We conceptualize portfolio entrepreneurship (PE) decisions as a “mixed gamble” in which family entrepreneurs weigh potential gain and loss outcomes and analyze the unique socioemotional wealth tradeoffs implied by this strategic decision. Our theory suggests that, in small and medium enterprises contexts, family entrepreneurs will be more likely to engage in PE than non-family entrepreneurs. In addition, our framework explores the amplifying effect of age, gender and ethnic origin on the likelihood to take the PE gamble.

Introduction

The socioemotional wealth (SEW) approach to family business (see work of Gómez-Mejia and colleagues) has been often employed to explain differences between family and non-family firms on certain entrepreneurial outcomes such as R&D investments (Chrisman and Patel 2012; Gómez-Mejia et al. 2014b; Patel and Chrisman 2014) or technological innovations (Block et al. 2013). Broadly speaking, this perspective posits that family owners risk taking decision is motivated by loss aversion with respect to its stock of SEW (Gómez-Mejia et al. 2007, 2011). Family owners’ entrepreneurial activity is therefore depicted as a protective reaction to an adverse situation that threatens family SEW, rather than as a deliberate practice. Yet if family ownership is intrinsically at odds with entrepreneurial behavior, then how can we explain the prevalence (Litz, Pearson, and Litchfield 2012), and sometimes superior economic performance (Amit and Villalonga 2013) of family firms around the world?

The SEW has been recently revisited by Gómez-Mejia et al. (2013), Gómez-Mejia, Cruz, and Imperatore (2014a), Gómez-Mejia et al. (2014b) who incorporated the concept of “mixed gambles” from behavioral studies to overcome this partial view of risk-taking in family firms (Bromley 2009; Martin, Gómez-Mejia, and Wiseman 2013). Their SEW mixed gamble logic posits that family owners are not only conscious of potential SEW losses when making strategic decisions; they also put the SEW gains into consideration. If family owners foresee that they could further grow the existing stock of SEW by assuming risks, this would attenuate their inherent aversion toward SEW loss resulting from such risk-taking behavior (Gómez-Mejia et al. 2014a). That would make them more likely to take the gamble, that is, to take risky (strategic and entrepreneurial) decisions (Gómez-Mejia, Patel, and Zellweger 2015).

Interestingly, empirical studies applying the SEW mixed gamble logic neglect situations in which family owners would take more risks than their non-family counterparts. This is due to the fact that, in all the empirical settings that have been examined so far (e.g., R&D decisions in high technological sectors), SEW gains are probable (and even highly speculative), in comparison to corresponding SEW losses which are seen as fairly certain (Gómez-Mejia et al. 2014b). Thus, despite theoretical advancements,
existent applications of the SEW gamble logic perpetuates the view of family owners as risk-averse decision-makers in the absence of major threats.

In this article, we attempt to enlarge the predictive validity of the SEW mixed gamble logic by applying it to a particular context, portfolio entrepreneurship (PE) decisions in small and medium enterprises (SMEs), in which we claim that the evaluation of SEW potential gains clearly outweigh SEW losses, fostering entrepreneurial behavior among family owners. According to Westhead et al. (2005), a portfolio entrepreneur can be defined as "an individual who currently has majority or minority ownership stakes in two or more independent businesses." Therefore, we compare the propensity of family entrepreneurs versus non-family entrepreneurs to engage in multiple business ownership (PE) in SME contexts under the SEW mixed gamble logic. Furthermore, we analyze some individual boundary conditions that may affect such propensity for PE among family and non-family entrepreneurs.

Our main contention is that in comparison to their non-family counterparts, family entrepreneurs need to weigh concurrently, the likelihood of gains and losses of their actions both in the firm's financial bottom line and in the family's stock of SEW (Gómez-Mejia, Patel, and Zellweger 2015). In our theoretical model, we explain how this can influence their likelihood to engage in PE. We test our model in an empirical setting—SMEs1—in which PE research is rooted (Plate, Schiede, and von Schlippe 2010) and that has been frequently employed to analyze the family drivers of such activity (Carter and Ram 2003; Plate, Schiede, and von Schlippe 2010; Ram 1994). We claim that in the case of family entrepreneurs, the SME context amplifies the SEW benefits associated with successful PE while decreasing the assessment of potential SEW losses. This would explain the prevalence of PE among SMEs family entrepreneurs.

In addition, acknowledging that family firms and their owners are heterogeneous (Chrisman et al. 2007; Melin and Nordqvist 2007; Westhead and Howorth 2007), we examine three individual characteristics that will influence the degree to which the family entrepreneurs' mixed gamble would differ from non-family entrepreneurs' (namely entrepreneur's age, gender, and ethnic origin). Our major reasoning is that each of these characteristics would affect the weighing of potential SEW gains and losses associated with PE decisions, altering the final outcome of the mixed gamble.

Our work makes several scholarly contributions. First, we provide a foundation for employing the SEW mixed gamble framework more broadly in family business research.

Our model suggests that for family entrepreneurs, PE is the result of a complex decision-making process where both financial and SEW motives are weighted in tandem, as predicted by existing studies applying the SEW mixed gamble logic (Gómez-Mejia, Patel, and Zellweger 2015). We build on these previous studies by identifying a specific scenario where family entrepreneurs may foresee substantial SEW gains that may flow from successful PE. Generally, the potential for enhanced SEW stemming from risky strategic decisions has been overlooked in previous family business studies utilizing the mixed gamble approach (Martin and Gómez-Mejia 2016).

By applying the SEW mixed gamble logic to study PE decisions, we are also addressing recent concerns about the paucity of theoretically backed research explaining PE phenomenon within family-owned enterprises (Michael-Tsabari, Labaki, and Zachary 2014). Previous study examines the rationale for engaging in PE as driven by both economic and family motives (Carter et al. 2003). However, irrespective of the essential contributions, research is still lacking a conceptual model that reveals how family motives would interact with financial considerations to explain the prevalence of PE among family entrepreneurs (Akhter 2016). By embracing the SEW mixed gamble logic, we provide a holistic view on the (financial and SEW) trade-offs faced by family entrepreneurs when making PE decisions.

Our focus on the family entrepreneur represents another essential contribution, given the scarcity of studies using family entrepreneurs rather than the firm as the relevant level of analysis (DeTienne and Chirico 2013). Furthermore, focusing on the personal motivations of the

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1In this paper, we use the European Commission's (2005) definition, which relies on the staff headcount for determining whether an enterprise can be considered as an SME (i.e., an enterprise is an SME if it employs between 1 and 250 people).
family entrepreneurs gives us a more complete picture of the likelihood of PE activities among family firms (as compared to non-family firms) and it helps us to examine the underlying logic behind such endeavors. Departing from a traditional emphasis on the firm, will help in understanding how entrepreneurial behaviors are hindered or enhanced by three nexus identified by recent research conducted by Bettinelli, Fayolle, and Randerson (2014) and Randerson et al. (2015): those between the individual, the family and the family business.

This research also elucidates some essential boundary conditions affecting the prevalence of PE in family contexts. Specifically, we provide further evidence on how the specificities of each particular family entrepreneur’s context influence her gamble. In doing so, we contribute to the many calls to explain the heterogeneity among family-owned business (De Massis et al. 2013). We believe that this is also an important contribution to account for differences among family firms when making strategic decisions.

Finally, for the first time, we provide large scale empirical evidence of the phenomena of family portfolio entrepreneurs, using a sample of 2,609 Spanish entrepreneurs. Our empirical design allows us to show what has often been implicitly assumed by some family business scholars, yet never actually verified; that is, that family entrepreneurs are more likely to engage in PE than non-family entrepreneurs. It also joins recent studies acknowledging that families can also be entrepreneurial, as demonstrated by the portfolios of interconnected businesses that proliferate under their control (Carney and Gedajlovic 2002; Discua Cruz 2010; Discua Cruz, Howorth, and Hamilton 2013).

**Family Owners Risk Taking as a Mixed Gamble**

Following the Behavioral Agency Model (Wiseman and Gómez-Mejia 1998) in its original conceptualization, the SEW approach posited that family’s decision is motivated by loss aversion with respect to its stock of SEW (Gómez-Mejia et al. 2007, 2011). Accordingly, family entrepreneurs will purportedly make conservative choices to preserve their current stock of SEW and will take additional risks as necessary to prevent that loss. Extant empirical studies generally support the SEW logic such as decisions on R&D investments (Chrisman and Patel 2012; Gómez-Mejia et al. 2014b; Patel and Chrisman 2014), technological innovations (Block et al. 2013), diversification (Gómez-Mejia, Makri, and Larraza Kintana 2010), acquisitions (Miller, Le Breton-Miller, and Lester 2010), and going public (Leitterstorf and Rau 2014).

Regardless of the important contributions, these studies tend to simplify family entrepreneurs' decision as a “pure gamble,” focusing solely upon the potential of SEW losses, ignoring the potential SEW gains that these entrepreneurs could foresee due to risk-taking activities (Martin, Gómez-Mejia, and Wiseman 2013). Conversely, Bromiley (2009, 2010) argues that most strategic decisions will have the potential for both loss and gain outcomes, that is, to be a mixed gamble (March and Shapira 1987). The mixed gamble logic predicts that decision-makers would take less risk when there is more to lose (fear of diminished current wealth) and greater risk when there is more to gain (higher prospective additions to the value of current wealth) (Martin, Gómez-Mejia, and Wiseman 2013).

A refinement of the SEW has recently integrated the concept of mixed gambles so as to enhance its predictions about family owner's decision-making process (Gómez-Mejia, Cruz, and Imperatore 2014a; Gómez-Mejia et al. 2014b; Gómez-Mejia, Patel, and Zellweger 2015). According to the integrated SEW mixed gamble logic, family owners face a dilemma in their strategic decision-making by having to assess the likelihood of gains and losses of their actions in terms of financial and SEW in tandem (Gómez-Mejia, Patel, and Zellweger 2015). The integrated approach overcomes the prevailing “conservative view” of family firms according to which family entrepreneurs would only take risks when facing performance hazards (to avoid potential losses in SEW) (Chrisman and Patel 2012; Gómez-Mejia, Makri, and Larraza-Kintana 2010) by acknowledging the possibility that risk-taking behavior could also provide them with substantial SEW gains (Gómez-Mejia, Patel, and Zellweger 2015). If family entrepreneurs could attain SEW gains by assuming risks, it would attenuate the negative effect of SEW loss aversion on risk-taking behavior, making them more likely to take the gamble (Gómez-Mejia, Patel, and Zellweger 2015).

Our work builds on these theoretical advancements, further nuancing some important assumptions underlying existing studies. Current applications of the SEW mixed gamble approach still portray family owners as less likely to take the gamble than their non-family counterparts. This is because they consider scenarios in which
family entrepreneurs anticipate a certain loss in SEW that looms larger than the uncertain financial wealth, while neglecting potential SEW gains (Gómez-Mejía et al. 2014a). For example, under the SEW mixed gamble logic, family entrepreneurs would be hesitant to make unrelated acquisitions since the expected financial gains are quite uncertain and the loss in SEW is fairly certain (Gómez-Mejía, Patel, and Zellweger 2015). The same logic would apply to R&D decisions in high technological sectors (Gómez-Mejía et al. 2014a). As explained in the following sections, we theorize and empirically demonstrate that PE in SMEs represents a particular context in which family entrepreneur's assessment of the mixed gamble would include potential SEW gains which are not likely to be outweighed by potential SEW losses. Moreover, these gains would not occur for non-family entrepreneurs. These differences would explain the observed higher prevalence of PE among family entrepreneurs.

**PE as a Mixed Gamble for Family Entrepreneurs**

For a long time, literature on PE has considered financial concerns as the main reasons for which an entrepreneur may decide to establish a new concurrent business. Often portrayed as a means of diversifying activities (Robson, Gallagher, and Daly 1993; Wright, Robbie, and Ennew 1995), or as a lateral growth strategy for small businesses (Carter 1998; Rosa and Scott 1999), PE has also been linked to the need to achieve operational efficiency (Rosa and Scott 1999), circumvent labor legislation or decrease taxation (Donckels, Dupont, and Michel 1987). Challenging the assumptions that portfolio activities are explicated solely as a profit maximization strategy, other studies pointed to the importance of family motives in the decision-making of some portfolio entrepreneurs (Carter et al. 2003). Examples of motives cited include: developing entrepreneurial opportunities for family members (Ram 1994), securing employment for family members and simplifying a future succession planning (Mulholland 1997), or pure firm survival (Kibria 1994). These initial insights on the role of family considerations as potential drivers for PE have recently propelled a growing number of studies on PE within family businesses. Recent works in the area have focused for instance on unearthing some of the family-related motives for the formation of business portfolios (Alsos, Carter, and Ljunggren 2014; Discua Cruz, Howorth, and Hamilton 2013; Zellweger, Nason, and Nordqvist 2012) and the different settings (Alsos, Carter, and Ljunggren 2014; Discua Cruz, Howorth, and Hamilton 2013) or processes through which such activity emerges (Akhter 2016; Sieger et al. 2011). Other papers have explored how PE influences performance, for example, by increasing survival rates (Discua Cruz, Howorth, and Hamilton 2013), affecting exit patterns (DeTienne and Chirico 2013) or leading to transgenerational value creation (Zellweger, Nason, and Nordqvist 2012). Together, these studies have confirmed the idiosyncratic nature of family entrepreneurs' decision-making process: when relatives are involved in the core business, the family entrepreneurs' decision to venture into PE is considered to be influenced by a mix of economic and family motives (Carter et al. 2003; Mulholland 1997; Rosa 1998).

Interestingly, whether stemming from the family business field or the field of entrepreneurship, scholars have taken a partial look at PE motivations of entrepreneurs. Specifically, they have characterized PE as driven by either financial motives or by family motives. Accordingly, the bulk of existing studies do not allow us to predict how family motives would interact with financial considerations to explain the prevalence of PE among family entrepreneurs. If really these entrepreneurs engage in PE for family reasons, does this implies that they are completely oblivious to financial considerations? Furthermore, while the family perspective is useful for understanding why PE is “particularly relevant in the family firm context” (Sieger et al. 2011), can we imply that the phenomenon is more prevalent among family entrepreneurs in comparison to non-family entrepreneurs as suggested by some studies? (Akhter 2016).² As

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²For example, Sieger et al.’s (2011) in-depth case studies provide accounts of PE across Europe and Latin America, with family firm owning between 6 and 13 concurrent businesses. In the United States, Zellweger et al. (2012) study of 118 family firm owners and members finds preliminary indication of entrepreneurial activity of these owners beyond their core firm. More than 89 percent of the family owners in their sample controlled more than one firm, with an average of 6.1 firms per owner.
earlier mentioned, we advocate the SEW perspective (Gómez-Mejia et al. 2007) and its recent refinements based on the mixed-gamble approach (Gómez-Mejia, Cruz, and Imperatore 2014a; Gómez-Mejia et al. 2014b; Gómez-Mejia, Patel, and Zellweger 2015) as the appropriate framework for answering these questions. When they decide to engage in PE, both family and non-family entrepreneurs foresee on one hand, prospective financial gains-derived from the potential success of the new venture, alongside potential financial losses-associated with a failed initiative (Alsos, Carter, and Ljunggren 2014; Carter 1998). The possibility of gain as well as loss outcomes invites a mixed gamble approach to analyze PE decisions (Bromiley 2009, 2010). Yet family entrepreneurs face an extra level of complexity in that they are confronted with a mixed gamble that entails two different types of potential gains, financial and socioemotional, which sometimes trade off against each other (Gómez-Mejia, Patel, and Zellweger 2015). As detailed in the subsequent section, SEW concerns make the PE gamble remarkably different for family entrepreneurs in comparison to non-family entrepreneurs. Accordingly, our proposed framework focuses on unraveling the concrete mechanisms and logic affecting the PE mixed gamble for family entrepreneurs and the boundary conditions of such behavior.

**Hypotheses**

**The Prevalence of Portfolio Activity among Family Entrepreneurs in SMEs**

Our first claim is that the prospective financial gains associated with PE, derived from the potential success of the new venture, are amplified in the case of the SME sector (Parker 2014). This is because a successful portfolio activity would not only provide an additional source of income, but would also enable entrepreneurs to diversify their wealth, which is most likely to be concentrated in a single business in the case of SME entrepreneurs (Mulholland 1997; Ram 1994). Furthermore, PE is also a strategy for diversifying business risk, given that the involvement in multiple businesses allows the movement of resources between the different units, and leverage the potential synergies among them (Alsos and Carter 2006). In the SME sector, such ability to vary the flow of capital between different businesses to suit prevailing conditions is more than a mere financial benefit; it is often considered as a survival strategy (Wheelock and Baines 1998; Wheelock et al. 1999).

Yet our main argument is that what makes the PE mixed gamble markedly different for family entrepreneurs is that the strategy of risk reduction and wealth diversification that comes with successful PE is likely to translate into supplementary SEW benefits for the family. Several mechanisms underlie the existence of SEW benefits derived from successful PE. First, the strategy of risk reduction and wealth diversification associated with PE is particularly valuable for family entrepreneurs, given the strong overlap between family wealth and firm wealth in this particular context (Cruz, Justo, and De Castro 2012). According to the SEW logic, “organizational failure implies the loss of all SEW” (Gómez-Mejia et al. 2011), since if the firm fails to survive, SEW and financial wealth would disappear altogether (Gómez-Mejia et al. 2007). Under these circumstances, successful PE strategies are seen by family entrepreneurs as an option for ensuring the continuation of the family legacy, a key distinctive aspect of family SEW (Berrone et al. 2010).

Furthermore, successful PE provides desired welfare for the increasing family, a main SEW concern for family entrepreneurs (Gersick et al. 1997; Miller, Steier, and Le Breton-Miller 2003; Ward 1987). As stated by Pedro, a family entrepreneur interviewed by Discua Cruz, Howorth, and Hamilton (2013) “we consider new businesses not only for us but for our children” (p. 30). It may also represent a new source of employment that helps family owners better accommodate succession (Carter et al. 2003; Hauck and Prügle 2015) and find suitable positions for family members (Barach 1984; Discua Cruz, Howorth, and Hamilton 2013; Ram 1994). Doing this within the same business unit may simply not be possible in SME contexts, given the limited size and growth potential of the existing business.

Importantly, we posit that the ability to growth through a portfolio of business while keeping the core business intact (Akhter 2017; Sieger et al. 2011) not only helps family entrepreneurs to get additional SEW benefits, but also helps in preserving key aspects of the family SEW. For example, the creation of a new business offers new generations the opportunity to get managerial experience without exposing the family’s main source of wealth (Ward 2004) and without damaging the family reputation.
associated with the main business (Berrone et al. 2010).

Furthermore, creating a portfolio of business allows SME entrepreneurs to replicate a known structure, thereby avoiding the higher formalization and managerial skills needed by large organizations (Lechner and Leyronas 2009; Robinson, Gallagher, and Daly 1993). The possibility of growing while keeping business complexity low is especially valuable for family entrepreneurs, given their interest in retaining control of the business in the long run, a key distinctive aspect of family owners’ SEW (Gómez-Mejía et al. 2007; Leitterstorf and Rau 2014; Miller, Le Breton-Miller, and Lester 2010). The risk of losing family control because of PE is further reduced in the case of SMEs. Given the resource-constrained nature of SMEs, the new business would be most likely pursued with family resources—that is, family funds and family employment (Cruz, Justo, and De Castro 2012).

In summary, we contend that the presence of SEW concerns in the family entrepreneur mixed gamble amplifies the potential benefits of PE, since it includes supplementary potential SEW benefits derived from successful PE. Moreover, it also reduces their fear of diminished SEW (reduces perceived SEW losses from PE) in comparison to alternative growth strategies. This shifts the unique SEW gamble faced by family entrepreneurs toward heavily weighing potential gains over losses. Absent from these SEW considerations, non-family entrepreneurs would be more hesitant to engage in PE activities. So, we expect the prevalence of PE to be greater among SME family entrepreneurs. Therefore, we can state that:

**H1: In SMEs, family entrepreneurs are more likely to engage in portfolio entrepreneurship than non-family entrepreneurs.**

**Differences in PE among SME Family Entrepreneurs**

To extend our understanding of how family entrepreneurs may differ in the evaluation of PE decisions, we also examine the effect of three entrepreneur’s characteristics that has been previously linked to PE, namely age, gender and migrant status. Following the mixed gamble logic, we argue that these three characteristics are likely to further emphasize the greater potential gains of PE relative to losses, making family entrepreneurs even more prone to engage in PE activities.

*The Moderating Effect of Age on the Relationship between Being a Family Entrepreneur and PE.* The entrepreneurship literature often cites entrepreneurs’ age as an important predictor of PE although its effect is not clear. On one hand, it was found that habitual entrepreneurs start their first business at a younger age than novice, indicating that young entrepreneurs apparently pursue a strategy of multiple business ownership from the outset (Birley and Westhead 1994; Kolvereid and Bullvag 1993). On the other hand, the greater complexities likely to stem from managing a portfolio of businesses also suggest that portfolio entrepreneurs may need to have greater business experience. Accordingly, some studies indicate that the likelihood of habitual entrepreneurship increases when the overall duration of the entrepreneurial career—a correlate of entrepreneur’s age—is relatively long (Huovinen 2007; Westhead and Wright 1998). Implicitly, these two views assume the existence of a nonlinear relationship between age and PE, where age contributes to human capital, and thus benefits entrepreneurial activity until diminishing effects associated with old age set in (Bates 1995; Levesque and Minniti 2006). Traditional family business research considers that the diminishing effects of age on entrepreneurial behavior are particularly salient in the case of family entrepreneurs who are motivated to build a lasting legacy for their children (Casson 1999). Specifically, it is assumed that aging family entrepreneurs may place greater importance than younger family entrepreneurs on preserving the family wealth for the next generations (Kellermanns et al. 2008). Consequently, they would become more conservative as they age, due to the high risk entailed by entrepreneurial activities (Morris 1998) and their fear of losing family wealth (Sharma, Chrisman, and Chua 1997).

If we adopt a mixed gamble lens, we can notice that previous studies do not consider the potential SEW gains that could be derived from successful entrepreneurial activities, which we argue become more salient with age. As the family entrepreneurs get older, it is logical to assume that the need to accommodate new family members into the business and to provide additional income for a growing family increases. Hence, they would weigh to a larger extent, the potential gains associated with
successful PE in this regard. More importantly, several family business studies indicate how family owners become increasingly defensive and try to reassert their control as they age (Handler 1994; Lansberg 1988). As such, they would be prone to adopt strategies that permit firm growth without reducing their influence on the company. As earlier mentioned, PE in SME context is one potential strategy to achieve this goal.

In summary, these arguments suggest that the mixed gamble equation is likely to be altered for older family entrepreneurs in SMEs, who become more cognizant of potential SEW gains derived from PE. This, in turn, will increase their likelihood to engage in PE. Therefore, we can state that:

H2: In SMEs, the positive relationship between being a family entrepreneur and engaging in portfolio entrepreneurship will be stronger for older entrepreneurs.

The Moderating Effect of an Entrepreneurs’ Gender. Entrepreneurship literature portrays PE as a predominantly male pursuit and family-related rationales are often employed to explain gender differences in that respect (Donckels, Dupont, and Michel 1987; Kolvereid and Bullvag 1993; Westhead and Wright 1998). Due to the primacy of their role as family caretakers (Goffee and Scase 1983), females are more likely to experience work–family conflict and role strain as business owners than males (Goffee and Scase 1983; Loscocco et al. 1991). This, in turn, is often invoked as one of the major factors impairing females' engagement in a multitude of entrepreneurial activities in general (for a review see Jennings and McDougald 2007), and PE in particular (Carter and Ram 2003; Donckels, Dupont, and Michel 1987; Kolvereid and Bullvag 1993; Rosa and Hamilton 1994; Westhead and Wright 1998). In addition, scholars report that females are, on average, more risk-averse than males (Croson and Gneezy 2009; Dohmen et al. 2011). This attitude refrains them not only from self-selecting into entrepreneurial positions (Caliendo, Fossen, and Kritikos 2009), but also from engaging in additional entrepreneurial activities after becoming business owners (Sexton and Bowman-Upton 1990).

In this article, we contend that, rather than acting invariably as an impediment for entrepreneurship, in SMEs, gender can instead act as a catalyst of PE for family entrepreneurs. Based on the perspective of SEW and on our conceptualization of PE as a mixed gamble, we give two main reasons why this might be the case.

First, because of their lower risk-propensity profile with respect to males, family entrepreneurs who are females will be more appreciative of the advantages of PE as a risk-reduction strategy. As earlier mentioned, engaging in PE allows owners to avoid wealth concentration in a single business. For females, this advantage will not only be assessed from a pure financial perspective, but also from the perspective of family SEW-preservation. Indeed, recent research on risk-taking role models suggests that when facing risky decisions, females tend to put a stronger emphasis than males on the effect the risk will have on people involved (in our case, family members), rather than just considering how the risk in question will help hit strategic objectives (Ertac and Gurdal 2012; Sundheim 2013). Applied to our context, this implies that family entrepreneurs who are females will be also more aware than their male counterparts of the risk of concentrating the wealth of the family in a single business. Moreover, given their reported interest in keeping a tighter control on their firms (Cliff 1998), females will be more inclined to engage in PE given the already-mentioned advantages it represents in terms of retaining business control under the patronage of the family. In other words, the gains derived from preserving the family’s SEW will weigh more heavily in female’s assessment of the PE gamble. As a result, they will be more likely to take that gamble and venture in PE activities.

Finally, the holistic view of female owners on entrepreneurship (Brush 1992), and the greater importance they attach to family welfare (Belenky et al. 1986; Gilligan 1982) leads us to posit that they will weigh more heavily the potential gains in SEW in the PE mixed gamble. As such, they will be more likely to take the gamble than their male counterpart. Taken to the extreme, we contend that the perception of family SEW gains will offset female’s reluctance to take additional business risks by engaging in PE activities since doing so means providing additional jobs and income opportunities for the family. In summary, the greater importance attached to SEW gains derived from PE, combined with the higher awareness of the role of PE as a risk-reduction strategy, will increase the likelihood of SME family entrepreneurs who are
females to engage in PE. Therefore, we put forward the following hypothesis:

**H3:** In SMEs, owners’ gender impacts the portfolio activity of family entrepreneurs such that female family entrepreneurs will be more likely to engage in PE than their male counterparts.

The Moderating Effect of an Entrepreneurs’ Ethnic Immigrant Status. Sociological research suggests that ethnic immigrant entrepreneurs tend to engage in entrepreneurial activities that are heavily influenced by family relations and dynamics (Bonacich and Modell 1980; Light 1972, 1980; Sanders and Neé 1996). Indeed, in comparison to those who are native-born, the importance of the family is enhanced for immigrants due to their relative alienation from their host country’s mainstream society (Baker and Benjamin 1997).

In this context, characterized by collective interests and strong personal ties, we argue that the potential for SWE gains associated with PE is accentuated. Preserving the SWE becomes a survival strategy for immigrant entrepreneurs in the context of SMEs, and engaging in PE might be one of the scarce options they need to achieve this goal. Their migrant status poses them and their family members more difficulties in finding employment than native born individuals. Discrimination and employment limitations are indeed often purported as important drivers that push immigrants toward venture creation (Light and Rosenstein 1995) and setting up small family businesses (Bonacich 1973).

Our arguments find additional support in empirical evidence. In her study of Pakistani Entrepreneurship in Manchester, Werbner (1994) found that Pakistani entrepreneurs tended to build up portfolios of small businesses. The growth of ethnic economic enclaves was fueled according to the author both by external economic factors (such as disadvantages in the labor market) and by internal factors like “the maturation of families and the growth in availability of a trusted labor force.” In summary, we contend that, because migrant family entrepreneurs face higher resource constraints than their native counterparts, they are likely to anticipate greater SWE gains from successful PE outcomes. This, in turn, will increase their likelihood to take the gamble of engaging in PE. Therefore, we can state that,

**H4:** In SMEs, migrant status impacts the portfolio activity of family entrepreneurs such that family entrepreneurs who are ethnic immigrants will be more likely to engage in PE than those who are native born.

We summarize our theoretical model in Figure 1.

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**Figure 1**

**Theoretical Model**

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**Data and Methods**

**Sample**

To examine these questions, our study uses data drawn from the GEM (Global Entrepreneurship Monitor) Spanish data set, which tracks entrepreneurs based on a representative telephone survey of the adult population. Using a probability sample, a total of 28,888 Spanish households were screened in the months of January to April 2009 to ascertain whether the respondent was at that time an entrepreneur. A total of 3,322 responded affirmatively, indicating that they were involved in some form of start-up activity. This included involvement in a
A nascent business (start-up that is less than 3 months old) as well as in a new or established business activity (business running for more than 3 months). The detailed questionnaire can be found in Reynolds et al. (2005).

An additional set of questions, constructed for the present study, was administered at the same time to the subsample of entrepreneurs, asking them about their family entrepreneurial status and ethnic origin. Given that a minimum level of business consolidation was required to analyze whether entrepreneurs were involved in additional entrepreneurial activities, we restricted our analysis to entrepreneurs owning a business that was at least 3 months old, excluding nascent entrepreneurs. Following the European’s commission’s (2005) definition of SMEs, we limited our sample to firms employing between 1 and 250 employees. Following these criteria, our sample resulted in 2,609 usable questionnaires. Of these, 602 entrepreneurs were classified as family owners and 114 as portfolio entrepreneurs.

Variables
Dependent Variable, Portfolio Entrepreneur. We measure the fact of being a portfolio entrepreneur using a dummy variable that equals 1 if the entrepreneur is engaged in a start-up effort in addition to and concurrently with the new or established business that they own, and equals 0 when otherwise.

Independent Variable, Family Entrepreneur. We characterize family entrepreneurs as those founding, owning, and managing an SME and having family members as shareholders or managers in that firm. To determine the presence of family ties in the core businesses, we considered family entrepreneurs those who, while being the owners and managers of their business, also answered positively to the following question: “Are you relying on members of the family as shareholders or part of the management team?”

Our focus on the individual level follows a recent switch in focus in family business studies from the firm as the relevant level of analysis to the family itself, bringing forth new concepts such as transgenerational entrepreneurship (Zellweger, Nason, and Nordqvist 2012), family entrepreneurial teams (Discua Cruz, Howorth, and Hamilton 2013; Iacobucci and Rosa 2010) and family entrepreneurship (Bettinelli, Fayolle, and Randerson 2014). Following a longstanding tradition in research on PE (MacMillan 1986; Scott and Rosa 1996), we use the individual as the unit of analyses (instead of the family) acknowledging that even though the family unit “refers to a collective of individuals, there is typically a dominant actor or a coalition of actors that represent a vision which, more than other visions, determines the future of the family’s entrepreneurial activities (Chua, Chrisman, and Sharma 1999)” (Nordqvist and Melin 2010, p. 223). This is more so the case in SME contexts, in which extant evidence reveal that central role is played by owners preferences in the decision-making process (Brockmann and Simmonds 1997; Jennings and Beaver 1997). Furthermore, we believe that such level of analysis is indeed appropriate when the research interest lies in explaining the drivers that push family owners to engage in PE in the first place, rather than the family dynamics taking place once the portfolio is operational.

Moderators. Our model includes three moderators. Age was measured in number of years and gender is a dummy variable (coded 1 for females and 0 for males). Ethnic immigrant status was measured by means of a dummy variable that equals 1 if the entrepreneur is an ethnic immigrant, and equals 0 when otherwise. Because our aim was to focus on individuals whose immigration status involved alienation from the host country’s mainstream society, and given the relative cultural convergence of the European Union (Marks 1999), we only considered ethnic immigrants as those coming from a country outside the European Union.

Control Variables. We introduced a host of controls to enhance the robustness of our findings. First, we controlled for firm characteristics related to size (number of employees), industry (following GEM classification into four binary industry variables: construction, consumer goods, retail, personal services, and skilled services) and innovativeness of the business (coded 1 if products or services are considered

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3Chi-squared statistics were used to test whether personal characteristics (such as age and gender) differed between entrepreneurs that were reinterviewed and those who did not respond to our survey, yielding nonsignificant differences.
in Innovative and coded 0 if otherwise). All these control variables are in line with those used by previous research on entrepreneurial outcomes in family firms and PE (e.g., Levesque and Minniti 2006; Wiklund and Shepherd 2005, 2008; Zahra, Hayton, and Salvato 2004). Second, we controlled for other personal traits that might affect entrepreneurial behavior by means of three binary variables: university education, entrepreneurial education, and social capital (Estrin, Mickiewicz, and Stephan 2016; Kwon and Arenius 2010). We also controlled for the entrepreneurs’ self-reported motivations for creating their initial business since this has been demonstrated to impact subsequent entrepreneurial outcomes (Buttner and Moore 1997; Carter et al. 2003). In particular, and in accordance with the GEM classification (Reynolds et al. 2005), we distinguished between “opportunity” and “necessity” motivators (coded 1 for opportunity and coded 0 for necessity) as such motivations likely impact entrepreneurial outcomes (Kariv 2011). While the first type of factors attract individuals into entrepreneurship due to the future value behind the business opportunity, necessity factors drive individuals toward business ownership out of obligation and are originally linked with dissatisfaction with one’s current position (Orhan 2005). Finally, we controlled for the business angel activity of the owner, which has been linked to entrepreneurial behavior (Wiklund and Shepherd 2008). We relied on GEM study’s broad operationalization, where entrepreneurs are asked if they have invested their own money in a business that is different from the one they own (1 for “yes” and 0 otherwise).

**Results**

Table 1 shows descriptive statistics and correlations of our sample. It can be observed that the average entrepreneur in our sample who is 45 years old, has launched his or her business to exploit an opportunity, and employs three people on average. Thirty-six percent of the entrepreneurs in our sample are women, 23 percent are family owners, and 43 percent hold a university degree. A minority has ethnic origins or invests in another business as angel investor. Since magnitudes of the correlation coefficients were modest, with the highest being 0.55, multicollinearity should not be a concern. To substantiate this claim, we calculated the Variance Inflation Factor, which reaches 1.36, well below the critical cutoff of 10 (Hair et al. 2006).

Given that our dependent variable is a binary variable, we analyzed our data by employing binominal logistic regression models. Table 2 presents the results for the six binominal logistic regression models we have estimated. In Model 1, we introduced the controls and results are in line with previous literature on PE. Specifically, female entrepreneurs and older entrepreneurs are less likely to engage in this type of activity. Conversely, entrepreneurs that show a higher likelihood of venturing in portfolio activities are those with a university degree, those who run an innovative business, and those who act as business angels or know another entrepreneur.

In Model 2, we tested the direct effect of being a family entrepreneur. In line with H1, the odd ratio (OR) for family entrepreneur is superior to 1 and significant (OR = 1.702, p < .05), indicating that the odds of portfolio venturing are larger for family entrepreneurs than for non-family ones. Specifically, when the independent variable changes from 0 (non-family) to 1 (family), the odds that PE occurs increases by 70 percent (1–1.702 = 70 percent). In other words, it is 70 percent as likely that PE happens for family entrepreneurs.

Finally, we include in Model 3 all the interactive effects of family ownership and age, gender, and immigrant status. As demonstrated in Model 3, all moderators but one are significant and in the expected direction. Specifically, the interaction term of age with family entrepreneur is positive and highly significant (OR = 1.066, p < .01), supporting H2. Interestingly, and as earlier mentioned, the model reveals that the main effect of age on the decision to engage in PE is negative (OR below 1) and significant. Nevertheless, and as anticipated in our model, the interaction term has a positive effect on PE, indicating that the inclusion of the family dimension decreases the diminishing effect of age on PE. To probe deeper into the nature of this relationship, we plotted the results following established methods (Aiken and West 2001) in Figure 2. In this figure, the two lines represent relationships between being a family owner and different values of entrepreneur’s ages. The illustration shows what we hypothesized: the sloping higher line represents the increasing likelihood to engage in PE as family entrepreneurs get older, whereas the lower slightly steeper and decreasing line represents the same relationship for non-family owners.

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Table 1
Descriptives and Correlations

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<th>Avg.</th>
<th>S.D.</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<td></td>
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<td>0.04*</td>
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<td>0.01</td>
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*significant at 0.05 or more.
On the contrary, the family dimension does not seem to play a role in the relationship between being a female entrepreneur and PE, since the odds ratio for the interaction with family entrepreneur is not statistically significant. Therefore H3 is not supported. In H4, we suggested that having an ethnic migrant status would positively moderate the relationship

<table>
<thead>
<tr>
<th>Model</th>
<th>Constant</th>
<th>Firm size</th>
<th>Transformative industry</th>
<th>Consumer-oriented industry</th>
<th>Business services industry</th>
<th>Innovation</th>
<th>University education</th>
<th>Entrepreneurial education</th>
<th>Social capital</th>
<th>Opportunity entrepreneurship</th>
<th>Age</th>
<th>Gender</th>
<th>Ethnic immigrant</th>
<th>Business angel</th>
<th>Family entrepreneur</th>
<th>Family entrepreneur \times Age</th>
<th>Family entrepreneur \times Gender</th>
<th>Family entrepreneur \times Ethnic</th>
<th>Chi2</th>
<th>Mc Fadden pseudo-R^2</th>
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<td>1.796</td>
<td>2.867*</td>
<td>3.009*</td>
<td>0.219**</td>
<td>1.966**</td>
<td>1.504*</td>
<td>2.613**</td>
<td>0.989</td>
<td>0.965*</td>
<td>0.966**</td>
<td>0.796</td>
<td>3.446***</td>
<td>1.702*</td>
<td>1.066**</td>
<td>0.566</td>
<td>13.15*</td>
<td>160.9 ***</td>
<td>0.181</td>
</tr>
<tr>
<td></td>
<td>(0.038)</td>
<td>(0.017)</td>
<td>(1.075)</td>
<td>(1.644)</td>
<td>(1.818)</td>
<td>(0.0500)</td>
<td>(0.443)</td>
<td>(0.314)</td>
<td>(0.631)</td>
<td>(0.205)</td>
<td>(0.0106)</td>
<td>(0.0107)</td>
<td>(0.157)</td>
<td>(0.853)</td>
<td>(0.396)</td>
<td>(0.0240)</td>
<td>(0.310)</td>
<td>(16.23)</td>
<td>165.9 ***</td>
<td>0.186</td>
</tr>
<tr>
<td>Model 2</td>
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<td>0.991</td>
<td>1.902</td>
<td>2.923*</td>
<td>3.145*</td>
<td>0.217**</td>
<td>1.982**</td>
<td>1.496*</td>
<td>2.720**</td>
<td>0.955</td>
<td>0.966**</td>
<td>0.966**</td>
<td>0.772</td>
<td>3.495**</td>
<td>0.255</td>
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<td>13.15*</td>
<td>165.9 ***</td>
<td>0.186</td>
</tr>
<tr>
<td></td>
<td>(0.033)</td>
<td>(0.017)</td>
<td>(1.14)</td>
<td>(1.678)</td>
<td>(1.903)</td>
<td>(0.0498)</td>
<td>(0.447)</td>
<td>(0.313)</td>
<td>(0.661)</td>
<td>(0.199)</td>
<td>(0.0107)</td>
<td>(0.0107)</td>
<td>(0.153)</td>
<td>(0.866)</td>
<td>(0.396)</td>
<td>(0.0240)</td>
<td>(0.310)</td>
<td>(16.23)</td>
<td>178.9 ***</td>
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</tr>
<tr>
<td>Model 3</td>
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<td>1.992</td>
<td>3.136*</td>
<td>3.325*</td>
<td>0.219**</td>
<td>2.006**</td>
<td>1.424*</td>
<td>2.623**</td>
<td>0.960</td>
<td>0.945**</td>
<td>0.945**</td>
<td>0.696</td>
<td>3.442**</td>
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<td>178.9 ***</td>
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<tr>
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<td>(0.0177)</td>
<td>(1.203)</td>
<td>(1.811)</td>
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<td>(0.0504)</td>
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<td>(0.0132)</td>
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<td>(0.301)</td>
<td>(0.0240)</td>
<td>(0.310)</td>
<td>(16.23)</td>
<td>183.3 ***</td>
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</table>

Exponentiated coefficients (odd ratios); standard errors in brackets.

\( ^{*} p < .10. \)

\( ^{*} p < .05. \)

\( ^{**} p < .01. \)

\( ^{***} p < .00. \)
between being a family owner and PE. The interaction effect in the full model is positive and significant in Model 3 (OR = 13.15, \( p < .05 \)). Here again we proceeded to probe deeper into the nature of the relationship using the method described earlier and graphically represent the estimated probabilities for the different combinations of our independent variable and ethnic immigrant status. In Figure 3, the higher and ascending line represents the effect of being a family entrepreneur on the likelihood of PE for entrepreneurs who are ethnic immigrants, while the lower descending line represents the same effect for non-family entrepreneur. For family entrepreneurs, the positive slope indicates that the estimated probability of indulging in PE is higher for ethnic immigrants (immigrant = 1) than for native entrepreneurs (immigrant = 0). Interestingly, this contrasts with non-family entrepreneurs, for which the negative slope indicates that the estimated probability of indulging in PE

Figure 2
Interaction Between Being a Family Entrepreneur and Age [Color figure can be viewed at wileyonlinelibrary.com]

![Figure 2](image)

Figure 3
Interaction Between Being a Family Entrepreneur and Ethnic Status [Color figure can be viewed at wileyonlinelibrary.com]

![Figure 3](image)
decreases as we switch from an immigrant to a native entrepreneur. The plotted results provide additional support to H4.

Robustness Checks
This study draws on SEW mixed gamble explanations to make inferences about family entrepreneur's likelihood of engaging in PE in an SME context. While capturing empirically family entrepreneur's SEW is beyond the scope of our paper, in this section, we conducted additional analyses to rule out alternative explanations and confirm the soundness of our SEW-based framework.

First, we leverage on distinction made by the GEM study between “opportunity versus necessity” driven ventures to test whether the odds of engaging in PE will be lower among family entrepreneurs whose core activity is motivated by a business opportunity. Our logic here is that opportunity-driven small businesses are less likely than the rest of SMEs to be constrained in their scalability by access to resources. It follows that the estimated SEW gains from engaging in PE are reduced in the case of opportunity driven family entrepreneurs in comparison to the necessity-driven entrepreneurs. To test for this assumption, we introduced the interaction effect between family entrepreneur and opportunity entrepreneurship in our model. The effect is negative and significant (OR = 0.347, \( p < .05 \)), confirming our assumption.

Moreover, we examined how PE decisions are altered when the family entrepreneur is also a business angel. Two empirical facts justify our choice. First, several studies suggest that entrepreneurs frequently engage in informal angel activities (e.g., Mason and Harrison 2002; Westhead and Wright 1999), meaning they personally invest in business start-ups that are not their own (Bygrave et al. 2003). Despite the lack of empirical evidence, conventional PE research assumes that the experience of a habitual founder provides expertise in valuing new opportunities and access to business networks (Wiklund and Shepherd 2008) and therefore business angel activities and the phenomena of multiple ownership are positively related. However, if our arguments are true, this positive relationship should be lower for family entrepreneurs. Investing in other companies represents an additional source of income for the family and an additional way of reducing business risk. Hence, for family entrepreneurs who are also business angels, the SEW gains of PE are relatively lower and it may not be worthy for them to take the risk of engaging in PE. In other words, we would expect the family dimension to negatively moderate the influence of business angel on PE. To test for this assumption, we introduced the interaction effect between family entrepreneur and business angel activity in our model. The effect is negative and significant (OR = 0.300, \( p < .05 \)), confirming our assumption that business angel activity decreases the incentive for SME family entrepreneurs to take the PE gamble. This additional analysis provides further support for the soundness of our theoretical framework.

Discussion and Conclusion
Our conceptual model regarding how family entrepreneurs solve the PE gamble makes several important contributions that improve the predictive validity of the SEW approach to risk-taking. First, and contrary to what is implied by much of the SEW literature, our framework suggests that family entrepreneurs do not neglect financial considerations when taking strategic decisions. Rather, they are cognizant of the potential supplementary SEW benefits that may be brought by positive financial outcomes (Martin and Gómez-Mejía 2016). Furthermore, our model suggests that family entrepreneurs do not only preoccupied by the potential for losses of SEW. They may decide not to pursue SEW preservation strategies if they consider that the negative SEW consequences of, for instance, trying to preserve family control are too high in comparison to potential SEW benefits derived from successful financial outcomes (i.e., securing employment for family members or increasing family welfare). Accordingly, our research develops a framework for analyzing how financial wealth and SEW are likely to interrelate and be mutually reinforcing, rather than acting necessarily in opposite directions as assumed in early SEW conceptualizations. In so doing, we respond to recent calls on utilizing the SEW in a more rigorous and effective manner (Chua, Chrisman, and De Massis 2015; Miller and Breton-Miller 2014).

Informed by our SEW mixed gamble logic, our results put the entrepreneurial propensity of family owners under a more positive light. Contemporary family business research suggest that SEW serves as a catalyst for strategic change under vulnerability, while it serves as
an impediment to strategic change under prosperity (Gómez-Mejia, Patel, and Zellweger 2015). Rather, our empirically supported model suggests that family entrepreneurs could engage in risky strategic choices even in the absence of major external threat, that is, when they anticipate potential SEW gains derived from that risky endeavor. Ignoring the potential for SEW gains that may flow from decisions aimed at achieving financial goals may lead to wrong conclusions about the entrepreneurial activity of family owners.

While compelling, our results hold in a particular context—SMEs—in which business growth is constrained by the liability of smallness (Aldrich and Auster 1986; Williamson 2000), yet the consequences of business failure are more severe for firms. In this setting, creating new ventures may be seen by family entrepreneurs as a necessary condition to enjoy SEW and financial gains. Certainly, future research should extend our findings and further apply the mixed gamble logic to investigate multiple ownership in different contexts. Specifically, research should examine to what extent the prevalence of PE among family entrepreneurs can be extended to the case of large corporations. Although in our framework, the SME context heavily weigh the mixed gamble toward gains, the existence of large family business groups all over the world (Almeida and Wolfenzon 2006; Morck and Yeung 2003) may indicate that the creation of new ventures may also bring additional SEW benefits to family owners in bigger companies. Indeed, according to Iacobucci and Rosa (2010), “portfolio entrepreneur and business groups refer to the same phenomenon but from different perspectives” (p. 351), so the PE mixed gamble logic might be extended to study the formation of large family business groups.

Similarly, our SEW mixed gamble approach points to the need of revisiting diversification studies in family firms, which have been restricted to large corporations (Anderson and Reeb 2003; Gómez-Mejia, Makri, and Larraza Kintana 2010). Following a traditional SEW preservation logic, Gómez-Mejia, Makri, and Larraza Kintana (2010) suggest that diversification poses a threat for the family SEW. This is because diversification usually needs external funding and additional managerial talent and expertise that may not be available within the family. Following this logic, family firms are expected to diversify less than their non-family counterparts. Future research should examine to what extent this holds true in different contexts (i.e., SMEs) in which family entrepreneurs' assessment of potential SEW gains and losses is different, as explained earlier.

Furthermore, this paper highlights the idiosyncratic nature of PE in comparison to other entrepreneurial activities, for instance, product or technological innovation (Cruz et al. 2015), which Wiklund and Shepherd (2008) refer to as “internal mode” of organizing entrepreneurial activity. Contrary to new firm creation—external mode of organizing—which allows for wealth creation in a manner that externalizes risk outside the boundaries of the core family businesses, “the incorporation of a new product or technological innovation may induce important changes in the manner the family-owned firm is organized, and this is likely to engender resistance from family members who may feel their traditional sphere of influence is being threatened” (Gómez-Mejia et al. 2007). Following the mixed gamble logic, this would increase the weight given to potential SEW losses, making family entrepreneurs less likely to take the gamble, that is, less likely to engage in product or technological innovation. Since non-family entrepreneurs are mainly guided by financial considerations, they may prefer to engage in internal modes of organizing, which from the mixed gamble point of view, represent less risky alternatives. Future research should explore to what extent the same type of mixed gamble logic can be applied to other entrepreneurial outcomes and how these interact with family dynamics.

In addition, there is a need to inquire more deeply into the quality rather than solely the quantity of the portfolio of businesses created. Shedding light on this issue might help inform the debate regarding the entrepreneurial activity of family firms. Although our study has shown that family entrepreneurs are more likely to engage in PE, it might be that the logic of family SEW preservation leads to increased reproduction but not necessarily innovation. Indeed, although family ties push entrepreneurs to create new business units, they can also act as a barrier for real innovation due to the adverse influence of risk-aversion (Habbershon 2006). Establishing the distinction between these two types of entrepreneurial activities is crucial. If we wish to understand how family involvement influences entrepreneurship, we cannot ignore the fact that there is a difference between simply maintaining or growing a businesses and
thrive. Unless innovation or strategic regeneration occurs, a new venture may survive but not necessarily flourish.

In the same vein, future research could benefit from examining the differences between new businesses that are initiated by the family entrepreneur herself versus those that stem from the next generation, who might want to find something of their interest and passion. We speculate that if we were to release the restrictive assumption that additional businesses are launched with the active involvement of the family entrepreneur—instead of that of the next generation with just the consent of the former—then we should expect an even stronger effect of family ownership on the likelihood to engage in PE.

Last, according to previous studies (Kühberger 1998; Sitkin and Weingart 1995), the significant effect of two of our proposed moderators reinforces the necessity to take into consideration, individual differences in predicting risk-taking behavior. They also concur with unceasing claims regarding the heterogeneity of family firms (De Massis et al. 2013). Under the SEW mixed gamble logic, our results suggest that different types of family entrepreneurs adopt different prisms when assessing and weighing prospective PE gains relative to corresponding losses.

The existence of heterogeneity in family entrepreneurs’ assessment of the PE gamble also has potential implications for practice. Ethnic immigrants’ holistic approach toward PE should be taken into account by support institutions (e.g., governmental entities) that seek to encourage entrepreneurship among this niche of the population. For instance, in designing curriculums for entrepreneurship training, or providing help in assessing new business opportunities, they might need to account for ethnic immigrants’ interest in obtaining family SEW gains. In the same vein, the positive moderator effect of family entrepreneurs’ age suggests a different approach to traditional succession models in family firms contexts. By allowing founders to preserve control over the core business while accommodating successors, PE may represent an effective solution to overcome the founder’s reluctance to engage in a generational transition processes (Davis and Harveston 1999; Lansberg 1988). Rosa’s (1998) case study on PE from a family point of view provides preliminary evidence of our claim; his work reveals that succession in the family firm (an event that occurs as entrepreneurs age) often leads to starting new ventures in a business group. Our contributions to the literature need to be evaluated jointly with potential limitations. First, although our focus on the individual is justified by the substantial influence of owners on firm outcomes in the case of SMEs (Jennings and Beaver 1997), the study would have certainly benefited from a deeper look into the potential existence of a collective approach to PE. While the idiosyncratic nature of the GEM data set prevents us from reaching out to multiple respondents per firm, a fruitful way to extend our theoretical model could be through a deeper investigation of the decision-making mechanisms that occur within entrepreneurial teams. In the same vein, our empirical sample focuses on the gender of the respondents that self-identified as entrepreneurs, yet we cannot rule out the possibility that some business are co-founded by an entrepreneurial team, which obscures the actual dynamics guiding PE decisions. For instance, a recent study (Yang and Aldrich 2014) reveals that a significant proportion of entrepreneurial ventures are owned by multiple owners of different sex (especially entrepreneurial couples). More importantly, the study reveals that the gender of team members affects the distribution of decision-making power within the business. To the extent that male co-founders are more likely to be assigned leadership positions within the business, women’s greater likelihood to engage in PE might be offset by their reduced influence within mixed-sex entrepreneurial teams. This reality might be the logic behind our non-findings regarding the hypothesized moderating effect of gender. More generally, additional research is required to better understand the potential impact of gender on the likelihood of family entrepreneurs to take the PE gamble. While our results did not provide support for our hypothesis that being a female would have a positive effect on portfolio activity, they do seem to contradict previous assumptions regarding its negative influence (see, e.g., Carter et al. 2003; Donckels, Dupont, and Michel 1987; Kolvereid and Bullvag 1993; Rosa and Hamilton 1994; Westhead and Cowl- ing 1998). Future studies might try to elucidate whether, in family contexts, the existence of potential SEW gains allows to offset gender differences in PE. Furthermore, although extant research in family firms suggest that principal owners and managers of the firm are also the main decision-maker and driving force behind entrepreneurial activities (Nordqvist and Melin
our empirical design does not allow to elucidate whether other family members are actively weighing in entrepreneurial decisions or not. Indeed, the focus on the individual owner rather than on the family is one of the main criticisms of the SEW approach (i.e., Schulze and Kellermanns 2015). Unfortunately, our empirical design does not allow us to capture family dynamics in PE decisions.

In addition, our focus on a single country might be neglecting cross culture variations in the family business dimensions when interpreting differences between family and non-family firms in general (Gupta and Levenburg 2010) and PE decisions in particular (Akhter 2016). In this regard, further research replicating and validating our findings is warranted in emerging economies, which feature unique social, political and economic circumstances (e.g., Khanna and Rivkin 2001; Manikutty 2000). Furthermore, the nature and effects of family considerations on women’s portfolio activity are likely to vary across different institutional, societal, and cultural contexts (Jennings, Breitkreuz, and James 2013), so country-specific institutional norms might be behind our unexpected findings for H3. Future research should explore whether the moderator effect of gender is contingent on the influence of cultural and/or institutional variables (Ahl and Nelson 2010).

Finally, for the sake of simplicity, our theorizing focuses on the non-economic goals of family entrepreneurs, assuming that PE for non-family entrepreneurs are mainly driven by economic goals. Existent research suggests the need to account for the noneconomic motives of entrepreneurs (both family and non-family) in venturing into PE activities (Akhter 2016). Although outside the scope of our paper, we believe that understanding the influence of personal motives beyond family ties (such as passion for entrepreneurship and autonomy) on PE, opens the door for new research pastures.

References
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