 1376). Reflecting on the above arguments, we posit:

H3a: Alliance proactiveness mediates the relationship between SEW-P and alliance success.
H3b: Alliance coordination mediates the relationship between SEW-P and alliance success.
H3c: Alliance learning mediates the relationship between SEW-P and alliance success.

Methods

Research context

To test our hypotheses, we gathered data from the managers of Libyan family firms. We chose the Libyan economy because it is dominated by

family businesses (Shareia and Irvine, 2014), who are typically the decision-makers in establishing firm alliances and other external relationships (Hweio, 2012; Lacher, 2011). Hence, this context offered us a unique opportunity to understand the effect of family ownership on alliances and its related capabilities (Chung and Luo, 2008). Moreover, the Libyan setting was an ideal domain to investigate the impact of perceived PI on firms' alliance activities. Over the last 10 years, Libya has witnessed massive political and institutional change and uncertainty. After 2011, Libya became the stage of a political power struggle between three governments seeking and demanding legitimacy: the Government of National Reconciliation, the Salvation Government and the Parliament Government. Studying alliances and AMC under such conditions can provide unique insights into firms' approaches to alliances during prolonged periods of instability.

Data collection and sample

The sampling frame of our study was made up of the Ministry of Economy and Trade and the Centre of Export Development databases, from which we randomly selected a sample of 1000 family firms. About half of our sample firms (46%) were located in Tripoli, West Libya, reflecting the prominence of family businesses in this region (OECD, 2016). The remainder (54%) were located in Benghazi, Misrate, Jafara, Az-Zawiyah, Khoms, Sabha, Garyan, Sirte, Derna, Zuwara and Jebel Akhdar. We designed an online questionnaire and distributed it during the year 2016 using the Bristol Online Survey tool. The key participants were owners or senior managers (Deutscher *et al.*, 2016). After two weeks, we had received only 150 responses, and we thus sent a reminder email to increase the response rate. Ultimately, we received 302 completed responses. This 30.2% response rate was acceptable (Herbane, 2019; Svensson, Mysen and Payan, 2010), and in line with the current research on family businesses (Pielsticker and Hiebl, 2020).

The presence of non-response bias was tested using the method recommended by Armstrong and Overton (1977). The respondents were divided into two groups based on response time: early (pre-reminder) and late (post-reminder) respondents. Next, a range of demographic questions and main variables were used to run t-tests of group means.

Table 1. Description of sample

Category	%
Firm size (number of employees)	
1–4	11.3
5–9	24.5
10–49	32.5
50–99	18.9
100–250	12.9
Industry	
Manufacturing	10.3
Construction	10.9
Service	20.9
Retail	27.8
Agricultural	17.9
Transportation	7.0
Tourism	3.6
Others	1.7
Firm age (years)	
<5	5.6
5–10	28.1
11–20	36.8
>20	29.5
Managerial experience (years)	
<5	9.6
5–10	26.8
11–20	41.1
21–25	17.2
>25	5.3

Note: CI = confidence interval; $^{*}p < 0.05$; $^{**}p < 0.01$; $^{***}p < 0.001$.

The results revealed no significant difference between the two respondent groups in terms of industry type ($t = -0.27$, $p = 0.79$), SEW-P ($t = -0.32$, $p = 0.75$), alliance coordination ($t = 0.67$, $p = 0.51$) and alliance proactiveness ($t = 0.04$, $p = 0.97$), suggesting that non-response bias was not an issue in our study.

Our sample represented family businesses that had formed alliances. Detailed industry information is contained in Table 1. Moreover, it should be noted that 80.8% of our respondents were either owners (52%) or senior managers (28.8%) of their respective firms, while the remaining 19.2% held middle-management positions. Their work experience averaged 12 years and their median age was 17 years.

Variable construction

Scales validated from the literature were used to measure the variables of our study, as illustrated in Table 2. To ensure the applicability of these measures to the Libyan context, we obtained

Table 2. Study variables: definition and operationalization

Variable	Definition	Operationalizing the variable
SEW-P	Family firms' concern to preserve and protect their SEW by exercising family influence, safeguarding family identity and status, perpetuating family dynasty, maintaining transgenerational sustainability and conserving family social capital (Gómez-Mejía *et al*., 2007; Gomez-Mejia *et al*., 2011; Vandekerkhof *et al*., 2018).	Measured using four items adopted from Schepers *et al*. (2014) and Vandekerkhof *et al*. (2014).
Perceived political instability	Refers to the recognition of events that could elicit a firm's uncertainty about the stability of the political system and/or government (Gyimah-Brempong and Traynor, 1999).	We adopted three items from Brunetti *et al*. (1998). The respondents were asked to rate the extent to which they perceived political risks. Consistent with previous studies (e.g. Ambos *et al*., 2020; Krammer, 2018; Xie, Qi and Zhu, 2019), we focused on the owners/senior managers' subjective perceptions of political instability in the country, as opposed to its actual level. As Giambona *et al*. (2017) argued: *'a manager's subjective perception of political risk is also important for how firms manage political risk'* (p. 524).
Alliance proactiveness	A firm's ability to identify valuable alliance partnering opportunities and act to exploit them (Leischnig and Geigenmüller, 2018).	Measured using four items based on Schilke and Goerzen (2010).
Alliance coordination	A firm's ability to effectively manage mutual responsibilities, dependencies and processes (Wang and Rajagopalan, 2015).	We assessed alliance coordination through four items inspired by Pavlou and El Sawy (2006) and Schilke and Goerzen (2010).
Alliance learning	The firm's ability to transfer knowledge from alliance partners (Dyer and Nobeoka, 2000).	Four items were adopted from Schilke and Goerzen (2010).

Table 2. (Continued)

Variable	Definition	Operationalizing the variable
Alliance success	The extent to which our sample family firms were satisfied with their overall alliance performance, perceived alliance-related goal fulfilment and perceived alliances as significantly enhancing their competitive position.	Following several key studies on strategic alliances Study variables definition and operationalization (e.g., Kale and Singh, 2007, Jiang *et al.*, 2020, Lambe *et al.*, 2002), we used alliance success as a reflective measure composed of three-items suited to capture the issues highlighted in the alliance success definition. This was necessary because 1) our model was aimed at investigating the effect of SEW-P and AMC on the overall alliance performance of family firms, and 2) no secondary database was available on the performance of Libyan family firms (which had been suffering from political and economic turbulence and the lack of a stable institutional system since 2011). Therefore, our only option was to utilize the perceptions of our respondents, who were well informed about their firms' alliances because they were the managers/owners of their respective family businesses and, accordingly, had the managerial confidence needed to evaluate their overall alliance success.
Control variables	We included a number of control variables that had been shown to influence alliance success (Heimeriks and Duysters, 2007, Fang *et al.*, 2016, O'Dwyer and Gilmore, 2018).	firm size (measured as total number of employees); firm age (1 = less than 5 years, 2 = 5 to 10, 3 = 11 to 20, and 4 = more than 20); industry type (1 = manufacturing, 2 = construction, 3 = service, 4 = retail, 5 = agricultural, 6 = transportation, 6 = construction, 7 = tourism, 8 = others); managerial experience (1 = less than 5 years, 2 = 5 to 10, 3 = 11 to 20, and 4 = more than 20); alliance experience (the number of alliances that a firm had formed during the previous five years (Schilke and Goerzen, 2010)

feedback from three senior academics in the field of alliances and family business, and from seven managers of Libyan family firms. Based on their feedback, we modified the questionnaire and, in particular, integrated the four items of SEW-P in a single construct. All the multi-item constructs were measured on a five-point Likert scale. Table 3 describes the measurement items, with their respective factor loadings and reliability indicators.

Estimation strategy and robustness checks

We chose to use structural equation modelling (SEM) over the more conventional ordinary least squares (OLS) method for the following reasons. First, SEM is helpful to test the psychometric properties of measurements and isolate any measurement errors that could affect the testing of theoretical propositions (Davvetas *et al.*, 2020, p. 4). Second, SEM is capable of modelling latent constructs with multiple indicators (Kline, 2015). Third, unlike the OLS method, which estimates the effect of a set of independent variables on a single dependent one, SEM enables the concurrent estimation of multiple complex models operating simultaneously as both causes and outcomes of other variables in a hypothesized model (McLean, Al-Nabhani and Wilson, 2018). Specifically, SEM confers the ability to investigate (1) how SEW-P affects alliance proactiveness, coordination and learning and (2) how alliance proactiveness, coordination and learning explain alliance success.

SEM usually involves the analysis and interpretation of data in two stages. First, the measurement model is assessed for reliability and validity. Second, the structural model itself is assessed. We followed these two stages using AMOS 26.0 software.

Measures were undertaken to check the problem of endogeneity that could occur when independent variables might not be endogenous (Cook *et al.*, 2002). First, the measurement model was assessed by testing construct reliability and validity by means of confirmatory factor analysis (CFA). The fit statistics of the model were found to suggest a good fit to the data ($\chi^2 = 199.30$; df = 180; $\chi^2/df = 1.11$; GFI = 0.95; CFI = 0.99; RMSEA = 0.02; SRMR = 0.04), and the measurement weights were found to all be statistically significant ($p < 0.001$). Second, the convergent validity of all the constructs in the measurement model was assessed by following the comprehensive procedure proposed by Hair *et al.* (2015). As shown in Table 3, the factor loadings for all the items were found to be higher than 0.60, thus exceeding the 0.50 minimum threshold (Bagozzi and Yi, 2012). In addition, the value of Cronbach's α for all the constructs was found to exceed the cut-off point of 0.70 (Nunnally, 1978). As can be seen in Table 3, the results show a satisfactory level of composite reliability, which was found to be above 0.70 for each construct (Fornell and Larcker, 1981), suggesting that the variables were reliable. As suggested by Fornell and Larcker (1981), our discriminant validity analysis indicated that the average variance extracted (AVE) for any two constructs was greater than the squared correlation between them (see Table 4). Thus, all constructs in the measurement model were shown to possess adequate discriminant validity. Satisfactorily meeting the requirements of non-response bias tests, Cronbach's α, CR and the factor loading criteria confirmed the reliability and validity of the chosen constructs, minimizing measurement errors.

Third, to ensure the appropriateness of the sample for our study, we performed a common method bias test. Accordingly, we conducted Harman's (1967) single-factor test using exploratory factor analysis and CFA. First, we constrained the factor analysis to one factor, which explained 25% of the variance, well below the 50% threshold (e.g. McLean, Al-Nabhani and Wilson, 2018). Second, in the CFA, we compared our theorized multi-factor measurement model against a single-factor model. The single-factor solution was found to produce an inadequate fit ($\chi^2 = 1865.95$; df = 195; $\chi^2/df = 9.57$; GFI = 0.59; CFI = 0.52; RMSEA = 0.17; SRMR = 0.14) compared to the multi-factor measurement model. The χ^2 difference test suggested that the multi-factor measurement model fitted the data significantly better than the single-factor one. As a result, common method bias was found not to be an issue in this study. The highest correlation among the constructs was 0.48 ($p < 0.001$), with most being lower than 0.3 (Bagozzi *et al.*, 1991) (see Table 4). Fourth, as we used the product term to test the moderating effect, we created a multiplicative term for SEW-P and PI to verify H2a–c. Further, to avoid any multicollinearity issues linked to the introduction of such a multiplicative term, we orthogonalized the two variables in it (Little, Bovaird and Widaman,

Table 3. Details of measurement item, Cronbach's α and factor loadings

Constructs		Standardized factor loadings
SEW-P (α = 0.86, CR = 0.86, AVE = 0.61)		
SEW-P1	Maintaining family traditions/family character of the business	0.78
SEW-P2	Family support by creating/saving jobs for the family	0.81
SEW-P3	Independence in ownership	0.77
SEW-P4	Independence in management	0.75
Perceived political instability (α = 0.81, CR = 0.80, AVE = 0.56)		
PI1	We have to cope with unexpected changes in rules, laws or policies which materially affect our business	0.75
PI2	We are not confident that the state authorities protect our person and our property from criminal actions	0.71
PI3	Due to political instability, theft and crimes are serious problems that can substantially increase the costs of doing business	0.78
Alliance proactiveness (α = 0.91, CR = 0.92, AVE = 0.73)		
AP1	We actively monitor our environment to identify partnering opportunities	0.85
AP2	We are alert to market developments that create potential alliance opportunities	0.84
AP3	We often take the initiative to approach companies that have proposals similar to the business of our company	0.91
AP4	We are proactive and responsive in finding and 'going after' alliance partners	0.81
Alliance coordination (α = 0.87, CR = 0.88, AVE = 0.65)		
AC1	Our activities across different alliances are well coordinated	0.83
AC2	We have processes to transfer knowledge across alliance partners systematically	0.82
AC3	We ensure an appropriate coordination among the activities of our different alliances	0.78
AC4	There is a great deal of interaction with our partners on most decisions	0.79
Alliance learning (α = 0.87, CR = 0.87, AVE = 0.63)		
AL1	We have the capability to learn from our partners	0.79
AL2	We have the managerial competence to absorb new knowledge from our partners	0.83
AL3	We have adequate routines to analyse the information obtained from our partners	0.76
AL4	We can successfully integrate our existing knowledge with new information acquired from our partners	0.80
Alliance success (α = 0.80, CR = 0.81, AVE = 0.58)		
ASU1	Our alliances have met the objectives for which they was established	0.78
ASU2	The alliances have been profitable investments	0.71
ASU3	The company's competitive position has been significantly enhanced due to the alliances	0.80

Note: CR = composite reliability; AVE = average variance extracted.

Table 4. Descriptive statistics and correlations

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1. Firm size†	2.98	1.19	1										
2. Firm age†	2.95	0.98	0.18**	1									
3. Industry†	3.76	1.60	0.17**	0.04	1								
4. Managerial experience†	2.82	1.00	0.19**	0.47***	0.04	1							
5. Alliance experience	3.21	1.03	–0.12*	0.11†	–0.11†	0.10	1						
6. SEW-P	3.29	0.93	0.00	0.04	0.00	0.00	0.10	**0.78**					
7. Perceived political instability	3.48	0.94	–0.19**	0.00	0.07	0.00	0.13*	0.03	**0.75**				
8. Alliance proactiveness	3.38	1.03	–0.14*	0.12*	–0.09	0.03	0.17**	0.14*	0.33***	**0.85**			
9. Alliance coordination	3.45	1.02	–0.12*	0.04	–0.06	0.03	0.16**	0.16**	0.37***	0.44***	**0.81**		
10. Alliance learning	3.42	1.04	–0.20**	0.05	–0.05	0.00	0.24***	0.16**	0.20**	0.41**	0.48***	**0.80**	
11. Alliance success	3.96	0.92	0.03	0.04	0.04	0.04	–0.07	0.07	0.26***	0.43***	0.36***	0.37***	**0.76**

Note: Bold on the diagonal is the square-root of the AVE; SD = standard deviation; † = dummy variable; significance levels: †$p < 0.10$, *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.

2006). We also checked for multicollinearity using multiple regression analysis. The variance inflation factors (VIF) were found to range from 1.20 to 1.60, well below the maximum threshold of 3 (Hair *et al.*, 2015); hence, we concluded that multicollinearity was not a problem in our model. Fifth, as many theoretically justified control variables as possible were included to avoid the omitting of a regressor (Rubin, 2008), which is recommended despite the cost of reduced efficiency (i.e. higher standard errors) (Cameron and Trivedi, 2005). Finally, as presented in the findings section, the outcome of SEM, adopting Baron and Kenny's (1986) approach, was further validated using the recommendations of Iacobucci *et al.* (2007) and Preacher and Hayes (2008) in regard to calculating direct, indirect and total effects using the bootstrapping method.

Analysis and findings

We tested the SEM containing all the hypothesized relationships, along with all control variables, using AMOS graphics 26.0. The structural model was found to provide an adequate model fit (χ^2/df = 2.01; GFI = 0.97; NFI = 0.92; CFI = 0.94; RMSEA = 0.04). Subsequently, we estimated 15 nested models with Models 1, 4, 7 and 10 as baseline models with only control variables. Table 5 presents the detailed results of our analysis.

The hypothesized paths were found to be statistically significant and in the expected direction. First, the results of Model 2 (Table 5) suggest that SEW-P positively influences alliance proactiveness ($\beta = 0.13$, $p < 0.05$), thus supporting H1a. Second, Model 5 indicates that SEW-P has a positive impact on alliance coordination ($\beta = 0.17$, $p < 0.01$), supporting H1b. Third, we obtained evidence supporting H1c as we found that SEW-P has a positive impact on alliance learning ($\beta = 0.15$, $p < 0.01$) in Model 8.

In H2a–c, we posited that perceived PI moderates the impact of SEW-P on AMC. Our results indicate that perceived PI moderates the relationship between SEW-P and alliance proactiveness ($\beta = 0.16$, $p < 0.01$) in Model 3, thus confirming H2a. Furthermore, we found support for H2b in Model 6 (i.e. that perceived PI affects the positive relationship between SEW-P and alliance coordination) ($\beta = 0.24$, $p < 0.001$). The results also provided support for H2c in Model 9 – validating

Table 5. Results of structural model estimation

	Dependent variables														
	Alliance proactiveness			Alliance coordination			Alliance learning			Alliance success					
Independent variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13	Model 14	Model 15
Control paths															
Firm size†	−0.14*	−0.14*	−0.07	−0.12*	−0.15*	−0.06	−0.20	−0.20**	−0.16*	0.01	0.01	0.13*	0.08	0.07	−0.10
	(−2.33)	(−2.35)	(1.25)	(−1.98)	(−2.31)	(−0.98)	(−3.18)	(−3.22)	(−2.59)	(0.15)	(0.15)	(2.17)	(1.32)	(1.09)	(1.54)
Firm age†	0.17*	0.16*	0.16*	0.04	0.05	0.05	0.07	0.06	0.07	0.03	0.03	−0.04	−0.04	0.02	0.00
	(2.47)	(2.41)	(2.56)	(0.54)	(0.75)	(0.85)	(1.01)	(0.92)	(1.02)	(0.47)	(0.42)	(−0.63)	(−0.66)	(0.24)	(0.04)
Industry†	−0.05	−0.05	−0.09	−0.04	−0.06	−0.11+	−0.00	−0.00	−0.03	0.04	0.03	0.06	0.06	0.05	0.03
	(−0.82)	(−0.84)	(−1.65)	(−0.57)	(−0.91)	(−1.90)	(−0.03)	(−0.04)	(−0.51)	(0.53)	(0.53)	(0.99)	(1.05)	(0.82)	(0.52)
Managerial experience†	−0.05	−0.04	−0.04	0.02	0.01	0.01	−0.02	−0.02	−0.01	0.02	0.02	0.03	0.04	0.01	−0.03
	(−0.70)	(−0.65)	(−0.66)	(0.28)	(0.14)	(0.22)	(−0.30)	(−0.24)	(−0.17)	(0.24)	(0.27)	(0.56)	(0.61)	(0.07)	(0.43)
Alliance experience	0.14*	0.13*	0.08	0.16*	0.16*	0.09	0.23***	0.21***	0.18**	−0.07	−0.08	−0.20***	−0.14*	−0.13*	−0.17**
	(2.38)	(2.19)	(1.39)	(2.49)	(2.51)	(1.52)	(3.72)	(3.51)	(2.97)	(−1.06)	(−1.18)	(−3.47)	(−2.41)	(−2.22)	(−2.77)
Main paths															
SEW-P		0.13*	0.09+		0.17**	0.12*		0.15**	0.11+		0.11*		0.02	0.01	0.02**
		(2.17)	(1.68)		(2.82)	(2.17)		(2.59)	(1.94)		(1.99)		(0.42)	(0.23)	(0.35)
Perceived political instability			0.30***			0.34***			0.14*						
			(5.22)			(6.18)			(2.34)						
Alliance proactiveness												0.33***	0.51***		
												(5.06)	(7.95)		
Alliance coordination												0.22**		0.49***	
												(3.22)		(7.35)	
Alliance learning												0.24***			0.47***
												(3.62)			(7.01)
Moderation paths															
SEW-P × PPI			0.16**			0.24***			0.22***						
			(2.84)			(4.32)			(3.74)						
Goodness-of-fit indices															
χ^2/df	1.38	1.34	1.25	1.87	1.41	1.38	1.10	1.08	1.06	1.58	1.38	1.45	1.52	1.31	1.28
CFI	0.98	0.99	0.99	0.97	0.99	0.99	0.99	0.99	0.99	0.98	0.99	0.99	0.99	0.99	0.99
NFI	0.97	0.97	0.97	0.95	0.97	0.97	0.97	0.97	0.97	0.96	0.96	0.97	0.96	0.97	0.97
RMSEA	0.04	0.04	0.02	0.05	0.04	0.03	0.02	0.02	0.02	0.04	0.04	0.04	0.04	0.03	0.03
SRMR	0.02	0.02	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

Note: t-Values in parentheses; † = dummy variable; significance levels: $^{+}p < 0.10$, $^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$.

the moderating effect of perceived PI on the relationship between SEW-P and alliance learning ($\beta = 0.22$, $p < 0.001$).

In H3–c, we argued that the three alliance capabilities mediate the relationship between SEW-P and alliance success. Specifically, H3a was found to be supported as the results showed that the structural path from SEW-P to alliance proactiveness is significant ($\beta = 0.13$, $p < 0.05$) in Model 2, and that alliance proactiveness is significantly related to alliance success ($\beta = 0.33$, $p < 0.001$) in Model 12. Importantly, the significantly positive association between SEW-P and alliance success ($\beta = 0.02$, $p > 0.10$) was found to disappear when this relationship is channelled through alliance proactiveness ($\beta = 0.51$, $p < 0.001$) in Model 13, thereby confirming H3a. For H3b, the path from SEW-P to alliance coordination was found to be significant ($\beta = 0.17$, $p < 0.01$) in Model 5 and alliance coordination was found to be significantly related to alliance success ($\beta = 0.22$, $p < 0.001$) in Model 12. Importantly, the significant, positive association between SEW-P and alliance success was found to disappear ($\beta = 0.01$, $p > 0.10$) when it is channelled through alliance coordination ($\beta = 0.49$, $p < 0.001$) in Model 14, thereby confirming H3b. H3c was also supported, as the path from SEW-P to alliance learning was found to be significant ($\beta = 0.15$, $p < 0.01$) in Model 8 and alliance coordination was found to be significantly related to alliance success ($\beta = 0.24$, $p < 0.001$) in Model 12. Importantly, the significant, positive association between SEW-P and alliance success was found to disappear ($\beta = 0.02$, $p > 0.10$) when this relationship is channelled through alliance coordination ($\beta = 0.47$, $p < 0.001$) in Model 15.

Post-hoc analyses

To confirm the findings of our study, we conducted a robustness analysis in Appendix A.

Discussion and conclusion

The primary goal of this study is to investigate the role of SEW preservation in the alliances formed by family firms. We also considered the effect of political instability as a contextual condition. Reflecting on the analysis and findings, the study makes a number of novel contributions. First, we advance the literature by introducing the SEW-P as a catalyst for alliance success, when mediated by AMC. Therefore, we offer new insights into the *mixed gamble* dilemma (Debellis *et al.*, 2021; Lahiri, Mukherjee and Peng, 2020): family firms need to weigh 'anticipated losses and gains… in both financial and SEW terms' when taking strategic decisions (Gomez-Mejia *et al.*, 2018, p. 1370). More specifically, we demonstrate that this dilemma (i.e. how to benefit from the engagement in risky activities, such as the strategic alliance, while being concerned about SEW-P) can be resolvable by factoring in the perspective of organizational capability. By integrating the SEW and AMC concepts, we theorized and empirically validated a model that explains an indirect association between SEW-P and alliance success dependent on the leveraging of alliance capabilities (proactiveness, coordination and learning). Therefore, we respond to the recent call for investigating 'strategic decisions in which owners attempt to ensure the continued future flows of nonfinancial utilities under uncertainty… these considerations may be particularly important when examining… family firms engaging in strategic alliances' Chirico *et al.* (2019, p. 1372). At the same time, the study provides an alternative view of the so-called 'dark side of SEW' (Kellermanns *et al.*, 2012), where the intention to protect and enhance the SEW endowments can induce family firms to be risk-averse and conservative towards alliances (Lahiri, Mukherjee and Peng, 2020), which can deprive the firm of benefiting from external opportunities (Chirico *et al.*, 2019). By shedding light on the role of AMC as a critical factor for family firms to effectively establish and manage their alliance, we address the limitation in the literature that has been unclear as to how these firms formulate their external collaborative linkages (López-Cózar-Navarro, Benito-Hernández and Platero-Jaime, 2017) and alliances (Gu *et al.*, 2016).

Relatedly, our study contributes to the strategic alliance literature by considering the role of human emotion and social behaviour (Chandler *et al.*, 2020; Gu *et al.*, 2016) and their interaction with organizational aspects such as AMC (Ng, Dayan and Di Benedetto, 2019). That is, while the extant literature identifies several organizational-specific enablers for AMC, including alliance function (Simonin, 1997), experience and structure (Schilke and Goerzen, 2010) and training approach (Draulans *et al.*, 2003), we introduce SEW-P as a novel cognitive factor associated with AMC

of family firms. The three alliance capabilities are organizational routines that demand organizational support and investment to emerge and flourish (Wang and Rajagopalan, 2015). Yet, we show that the cognitive effect of the family business managers and owners (reflected by the desire to retain a strong family identity, exercise authority, conserve clan membership and appoint trusted family members to important posts) can be positively associated with AMC. This is an important contribution, as exploring the effect of 'managerial perceptions and cognitions in shaping firms' capability investment decisions' (Wang and Rajagopalan, 2015, p. 255) has been widely identified as an important future research theme (Al-Tabbaa et al., 2019; Vandaie and Zaheer, 2014).

Secondly, we provide new insights into the effect of turbulence in the institutional environment (as a boundary condition) within the domains of family business and strategic alliance. In this respect, our findings suggest that the positive association between SEW-P and alliance capabilities becomes stronger when the perceived PI increases. This is an important contribution as it offers a different view to the existing assumption that country risk (including political instability) would have a direct negative effect on alliance performance (Luo, 2007; Nielsen, 2007). Instead, our analysis demonstrates that this external condition has a positive indirect effect on alliance success. By exposing the explicit role of AMC as a fundamental and underpinning component in this mechanism, we add to the emerging stream of literature that investigates business response to political instability (Sidki Darendeli and Hill, 2016; Korbi, Ben-Slimane and Triki, 2021). Choosing partners under uncertainty (which is based on heuristics by having access to external information) (i.e. alliance proactiveness), managing potential opportunistic behavior that is driven by weak institutions (i.e. alliance coordination) and the ability to acquire and process relevant information/knowledge reflect (i.e. alliance learning) organizational routines that enable family firms to establish effective alliance and navigate through turbulent environments.

In addition to theoretical, the study provides managerial implications. The analysis shows that family firms, which are concerned about their SEW-P, are likely to succeed in their strategic alliances when alliance capabilities are deployed. Therefore, managers in such companies should aim to systematically develop and utilize these capabilities to benefit from their interactions with external partners. However, building organizational capabilities is typically a time- and resource-consuming process (Bahl *et al.*, 2021), and thus cannot be accomplished without a long-term commitment by the top management team. The evidence provided in the study can demonstrate that this would be a worthy investment. By leveraging these capabilities, the family business can become proactive, rather than reactive, when looking outside their organizational boundaries. Being 'first-mover', these firms can use the proactiveness, coordination and learning skills to sense and seize collaborative opportunities once they emerge in the markets, while being able to carefully tackle potential SEW loss-averse attitudes towards external activities (Tomo *et al*., 2021) that can lead to missing the economic gains of strategic alliance. Furthermore, our study highlights the effect of PI on firms' behaviour. Past research suggests that when encountering destabilizing contextual conditions (such as political conflict and institutional transitions), firms can seek to establish personal and organizational ties with external entities (Bahl *et al.*, 2021; Witte, Burger and Pennings, 2020) to maintain their competitiveness (e.g. access limited resources) and minimize environmental uncertainty (e.g. obtain knowledge that cannot be accessed via typical market transactions). However, empirical studies suggest that the collaboration under such circumstances can be problematic due to the high transaction costs needed to compensate for the weak institutional protection (Allard *et al.*, 2012). Our analysis offers a reconciling view on this, by revealing that the managers of family firms should rely on the alliance capabilities more under the condition of perceived PI. These capabilities will act as a ring-fence (Al-Tabbaa *et al.*, 2019) by enabling the selection of appropriate partners (proactiveness capability) and reconfiguring the co-interaction process to reach a mutually acceptable formula that considers the family SEW-P (i.e. coordination capability), while setting the foundation for a collective working strategy (i.e. learning capability).

Lastly, our study comes with some limitations, which point the way for future research on the topic. First, our sample was drawn from Libyan family firms, which may limit the generalization of our results. Therefore, conducting similar studies in other politically unstable contexts would be required. Furthermore, as our sample focuses ex-

clusively on family-owned firms, researchers are encouraged to devote efforts to extending the validity of our model (and its underpinning relationships) by comparing between the behaviour of family- versus non-family-controlled firms. For example, future research can explore whether (or not) publicly traded family firms behave differently than privately held family firms when they engage in strategic alliance. Second, we examined the effects of the external environment by mainly focusing on the perceived political instability. Future research could thus explore other external factors such as business environment hostility (García-Sánchez *et al.*, 2021) or technological turmoil. Finally, we focused on alliance success as our dependent variable. However, the AMC literature suggests other related variables to be explored, such as overall firm performance, alliance portfolio success and long-term strategic performance (e.g. market share).

References

Aiken, L. S. and S. G. West (1991). *Multiple Regression: Testing and Interpreting Interactions*. Thousand Oaks, CA: SAGE Publications.

Al-Hyari, K., G. Al-Weshah and M. Alnsour (2012). 'Barriers to internationalisation in SMEs: evidence from Jordan', *Marketing Intelligence & Planning*, **30**, pp. 188–211.

Allard, G., C. A. Martinez and C. Williams (2012). 'Political instability, pro-business market reforms and their impacts on national systems of innovation', *Research Policy*, **41**, pp. 638–651.

Al-Tabbaa, O., D. Leach and Z. Khan (2019). 'Examining alliance management capabilities in cross-sector collaborative partnerships', *Journal of Business Research*, **101**, pp. 268–284.

Ambos, T. C., B. Cesinger, F. Eggers and S. Kraus (2020). 'How does de-globalization affect location decisions? A study of managerial perceptions of risk and return', *Global Strategy Journal*, **10**, pp. 210–236.

Armstrong, J. S. and T. S. Overton (1977). 'Estimating nonresponse bias in mail surveys', *Journal of Marketing Research*, **14**, pp. 396–402.

Arregle, J.-L., M. A. Hitt, D. G. Sirmon and P. Very (2007). 'The development of organizational social capital: attributes of family firms', *Journal of Management Studies*, **44**, pp. 73–95.

Arslan, A., I. Golgeci, Z. Khan, O. Al-Tabbaa and P. Hurmelinna-Laukkanen (2021). 'Adaptive learning in cross-sector collaboration during global emergency: conceptual insights in the context of COVID-19 pandemic', *Multinational Business Review*, **29**, pp. 21–42.

Bagozzi, R. P. and Y. Yi (2012). 'Specification, evaluation, and interpretation of structural equation models', *Journal of the Academy of Marketing Science*, **40**, pp. 8–34.

Bagozzi, R. P., Y. Yi and L. W. Phillips. (1991). 'Assessing construct validity in organizational research', *Administrative Science Quarterly*, **36**, pp. 421–458.

Bahl, M., S. Lahiri and D. Mukherjee (2021). 'Managing internationalization and innovation tradeoffs in entrepreneurial firms: evidence from transition economies', *Journal of World Business*, **56**, art. 101150.

Baron, R. M. and D. A. Kenny, (1986). 'The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations', *Journal of personality and social psychology*, **51**, pp. 1173.

Barrett, M. A. and K. Moores (2020). 'The what and how of family business paradox: literature-inspired distillations and directions', *International Small Business Journal*, **38**, pp. 154–183.

Battisti, M. and D. Deakins (2015). 'The relationship between dynamic capabilities, the firm's resource base and performance in a post-disaster environment', *International Small Business Journal*, **35**, pp. 78–98.

Bekaert, G., C. R. Harvey, C. T. Lundblad and S. Siegel (2014). 'Political risk spreads', *Journal of International Business Studies*, **45**, pp. 471–493.

Bell, J., D. Crick and S. Young (2004). 'Small firm internationalization and business strategy: an exploratory study of "knowledge-intensive" and "traditional" manufacturing firms in the UK', *International Small Business Journal*, **22**, pp. 23–56.

Berrone, P., C. Cruz and L. R. Gomez-Mejia (2012). 'Socioemotional Wealth in Family Firms: Theoretical Dimensions, Assessment Approaches, and Agenda for Future Research', *Family Business Review*, **25**, pp. 258–279.

Berrone, P., C. Cruz, L. R. Gomez-Mejia and M. Larraza-Kintana (2010). 'Socioemotional wealth and corporate responses to institutional pressures: do family-controlled firms pollute less?', *Administrative Science Quarterly*, **55**, pp. 82–113.

Bonner, J. M., D. Kim and S. T. Cavusgil (2005). 'Self-perceived strategic network identity and its effects on market performance in alliance relationships', *Journal of Business Research*, **58**, pp. 1371–1380.

Bouncken, R. B., M. Hughes, M. Ratzmann, B. Cesinger and R. Pesch (2020). 'Family firms, alliance governance and mutual knowledge creation', *British Journal of Management*, **31**, pp. 769–791.

Brunetti, A., G. Kisunko and B. Weder (1998). 'Credibility of rules and economic growth: evidence from a worldwide survey of the private sector', *The World Bank Economic Review*, **12**, pp. 353–384.

Cameron, A. C. and P. K. Trivedi (2005). *Microeconometrics: Methods and Applications*. Cambridge: Cambridge University Press.

Carlock, R. S. and J. L. Ward (2001). *Strategic Planning for the Family Business: Parallel Planning to Unify the Family and Business*. Berlin: Springer.

Carney, M. (1998). 'A management capacity constraint? Obstacles to the development of the overseas Chinese family business', *Asia Pacific Journal of Management*, **15**, pp. 137–162.

Carney, M. (2005). 'Corporate governance and competitive advantage in family-controlled firms', *Entrepreneurship Theory and Practice*, **29**, pp. 249–265.

Cesinger, B., M. Hughes, H. Mensching, R. Bouncken, V. Fredrich and S. Kraus (2016). 'A socioemotional wealth perspective on how collaboration intensity, trust, and interna-

tional market knowledge affect family firms' multinationality', *Journal of World Business*, **51**, pp. 586–599.
Chandler, J. A., O. V. Petrenko, A. D. Hill and N. Hayes (2020). 'CEO machiavellianism and strategic alliances in family firms', *Family Business Review*, **34**, pp. 93–115.
Chaudhary, S., A. Dhir, A. Ferraris and B. Bertoldi (2021). 'Trust and reputation in family businesses: a systematic literature review of past achievements and future promises', *Journal of Business Research*, **137**, pp. 143–161.
Chikweche, T. (2013). 'Marketing at the bottom of pyramid: market attractiveness and strategic requirements', *Marketing Intelligence & Planning*, **31**, pp. 764–787.
Chirico, F., L. R. Gómez-Mejia, K. Hellerstedt, M. Withers and M. Nordqvist (2019). 'To merge, sell, or liquidate? Socioemotional wealth, family control, and the choice of business exit', *Journal of Management*, **46**, pp. 1342–1379.
Chung, C.-N. and X. Luo (2008). 'Institutional logics or agency costs: the influence of corporate governance models on business group restructuring in emerging economies', *Organization Science*, **19**, pp. 766–784.
Cirillo, A., J. Huybrechts, D. Mussolino, S. Sciascia and W. Voordeckers (2020). 'Researching family business growth', *European Management Review*, **17**, pp. 733–746.
Cook, T. D., D. T. Campbell and W. Shadish (2002). *Experimental and Quasi-Experimental Designs for Generalized Causal Inference*. Boston, MA: Houghton Mifflin.
Crook, T. R., D. J. Ketchen, J. G. Combs and S. Y. Todd (2008). 'Strategic resources and performance: a meta-analysis', *Strategic Management Journal*, **29**, pp. 1141–1154.
Cruz, C. and M. Nordqvist (2012). 'Entrepreneurial orientation in family firms: a generational perspective', *Small Business Economics*, **38**, pp. 33–49.
Culpepper, P. D. (2005). *Institutional Change in Industrial Relations: Coordination and Common Knowledge in Ireland, Italy and Australia*. Boston, MA: Gunzburg Center for European Studies, Harvard University.
Darendeli, I. S. and T. Hill (2016). 'Uncovering the complex relationships between political risk and MNE firm legitimacy: insights from Libya', *Journal of International Business Studies*, **47**, pp. 68–92.
Daspit, J. J., D. T. Holt, J. J. Chrisman and R. G. Long (2016). 'Examining family firm succession from a social exchange perspective: a multiphase, multistakeholder review', *Family Business Review*, **29**, pp. 44–64.
D'Aveni, R. A., G. B. Dagnino and K. G. Smith (2010). 'The age of temporary advantage', *Strategic Management Journal*, **31**, pp. 1371–1385.
Davvetas, V., A. Diamantopoulos, G. Zaefarian and C. Sichtmann (2020). 'Ten basic questions about structural equations modeling you should know the answers to – but perhaps you don't', *Industrial Marketing Management*, **90**, pp. 252–263.
Debellis, F., A. De Massis, A. Messeni Petruzzelli, F. Frattini and M. Del Giudice (2021). 'Strategic agility and international joint ventures: The willingness-abilityparadox of family firms', *Journal ofInternational Management*, **27**, pp. 100739.
Delios, A. and W. J. Henisz (2003). 'Political hazards, experience, and sequential entry strategies: the international expansion of Japanese firms, 1980–1998', *Strategic Management Journal*, **24**, pp. 1153–1164.
De Massis, A., F. Frattini and U. Lichtenthaler (2013). 'Research on technological innovation in family firms: present debates and future directions', *Family Business Review*, **26**, pp. 10–31.
Deutscher, F., F. B. Zapkau, C. Schwens, M. Baum and R. Kabst (2016). 'Strategic orientations and performance: a configurational perspective', *Journal of Business Research*, **69**, pp. 849–861.
Dhaundiyal, M. and J. Coughlan (2022). 'Extending alliance management capability in individual alliances in the post-formation stage', *Industrial Marketing Management*, **102**, pp. 12–23.
Draulans, J., A.-P. deMan and H. W. Volberda (2003). 'Building alliance capability: management techniques for superior alliance performance', *Long Range Planning*, **36**, pp. 151–166.
Dyer, J. H. and N. W. Hatch (2006). 'Relation-specific capabilities and barriers to knowledge transfers: creating advantage through network relationships', *Strategic Management Journal*, **27**, pp. 701–719.
Dyer, J. H. and K. Nobeoka (2000). 'Creating and managing a high-performance knowledge-sharing network: the Toyota case', *Strategic Management Journal*, **21**, pp. 345–367.
Eddleston, K. A., J. J. Chrisman, L. P. Steier and J. H. Chua (2010). 'Governance and trust in family firms: an introduction', *Entrepreneurship Theory and Practice*, **34**, pp. 1043–1056.
Elbahnasawy, N. G., M. A. Ellis and A. D. Adom (2016). 'Political instability and the informal economy', *World Development*, **85**, pp. 31–42.
Elbanna, S., D. M. Abdelzaher and N. Ramadan (2020). 'Management research in the Arab World: what is now and what is next?', *Journal of International Management*, **26**, art. 100734.
Fang, E., J. Lee, R. Palmatier and Z. Guo (2016). 'Understanding the effects of plural marketing structures on alliance performance', *Journal of Marketing Research*, **53**, pp. 628–645.
Feng, Y., D. Teng and B. Hao (2019). 'Joint actions with large partners and small-firm ambidexterity in asymmetric alliances: the mediating role of relational identification', *International Small Business Journal*, **37**, pp. 689–712.
Feranita, F., J. Kotlar and A. De Massis (2017). 'Collaborative innovation in family firms: past research, current debates and agenda for future research', *Journal of Family Business Strategy*, **8**, pp. 137–156.
Firfiray, S., C. Cruz, I. Neacsu and L. R. Gomez-Mejia (2018). 'Is nepotism so bad for family firms? A socioemotional wealth approach', *Human Resource Management Review*, **28**, pp. 83–97.
Fitz-Koch, S. and M. Nordqvist (2017). 'The reciprocal relationship of innovation capabilities and socioemotional wealth in a family firm', *Journal of Small Business Management*, **55**, pp. 547–570.
Flatten, T. C., G. I. Greve and M. Brettel (2011). 'Absorptive capacity and firm performance in SMEs: the mediating influence of strategic alliances', *European Management Review*, **8**, pp. 137–152.
Fornell, C. and D. F. Larcker (1981). 'Evaluating structural equation models with unobservable variables and measurement error', *Journal of Marketing Research*, **18**, pp. 39–50.
García-Sánchez, I.-M., J. Martín-Moreno, S. A. Khan and N. Hussain (2021). 'Socio-emotional wealth and corporate responses to environmental hostility: are family firms more stakeholder oriented?', *Business Strategy and the Environment*, **30**, pp. 1003–1018.
Giambona, E., J. R. Graham and C. R. Harvey (2017). 'The management of political risk', *Journal of International Business Studies*, **48**, pp. 523–533.

Gils, A. V., W. Voordeckers and J. van den Heuvel (2004). 'Environmental uncertainty and strategic behavior in Belgian family firms', *European Management Journal*, **22**, pp. 588–595.

Gómez-Mejía, L., K. Haynes, M. Núñez-Nickel, K. Jacobson and J. Moyano-Fuentes (2007). 'Socioemotional wealth and business risks in family-controlled firms: evidence from Spanish olive oil mills', *Administrative Science Quarterly*, **52**, pp. 106–137.

Gomez-Mejia, L. R., J. T. Campbell, G. Martin, R. E. Hoskisson, M. Makri and D. G. Sirmon (2014). 'Socioemotional wealth as a mixed gamble: revisiting family firm R&D investments with the behavioral agency model', *Entrepreneurship Theory and Practice*, **38**, pp. 1351–1374.

Gómez-Mejia, L. R., F. Chirico, G. Martin and M. Baù (2022). 'Best among the worst or worst among the best? Socioemotional wealth and risk–performance returns for family and non-family firms under financial distress', *Entrepreneurship Theory and Practice*, https://doi.org/10.1177/10422587211057420.

Gomez-Mejia, L. R., C. Cruz, P. Berrone and J. De Castro (2011). 'The bind that ties: socioemotional wealth preservation in family firms', *Academy of Management Annals*, **5**, pp. 653–707.

Gómez-Mejía, L. R. and I. Herrero (2022). 'Back to square one: the measurement of socioemotional wealth (SEW)', *Journal of Family Business Strategy*, 10.1016/j.jfbs.2021.100480.

Gomez-Mejia, L. R., I. Neacsu and G. Martin (2017). 'CEO risk-taking and socioemotional wealth: the behavioral agency model, family control, and CEO option wealth', *Journal of Management*, **45**, pp. 1713–1738.

Gomez-Mejia, L. R., P. C. Patel and T. M. Zellweger (2018). 'In the horns of the dilemma: socioemotional wealth, financial wealth, and acquisitions in family firms', *Journal of Management*, **44**, pp. 1369–1397.

Grant, R. M. and C. Baden-Fuller (2004). 'A knowledge accessing theory of strategic alliances', *Journal of Management Studies*, **41**, pp. 61–84.

Graves, C. and J. Thomas (2004). 'Internationalisation of the family business: a longitudinal perspective', *International Journal of Globalisation and Small Business*, **1**, pp. 7–27.

Gu, Q., J. W. Lu and C.-N. Chung (2019). 'Incentive or disincentive? A socioemotional wealth explanation of new industry entry in family business groups', *Journal of Management*, **45**, pp. 645–672.

Gulati, R., P. R. Lawrence and P. Puranam (2005). 'Adaptation in vertical relationships: beyond incentive conflict', *Strategic Management Journal*, **26**, pp. 415–440.

Gyimah-Brempong, K. and T. Traynor (1999). 'Political instability, investment and economic growth in Sub-Saharan Africa', *Journal of African Economies*, **8**, pp. 52–86.

Hair, J., W. Black, B. Babin and R. Anderson (2015). *Multivariate Data Analysis*. Hoboken, NJ: Pearson Education.

Harman, H.H. (1967) *Modern Factor Analysis*. University Press of Chicago, Chicago.

Hayes, A. F. (2013). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. Guilford Press.

Heimeriks, K. H. and G. Duysters (2007). 'Alliance capability as a mediator between experience and alliance performance: an empirical investigation into the alliance capability development process', *Journal of Management Studies*, **44**, pp. 25–49.

Herbane, B. (2019). 'Rethinking organizational resilience and strategic renewal in SMEs', *Entrepreneurship & Regional Development*, **31**, pp. 476–495.

Hernández-Perlines, F., J. G. Covin and D. E. Ribeiro-Soriano (2021). 'Entrepreneurial orientation, concern for socioemotional wealth preservation, and family firm performance', *Journal of Business Research*, **126**, pp. 197–208.

Herrero, I. and M. Hughes (2019). 'When family social capital is too much of a good thing', *Journal of Family Business Strategy*, **10**, art. 100271.

Hillebrand, S., T. Teichert and J. Steeger (2020). 'Innovation in family firms: an agency and resource-based lens on contingencies of generation and management diversity', *British Journal of Management*, **31**, pp. 792–810.

Hughes, M., M. Filser, R. Harms, S. Kraus, M.-L. Chang and C.-F. Cheng (2018). 'Family firm configurations for high performance: the role of entrepreneurship and ambidexterity', *British Journal of Management*, **29**, pp. 595–612.

Hussinger, K. and A.-B. Issah (2019). 'Firm acquisitions by family firms: a mixed gamble approach', *Family Business Review*, **32**, pp. 354–377.

Hweio, H. (2012). 'Tribes in Libya: from social organization to political power', *African Conflict and Peacebuilding Review*, **2**, pp. 111–121.

Iacobucci, D., N. Saldanha and X. Deng (2007). 'A meditation on mediation: evidence that structural equations models perform better than regressions', *Journal of Consumer Psychology*, **17**, pp. 139–153.

Jiang, X., F. Jiang, S. Sheng and G. Wang (2020). 'A moderated mediation model linking entrepreneurial orientation to strategic alliance performance', *British Journal of Management*, **32**, pp. 1338–1358.

John, A. and T. C. Lawton (2018). 'International political risk management: perspectives, approaches and emerging agendas', *International Journal of Management Reviews*, **20**, pp. 847–879.

Kale, P. and H. Singh (2007). 'Building firm capabilities through learning: the role of the alliance learning process in alliance capability and firm-level alliance success', *Strategic Management Journal*, **28**, pp. 981–1000.

Kandemir, D., A. Yaprak and S. T. Cavusgil (2006). 'Alliance orientation: conceptualization, measurement, and impact on market performance', *Journal of the Academy of Marketing Science*, **34**, pp. 324–340.

Kauppila, O. (2015). 'Alliance management capability and firm performance: using resource-based theory to look inside the process black box', *Long Range Planning*, **48**, pp. 151–167.

Kellermanns, F. W., K. A. Eddleston, T. Barnett and A. Pearson (2008). 'An exploratory study of family member characteristics and involvement: effects on entrepreneurial behavior in the family firm', *Family Business Review*, **21**, pp. 1–14.

Kellermanns, F. W., K. A. Eddleston and T. M. Zellweger (2012). 'Article commentary: extending the socioemotional wealth perspective: a look at the dark side', *Entrepreneurship Theory and Practice*, **36**, pp. 1175–1182.

Khodr, H. and I. Ruble (2013). 'Energy policies and domestic politics in the MENA region in the aftermath of the Arab upheavals: the cases of Lebanon, Libya, and KSA', *Politics & Policy*, **41**, pp. 656–689.

Kieh, G. K. (2009). 'The state and political instability in Africa', *Journal of Developing Societies*, **25**, pp. 1–25.

King, D. R., O. Meglio, L. Gomez-Mejia, F. Bauer and A. De Massis (2021). 'Family business restructuring: a review and research agenda', *Journal of Management Studies*, **59**, pp. 197–235.

Klein, S. B., J. H. Astrachan and K. X. Smyrnios (2005). 'The F–PEC scale of family influence: construction, validation, and further implication for theory', *Entrepreneurship Theory and Practice*, **29**, pp. 321–339.

Kline, R. B. (2015). *Principles and Practice of Structural Equation Modeling*. New York: Guilford Press.

Kohtamäki, M., R. Rabetino and K. Möller (2018). 'Alliance capabilities: a systematic review and future research directions', *Industrial Marketing Management*, **68**, pp. 188–201.

Kontinen, T. and A. Ojala (2012). 'Internationalization pathways among family-owned SMEs', *International Marketing Review*, **29**, pp. 496–518.

Korbi, F. B., K. Ben-Slimane and D. Triki (2021). 'How do international joint ventures build resilience to navigate institutional crisis? The case of a Tunisian-French IJV during the Arab-Spring', *Journal of Business Research*, **129**, pp. 157–168.

Kotlar, J. and P. Sieger (2019). 'Bounded rationality and bounded reliability: a study of nonfamily managers' entrepreneurial behavior in family firms', *Entrepreneurship Theory and Practice*, **43**, pp. 251–273.

Krammer, S. M. (2018). 'A double-edged sword? The antipodal effects of institutional distance on partner selection in cross-border alliances', *Journal of World Business*, **53**, pp. 930–943.

Kwok, F., P. Sharma, S. S. Gaur and A. Ueno (2019). 'Interactive effects of information exchange, relationship capital and environmental uncertainty on international joint venture (IJV) performance: an emerging markets perspective', *International Business Review*, **28**, art. 101481.

Lababidi, H. C., R. Lababidi, M. Colak and M. Dayan (2020). 'Contingency effects of firm structure and environmental uncertainty on strategic planning process and firm performance: evidence from UAE enterprises', *Strategic Change*, **29**, pp. 241–252.

Lacher, W. (2011). 'Families, tribes and cities in the Libyan revolution', *Middle East Policy*, **18**, p. 140.

Lahiri, S., D. Mukherjee and M. W. Peng (2020). 'Behind the internationalization of family SMEs: a strategy tripod synthesis', *Global Strategy Journal*, **10**, pp. 813–838.

Lambe, C. J., R. E. Spekman and S. D. Hunt (2002). 'Alliance competence, resources, and alliance success: conceptualization, measurement, and initial test', *Journal of the Academy of Marketing Science*, **30**, pp. 141–158.

Le Breton-Miller, I. and D. Miller (2006). 'Why do some family businesses out-compete? Governance, long-term orientations, and sustainable capability', *Entrepreneurship Theory and Practice*, **30**, pp. 731–746.

Leischnig, A. and A. Geigenmüller (2018). 'When does alliance proactiveness matter to market performance? A comparative case analysis', *Industrial Marketing Management*, **74**, pp. 79–88.

Leischnig, A. and A. Geigenmüller (2020). 'Examining alliance management capabilities in university–industry collaboration', *The Journal of Technology Transfer*, **45**, pp. 9–30.

Leitterstorf, M. P. and S. B. Rau (2014). 'Socioemotional wealth and IPO underpricing of family firms', *Strategic Management Journal*, **35**, pp. 751–760.

Li, Z. and J. J. Daspit (2016). 'Understanding family firm innovation heterogeneity: a typology of family governance and socioemotional wealth intentions', *Journal of Family Business Management*, **6**, pp. 103–121.

Liang, X., X. Lu and L. Wang (2012). 'Outward internationalization of private enterprises in China: the effect of competitive advantages and disadvantages compared to home market rivals', *Journal of World Business*, **47**, pp. 134–144.

Liao, T.-J. and C.-M. J. Yu (2012). 'Knowledge transfer, regulatory support, legitimacy, and financial performance: the case of foreign firms investing in China', *Journal of World Business*, **47**, pp. 114–122.

Lin, W.-T. and L. C. Wang (2021). 'Family firms, R&D, and internationalization: the stewardship and socio-emotional wealth perspectives', *Asia Pacific Journal of Management*, **38**, pp. 91–119.

Little, T. D., J. A. Bovaird and K. F. Widaman (2006). 'On the merits of orthogonalizing powered and product terms: implications for modeling interactions among latent variables', *Structural Equation Modeling: A Multidisciplinary Journal*, **13**, pp. 497–519.

Lohe, F.-W., A. Calabrò and M. Torchia (2021). 'Disentangling the drivers of family firms internationalization through the lens of socioemotional wealth', *Journal of International Entrepreneurship*, **19**, pp. 1–31.

López-Cózar-Navarro, C., S. Benito-Hernández and M. Platero-Jaime (2017). 'The influence of cooperative relations on geographical expansion and diversification strategies in family firms', *International Business Review*, **26**, pp. 764–773.

Luo, Y. (2002). 'Building trust in cross-cultural collaborations: toward a contingency perspective', *Journal of Management*, **28**, pp. 669–694.

Luo, Y. (2007). 'Are joint venture partners more opportunistic in a more volatile environment?', *Strategic Management Journal*, **28**, pp. 39–60.

Mansour, H. E. L., K. Holmes, B. Butler and S. Ananthram (2019). 'Developing dynamic capabilities to survive a crisis: tourism organizations' responses to continued turbulence in Libya', *International Journal of Tourism Research*, **21**, pp. 493–503.

Marinković, M., O. Al-Tabbaa, Z. Khan and J. Wu (2022). 'Corporate foresight: a systematic literature review and future research trajectories', *Journal of Business Research*, **144**, pp. 289–311.

McCarthy, I. P., T. B. Lawrence, B. Wixted and B. R. Gordon (2010). 'A multidimensional conceptualization of environmental velocity', *Academy of Management Review*, **35**, pp. 604–626.

McLean, G., K. Al-Nabhani and A. Wilson (2018). 'Developing a mobile applications customer experience model (MACE) – implications for retailers', *Journal of Business Research*, **85**, pp. 325–336.

Metsola, J., L. Torkkeli, T. Leppäaho, P. Arenius and M. Haapanen (2021). 'Socioemotional wealth and networking in the internationalisation of family SMEs'. In T. Leppäaho and S. Jack (eds), *The Palgrave Handbook of Family Firm Internationalization*, pp. 63–101. Cham: Palgrave Macmillan.

Miller, D. and I. Le Breton-Miller (2005). 'Management insights from great and struggling family businesses', *Long Range Planning*, **38**, pp. 517–530.

Miller, D. and I. Le Breton-Miller (2014). 'Deconstructing socioemotional wealth', *Entrepreneurship Theory and Practice*, **38**, pp. 713–720.

Milliken, F. J. (1987). 'Three types of perceived uncertainty about the environment: state, effect, and response uncertainty', *Academy of Management Review*, **12**, pp. 133–143.

Molina-Morales, F. X., M. T. Martínez-Fernández and V. J. Torlò (2011). 'The dark side of trust: the benefits, costs and optimal levels of trust for innovation performance', *Long Range Planning*, **44**, pp. 118–133.

Monteiro, F. and J. Birkinshaw (2017). 'The external knowledge sourcing process in multinational corporations', *Strategic Management Journal*, **38**, pp. 342–362.

Moshtari, M. (2016). 'Inter-organizational fit, relationship management capability, and collaborative performance within a humanitarian setting', *Production and Operations Management*, **25**, pp. 1542–1557.

Nadeem, M. A., Z. Liu, H. S. Ali, A. Younis, M. Bilal and Y. Xu (2020). 'Innovation and sustainable development: does aid and political instability impede innovation?', *SAGE Open*, **10**, https://doi.org/10.1177/2158244020973021.

Naldi, L., C. Cennamo, G. Corbetta and L. Gomez–Mejia (2013). 'Preserving socioemotional wealth in family firms: asset or liability? The moderating role of business context', *Entrepreneurship Theory and Practice*, **37**, pp. 1341–1360.

Ng, P. Y., M. Dayan and A. Di Benedetto (2019). 'Performance in family firm: influences of socioemotional wealth and managerial capabilities', *Journal of Business Research*, **102**, pp. 178–190.

Nielsen, B. B. (2007). 'Determining international strategic alliance performance: a multidimensional approach', *International Business Review*, **16**, pp. 337–361.

Niesten, E. and A. Jolink (2015). 'The impact of alliance management capabilities on alliance attributes and performance: a literature review', *International Journal of Management Reviews*, **17**, pp. 69–100.

Nunnally, J. C. (1978). *Psychometric Theory*. New York: McGraw-Hill Education.

O'Dwyer, M. and A. Gilmore (2018). 'Value and alliance capability and the formation of strategic alliances in SMEs: the impact of customer orientation and resource optimisation', *Journal of Business Research*, **87**, pp. 58–68.

OECD (2016). *SMEs in Libya's Reconstruction: Preparing for a Post-Conflict Economy*. Paris: OECD.

Pavlou, P. A. and O. A. El Sawy (2006). 'From IT leveraging competence to competitive advantage in turbulent environments: the case of new product development', *Information Systems Research*, **17**, pp. 198–227.

Pielsticker, D. I. and M. R. Hiebl (2020). 'Survey response rates in family business research', *European Management Review*, **17**, pp. 327–346.

Pittino, D. and F. Visintin (2011). 'The propensity toward interorganizational cooperation in small- and medium-sized family businesses', *Journal of Family Business Strategy*, **2**, pp. 57–68.

Preacher, K. J. and A. F. Hayes (2004). 'SPSS and SAS procedures for estimating indirect effects in simple mediation models', *Behavior Research Methods, Instruments, & Computers*, **36**, pp. 717–731.

Preacher, K. J. and A. F. Hayes (2008). 'Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models', *Behavior Research Methods*, **40**, pp. 879–891.

Prügl, R. and D. I. Spitzley (2021). 'Responding to digital transformation by external corporate venturing: an enterprising family identity and communication patterns perspective', *Journal of Management Studies*, **58**, pp. 135–164.

Quinn, J. B. (2000). 'Outsourcing innovation: the new engine of growth', *Sloan Management Review*, **41**, pp. 13–28.

Rothaermel, F. T. and D. L. Deeds (2006). 'Alliance type, alliance experience and alliance management capability in high-technology ventures', *Journal of Business Venturing*, **21**, pp. 429–460.

Rubin, D. B. (2008). 'For objective causal inference, design trumps analysis', *The Annals of Applied Statistics*, **2**, pp. 808–840.

Saadatyar, F. S., O. Al-Tabbaa, G. B. Dagnino and Z. Vazife (2020). 'Industrial clusters in the developing economies: insights from the Iranian carpet industry', *Strategic Change*, **29**, pp. 227–239.

Sageder, M., C. Mitter and B. Feldbauer-Durstmüller (2018). 'Image and reputation of family firms: a systematic literature review of the state of research', *Review of Managerial Science*, **12**, pp. 335–377.

Sarkar, M., Echambadi, R. and Harrison, J.S. (2001). 'Alliance entrepreneurship and firm market performance', *Strategic Management Journal*, **22**, pp. 701–711.

Schepers, J., W. Voordeckers, T. Steijvers and E. Laveren (2014). 'The entrepreneurial orientation-performance relationship in private family firms: the moderating role of socioemotional wealth', *Small Business Economics*, **43**, pp. 39–55.

Schilke, O. and A. Goerzen (2010). 'Alliance management capability: an investigation of the construct and its measurement', *Journal of Management*, **36**, pp. 1192–1219.

Schilling, M. A. and H. K. Steensma (2001). 'The use of modular organizational forms: an industry-level analysis', *Academy of Management Journal*, **44**, pp. 1149–1168.

Scholes, L., M. Mustafa and S. Chen (2016). 'Internationalization of small family firms: the influence of family from a socioemotional wealth perspective', *Thunderbird International Business Review*, **58**, pp. 131–146.

Schreiner, M., P. Kale and D. Corsten (2009). 'What really is alliance management capability and how does it impact alliance outcomes and success?', *Strategic Management Journal*, **30**, pp. 1395–1419.

Sciascia, S., P. Mazzola and F. W. Kellermanns (2014). 'Family management and profitability in private family-owned firms: introducing generational stage and the socioemotional wealth perspective', *Journal of Family Business Strategy*, **5**, pp. 131–137.

Shareia, B. F. and H. Irvine (2014). 'The impact of accounting information in the Libyan economy: a qualitative case study approach', *American International Journal of Contemporary Research*, **4**, pp. 61–81.

Shi, W., B. L. Connelly and J. Li (2022). 'Excess control rights in family firms: a socioemotional wealth perspective', *Corporate Governance: An International Review*, 10.1111/corg.12429.

Simonin, B. L. (1997). 'The importance of collaborative know-how: an empirical test of the learning organization', *The Academy of Management Journal*, **40**, pp. 1150–1174.

Sirmon, D. G. and M. A. Hitt (2003). 'Managing resources: linking unique resources, management, and wealth creation

in family firms', *Entrepreneurship Theory and Practice*, **27**, pp. 339–358.
Sluyts, K., P. Matthyssens, R. Martens and S. Streukens (2011). 'Building capabilities to manage strategic alliances', *Industrial Marketing Management*, **40**, pp. 875–886.
Srivastava, M., R. Moser and E. Hartmann (2018). 'The networking behavior of Indian executives under environmental uncertainty abroad: an exploratory analysis', *Journal of Business Research*, **82**, pp. 230–245.
Stanley, L. J. (2010). 'Emotions and family business creation: an extension and implications', *Entrepreneurship Theory and Practice*, **34**, pp. 1085–1092.
Svensson, G., T. Mysen and J. Payan (2010). 'Balancing the sequential logic of quality constructs in manufacturing-supplier relationships – causes and outcomes', *Journal of Business Research*, **63**, pp. 1209–1214.
Tasavori, M., R. Zaefarian and T.-Y. Eng (2018). 'Internal social capital and international firm performance in emerging market family firms: the mediating role of participative governance', *International Small Business Journal*, **36**, pp. 887–910.
Teece, D. J. (2007). 'Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance', *Strategic Management Journal*, **28**, pp. 1319–1350.
Todeva, E. and D. Knoke (2005). 'Strategic alliances and models of collaboration', *Management Decision*, **43**, pp. 123–148.
Tomo, A., G. Mangia, M. Pezzillo Iacono and P. Canonico (2021). 'Family firms going international: integrating corporate identity-building processes and socioemotional wealth dimensions', *European Management Review*, **19**, pp. 38–52.
Vandaie, R. and A. Zaheer (2014). 'Surviving bear hugs: firm capability, large partner alliances, and growth', *Strategic Management Journal*, **35**, pp. 566–577.
Vandekerkhof, P., T. Steijvers, W. Hendriks and W. Voordeckers (2014). 'The effect of organizational characteristics on the appointment of nonfamily managers in private family firms: the moderating role of socioemotional wealth', *Family Business Review*, **28**, pp. 104–122.
Vandekerkhof, P., T. Steijvers, W. Hendriks and W. Voordeckers (2018). 'Socio-emotional wealth separation and decision-making quality in family firm TMTs: the moderating role of psychological safety', *Journal of Management Studies*, **55**, pp. 648–676.
Wang, K., M. M. Pellegrini, J. Xue and C. Wang (2020). 'Environment uncertainty and a firm's strategic change the moderating role of political connection and family ownership', *Journal of Family Business Management*, **10**, pp. 313–327.
Wang, Y. and N. Rajagopalan (2015). 'Alliance capabilities: review and research agenda', *Journal of Management*, **41**, pp. 236–260.
Witte, C. T., M. J. Burger and E. Pennings (2020). 'When political instability devaluates home–host ties', *Journal of World Business*, **55**, art. 101077.
Xie, X., G. Qi and K. X. Zhu (2019). 'Corruption and new product innovation: examining firms' ethical dilemmas in transition economies', *Journal of Business Ethics*, **160**, pp. 107–125.
Yang, W. and K. E. Meyer (2019). 'Alliance proactiveness and firm performance in an emerging economy', *Industrial Marketing Management*, **82**, pp. 226–237.
Yu, A., G. T. Lumpkin, K. Praveen Parboteeah and J. E. Stambaugh (2019). 'Autonomy and family business performance: the joint effect of environmental dynamism and national culture', *International Small Business Journal*, **37**, pp. 153–185.
Zahra, S. A. (2018). 'Entrepreneurial risk taking in family firms: the wellspring of the regenerative capability', *Family Business Review*, **31**, pp. 216–226.
Zellweger, T. M., R. S. Nason and M. Nordqvist (2012). 'From longevity of firms to transgenerational entrepreneurship of families: introducing family entrepreneurial orientation', *Family Business Review*, **25**, pp. 136–155.

Appendix A

Post-hoc analyses

To confirm the findings of our study, we conducted a robustness analysis using the PROCESS macro software (Preacher and Hayes, 2004, 2008). Table A1 presents the estimates, standard errors and corresponding confidence interval (CI) lower and upper levels. The 95% bias-corrected CI for the moderation effect, using bootstrapping 5000 samples, was found to be positive and not contain zero (Preacher and Hayes, 2008). These results thus support the moderation effects of PI, hence formally confirming H2.

Table A1. Moderation effects of perceived political instability using PROCESS macro

		95% CI	
Paths	Effects	LL	UL
SEW-P → alliance proactiveness	0.22**	0.09	0.36
SEW-P → alliance coordination	0.29***	0.16	0.42
SEW-P → alliance learning	0.28***	0.15	0.42

Note: CI = confidence interval; *p < 0.05; **p < 0.01; ***p < 0.001.

To interpret the significance of the moderation effect, we followed recommended practices (e.g. Aiken and West, 1991) and plotted: (1) the effect of the interaction between SEW-P and perceived PI on alliance proactiveness; (2) the effect of the interaction between SEW-P and PI on alliance coordination; and (3) the effect of the interaction between SEW-P and perceived PI on alliance learning. The results are shown in graph form in Figures A1a–c. Figure A1a shows that alliance proactiveness increases significantly only at higher levels of SEW-P and perceived PI, while Figure A1b shows that alliance coordination increases at high levels of SEW-P and perceived PI and Figure A1c reveals that alliance learning increases at higher levels of SEW-P and perceived PI. The three graphs provide support for H2a–c.

Furthermore, we tested the mediation effect of AMC for SEW-P and the alliance success relationship using the PROCESS macro (Hayes, 2013). As shown in Table A2, our results were found to provide support for the mediation effect of alliance proactiveness for the SEW-P and alliance success relationship (indirect effect = 0.06; LLCI = 0.001 – ULCI = 0.13), thus confirming H3a. Further, the results were found to provide support for H3b because the effect of SEW-P on alliance success is channelled through alliance coordination (indirect effect = 0.05; LLCI = 0.01 – ULCI = 0.11). Our findings were also found to confirm that alliance learning mediates the effect of SEW-P on alliance success (indirect effect = 0.06; LLCI = 0.01 – ULCI = 0.12), thereby supporting H3c.

Additionally, the mediation effect was verified using the Sobel (2.24, $p < 0.05$), Aroian (2.23, $p < 0.05$) and Goodman (2.26, $p < 0.05$) tests, which confirmed that the relationship between SEW-P and alliance success is mediated by alliance proactiveness. The mediating role of alliance coordination for the relationship between SEW-P and alliance success was also supported by the results of the Sobel (2.37, $p < 0.05$), Aroian (2.35, $p < 0.05$) and Goodman (2.39, $p < 0.05$) tests, which also confirmed – Sobel test: 2.43, $p < 0.05$; Aroian test: 2.41, $p < 0.05$; Goodman test: 2.45, $p < 0.05$ – the mediating role of alliance learning for the SEW-P and alliance success relationship.

Moreover, while we conceptualized alliance proactiveness, coordination and learning as three unique dimensions of AMC, it could be argued that their interaction may have a greater predictive effect for alliance success. Hence, we tested the mediation effect of the interaction of alliance proactiveness, coordination and learning in the SEW-P and alliance success relationship. However, we did not find support for it (indirect effect = 0.04; $p > 0.05$, LLCI = −0.05 – ULCI = 0.14).

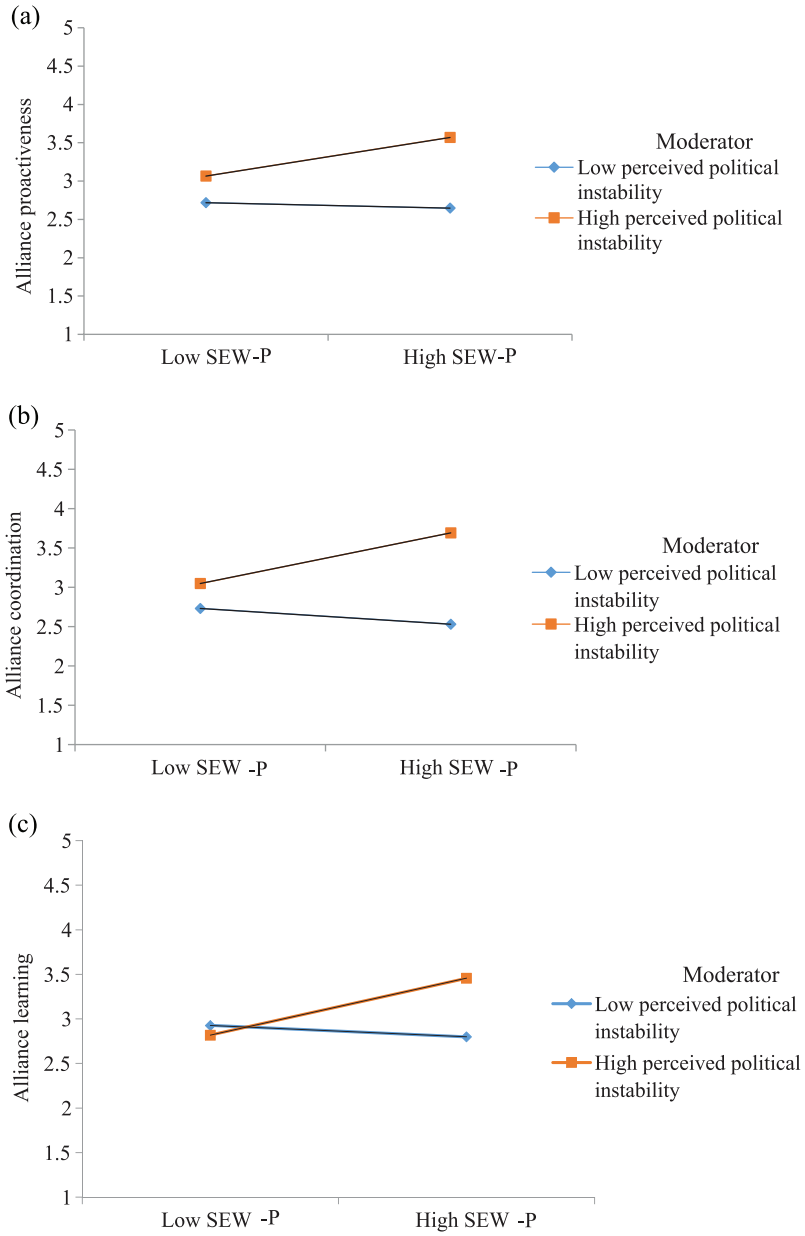

Figure A1. (a) Interaction effect of SEW-P and perceived political instability on alliance proactiveness. *(b) Interaction effect of SEW-P and perceived political instability on alliance* coordination. *(c) Interaction effect of SEW-P and perceived political instability on alliance* learning. *[Colour figure can be viewed at wileyonlinelibrary.com]*

Table A2. Mediation effects using PROCESS macro, Sobel, Aroian and Goodman tests

		95% CI				
Paths	Effects	LL	UL	Sobel	Aroian	Goodman
SEW-P → alliance success via alliance proactiveness	0.06	−0.001	0.13	2.09*	2.07*	2.09*
SEW-P → alliance success via alliance coordination	0.05	0.01	0.11	2.37*	2.35*	2.39*
SEW-P → alliance success via alliance learning	0.06	0.01	0.12	2.43*	2.41*	2.45*

**Note*: CI = confidence interval; $^{*}p < 0.05$; $^{**}p < 0.01$; $^{***}p < 0.001$.

Omar Al-Tabbaa is an Associate Professor in International Business and a Director of Research at Leeds University Business School. His key research areas include inter-organizational relationships (including SME co-internationalization, university–industry ties, global value chains strategy and social co-innovation), business model innovation and scalability of digital platforms, and the methodology of systematic literature review.

Abdalhamed Nasr is a research fellow at the University of Huddersfield Business School. His research focuses on the phenomenon of strategic alliance and family business development in emerging economies.

Nadia Zahoor is a Lecturer at the University of Strathclyde, UK. She completed her PhD in Management at the University of Huddersfield, UK. Her research interests are strategic alliances, global strategy, innovation and organizational resilience. Her research has been published in mainstream journals, including the *International Marketing Review*, *Journal of Business Research*, *Business Strategy and the Environment*, *International Small Business Journal* and *International Journal of Management Reviews*.

Muthu De Silva is a Reader (Associate Professor) in Entrepreneurship and Innovation at Birkbeck, University of London, UK. Her research contributes to our knowledge on co-creation. She has published in world-leading (ABS 4*/3*) journals such as *Research Policy*, *Journal of Organizational Behaviour*, *British Journal of Management*, *International Small Business Journal*, *Technological Forecasting and Social Change*, *Journal of Business Research*, *Industrial Marketing Management*, *R&D Management*, *Technovation*, *International Business Review* and *Studies in Higher Education*.