Exploring family dynamics: A confirmatory factor analysis of family functioning in Thai family-owned businesses

(iD) **Akachai Apisakkul[1]**
(iD) **Suthawan Chirapanda[2+]**

[1,2]*Business School, University of the Thai Chamber of Commerce, Thailand.*
[1]*Email: ekachai_api@utcc.ac.th*
[2]*Email: suthawan_chi@utcc.ac.th*

(+ Corresponding author)

ABSTRACT

This study aims to develop a comprehensive model of family functioning specifically tailored to family-owned businesses in Thailand and to assess its alignment with empirical data, focusing on key components that influence the sustainability and performance of such businesses. Data were collected from 305 family members involved in family-owned businesses using a family functioning assessment. Confirmatory Factor Analysis (CFA) was conducted using AMOS software to evaluate the model's fit with the empirical data. The analysis identified five critical components of family functioning: Problem Solving, Communication, Roles, Affective Responsiveness, and Affective Involvement. The model showed excellent alignment with empirical data, yielding favorable fit indices (χ^2 = 18.956, df = 14, RMSEA = 0.034, CFI = 0.998), confirming the proposed hypotheses. The study confirmed that effective family functioning—characterized by open communication, clear role definitions, and emotional bonds—is essential for the cohesion and long-term success of family-owned businesses in Thailand. The model provides valuable insights into how family dynamics influence business outcomes and intergenerational collaboration. Emphasizing communication, structured problem-solving, and role clarity can enhance operational efficiency, reduce conflicts, and strengthen succession planning, ensuring the sustainability of family businesses in a changing economic environment.

Contribution/ Originality: This study develops a culturally adapted model of family functioning for Thai family-owned businesses, excluding the Western-centric 'Behavior Control' dimension. By integrating Thai cultural values and emotional cohesion, it addresses intergenerational conflicts and communication gaps, offering a novel framework for sustainable business succession in collectivist societies.

1. INTRODUCTION

Family-owned businesses constitute the backbone of Thailand's economy, contributing 71.23% of the nation's gross domestic product (GDP). Despite their pivotal role, these enterprises grapple with persistent challenges in intergenerational succession, with only 12% surviving beyond the third generation (Department of Business Development, 2024). Key barriers include generational conflicts, communication inefficiencies, and role ambiguities, often exacerbated by cultural norms such as *kreng jai* (deference to hierarchy) and a collectivist emphasis on harmony. For instance, older generations frequently prioritize traditional decision-making structures, while younger members advocate for innovation, creating friction that undermines collaborative governance (Trangkasombat, 2020). Bridging this divide necessitates empathetic dialogue, where senior members transcend directive approaches to integrate youth perspectives—a critical step for aligning legacy values with modern business demands.

While global frameworks like the McMaster Model (Epstein, Bishop, & Baldwin, 1982) and the Circumplex Model (Olson et al., 1989) provide foundational insights into family functioning, their applicability to Thai contexts remains limited. Thailand's unique sociocultural fabric—steeped in Buddhist principles, implicit behavioral norms, and hierarchical respect—profoundly shapes familial interactions, conflict resolution, and emotional dynamics. Existing models often overlook these nuances, particularly the redundancy of explicit "Behavior Control" mechanisms in a culture where social expectations inherently regulate conduct (Trangkasombat, 2020). This gap impedes the development of culturally relevant strategies to address succession planning, emotional governance, and sustainable intergenerational collaboration.

This study addresses these limitations through two primary objectives: (1) constructing a culturally tailored model of family functioning specific to Thai family-owned businesses, and (2) empirically assessing the validity of the proposed model using data collected from 305 family members engaged in family-owned businesses. The framework centers on five key components—Problem Solving, Communication, Roles, Affective Responsiveness, and Affective Involvement—while excluding culturally incongruent dimensions such as Behavior Control. For instance, indirect communication styles influenced by *kreng jai* (a Thai cultural norm emphasizing deference and avoidance of conflict) can impede timely decision-making and reduce profitability by 23% (Bang & Senani, 2023) highlighting the necessity of adaptive communication strategies in this context.

The anticipated contributions of this research are threefold. Theoretically, it enriches family business literature by integrating Thai cultural dimensions, offering a transferable framework for collectivist economies. Practically, the validated model serves as a diagnostic tool to identify dysfunctional areas (e.g., role ambiguities, emotional detachment) and implement targeted interventions, enhancing operational efficiency. Policymakers may leverage these insights to design SME support initiatives, such as subsidized mediation services or intergenerational leadership workshops, fostering economic resilience. By reconciling cultural and disciplinary divides, this study advances strategies to harmonize familial cohesion with business sustainability, ensuring Thailand's family enterprises thrive in a globalized economy.

2. LITERATURE REVIEW

2.1. Family Functioning Concepts and Theories

Family functioning is defined as the interactions and processes within the family that contribute to the physical and mental well-being of its members. The McMaster Model of Family Functioning (Epstein et al., 1982) provides a comprehensive framework widely applied in clinical and research settings (Trangkasombat, 2020). This model conceptualizes the family as an open social system comprising subsystems (e.g., individuals, spouses) and interacting with external systems (e.g., community, religious institutions). It integrates theories such as communication theory and interpersonal interaction theory under systems theory, emphasizing that family members' behaviors are interdependent (Trangkasombat, 2020).

The MMFF categorizes family functioning into six dimensions (Epstein et al., 1982).

1. Problem Solving: The family's ability to resolve issues effectively.
2. Communication: Information exchange, prioritizing verbal communication for measurability.
3. Roles: Recurring behaviors that enable efficient family operations.
4. Affective Responsiveness: Appropriate emotional responses to situations.
5. Affective Involvement: Emotional connection and concern among members.
6. Behavior Control: Methods for regulating behavior and maintaining boundaries.

However, the MMFF's emphasis on explicit Behavior Control conflicts with Thai cultural norms, where hierarchical respect (*kreng jai*) and Buddhist values promote implicit behavioral regulation through social expectations (Trangkasombat, 2020). Consequently, this study adapts the MMFF by excluding Behavior Control and focusing on

five contextually relevant dimensions: Problem Solving, Communication, Roles, Affective Responsiveness, and Affective Involvement**.**

Research Hypothesis**:** Building on this theoretical adaptation, the study hypothesizes that: *The family functioning model developed for Thai family-owned businesses aligns with empirical data, as evidenced by established confirmatory factor analysis criteria (relative χ² < 2, RMSEA < 0.05, RMR < 0.05, GFI > 0.95, AGFI > 0.95, NFI > 0.95, TLI > 0.95, CFI > 0.95).*

2.2. Family Functioning Assessment: Tools and Cultural Adaptations

In contemporary practice, various standardized instruments have been developed to systematically assess family functioning. These tools can be categorized into two primary types (Trangkasombat, 2020).

1. Structured Interview Assessment Instruments: These involve formalized interviews with families, utilizing predetermined questions to evaluate multiple dimensions of family dynamics. A prominent example is the *McMaster Structured Interview of Family Functioning (McSIFF),* which offers versions for two-parent families and single-parent households (Bishop, Epstein, Keitner, Miller, & Zlotnik, 1987).

2. Self-Report Measures: These tools rely on family members' self-evaluations. Among these, the *Family Adaptability and Cohesion Evaluation Scales (FACES)* is widely used to assess adaptability and cohesion within family systems (Grotevant & Cooper, 1989).

Another notable instrument, the *Family Assessment Device (FAD),* was developed based on the McMaster Model of Family Functioning (Epstein, Baldwin, & Bishop, 1983). Empirical studies demonstrate the FAD's efficacy in distinguishing dysfunctional families from healthy ones (Akister & Stevenson-Hinde, 1991; Byles, Byrne, Boyle, & Offord, 1988; Miller, Epstein, Bishop, & Keitner, 1985; Trangkasombat, 2020). Despite its global prevalence and availability in Thai translation, certain FAD items exhibit cultural incompatibility with Thai societal norms. To address this limitation, Trangkasombat (2020) developed the *Chulalongkorn Family Inventory (CFI),* a culturally tailored assessment tool grounded in the MMFF framework. The CFI aims to capture nuanced perceptions of family members while enhancing relevance to Thailand's unique familial and socio-cultural contexts. Further adaptations of these instruments have been undertaken to optimize their applicability for evaluating family business dynamics in Thailand, reflecting the intersection of familial roles and entrepreneurial practices.

2.3. Related Research

Family functioning has garnered significant scholarly attention for its critical role in shaping individual and collective well-being. Empirical studies consistently underscore its bidirectional relationship with mental health outcomes. For instance, Trangkasombat (2020) highlights that compromised family functioning correlates strongly with mental health challenges, including behavioral disorders. Illustrating this, Ngamkham and Yunipan (2014) identified a statistically significant negative association between dysfunctional family dynamics and behavioral outcomes in children with ADHD, emphasizing the protective role of cohesive familial environments.

Beyond mental health, family functioning is a robust predictor of family satisfaction and resilience. Roman, Mthembu, and Hoosen (2016) demonstrated that adaptive family functioning, particularly open communication and role clarity, serves as a cornerstone of familial satisfaction. Similarly, Botha and Booysen (2014) found that individuals from high-functioning families exhibit enhanced emotional regulation and social adaptability, underscoring the interplay between family dynamics and interpersonal competence.

Theoretical frameworks propose that family strength hinges on five pillars: (1) emotional bonding, (2) harmonious interactions characterized by mutual support, (3) constructive communication fostering empathy, (4) efficient role-based task management, and (5) effective conflict resolution (Phra Maha, Sreekruadong, & Sriwichitravong, 2017). Deviations from these principles correlate with adverse outcomes, including intergenerational estrangement and diminished collective efficacy.

Notably, the benefits of adaptive family functioning extend to socio-professional domains. Sriwan, Chaimongkol, and Pongchaturawit (2017) established that cohesive family dynamics enhance critical life skills such as relationship-building and problem-solving, which are transferable to workplace contexts. Complementing this, Suksee, Thangcharoen, and Apichatuttorn (2020) observed that employees from high-functioning families demonstrate superior job performance, attributing this to stress resilience and collaborative problem-solving skills nurtured through familial interactions.

Collectively, these findings underscore the centrality of family functioning as a scaffold for personal and professional flourishing. For Thai family-owned businesses—where familial and operational spheres are deeply intertwined—optimizing these dynamics transcends psychosocial well-being, emerging as a strategic imperative for sustainable economic success.

3. CONCEPTUAL FRAMEWORK

The researcher synthesized elements of family functioning to align with the unique characteristics of family-owned businesses investigated in this study. Grounded in the McMaster Model of Family Functioning (Epstein et al., 1982), the study identifies five core components (see Figure 1) that encapsulate the dynamics central to family business contexts.

1. Problem Solving: Encompasses three dimensions—1) solving distress effectively (Pro1), 2) consulting each other when issues arise (Pro2), and 3) discussing whether solutions are successful. (Pro3).

2. Communication: Encompasses three dimensions—1) frequent challenges in expressing thoughts or feelings (Com1), 2) members tend to speak directly (Com2), and 3) openly expressing dissatisfaction when family members act undesirably. (Com3).

3. Roles: Encompasses three dimensions —1) uncertainty about whether family members will fulfill requests (Rol1), 2) members reliably perform their duties (Rol2), and 3) dissatisfaction with assigned roles. (Rol3).

4. Affective Responsiveness: Encompasses three dimensions —1) some members rarely express emotions or feelings (AR1), 2) the family values members' emotions (AR2), and 3) the ability to share concerns with family members. (AR3).

5. Affective Involvement: Encompasses three aspects—1) some family members are overly involved in others' affairs (AI1), 2) family members pay attention only to matters they deem critical (AI2), and 3) a sense of freedom and individuality is respected. (AI3).

3.1. Omission of Behavior Control

The Behavior Control dimension from the McMaster Model—defined as a family's methods of regulating members' behavior to maintain boundaries—was excluded in this study. This decision aligns with the study's focus on Thai family-owned businesses and is justified through the following rationale.

1. Contextual Relevance: Behavior Control typically involves explicit rules or parental oversight, which are less applicable to Thai family businesses where participants are adults engaged in collaborative operations. Thai familial hierarchies, rooted in cultural norms (e.g., respect for elders, *kreng jai*), inherently regulate behavior through implicit expectations rather than formal control mechanisms.

2. Cultural Nuances: Thai culture emphasizes harmony (*samakkhī*) and social cohesion, guided by Buddhist principles of moderation and collective welfare. Behavioral norms are maintained through obligations (e.g., *bunkhun*, or reciprocal gratitude) and role-based expectations, reducing the need for explicit behavioral rules (Komin, 1990; Suehiro, 2008).

3. Focus on Business-Critical Dynamics: The study prioritizes dimensions directly impacting business performance, such as Communication and Problem Solving, which are observable and actionable. Including

Behavior Control could conflate with overlapping constructs like Roles and Affective Involvement, diluting the model's specificity.

4. Empirical Validation: A pilot test involving 30 Thai family businesses revealed low relevance of Behavior Control items (e.g., *"We have rules about hitting people", "We don't hold to any rules or standards", "Anything goes in our family"*). Participants indicated that these items did not align with their experiences. For instance, many noted that behavioral expectations in their businesses were guided by cultural norms rather than explicit rules, such as: "Avoiding actions that cause shame" (*kreng jai*), "Adhering to hierarchical guidance from elders" (*role clarity*). This feedback aligns with findings from Suehiro (2008) who observed that Thai family enterprises rely on implicit mechanisms (e.g., social harmony, familial obligations) rather than formalized regulations.

Conclusion: By omitting Behavior Control, the framework retains cultural and contextual precision, enhancing its utility for analyzing Thai family businesses. This adaptation reflects the unique interplay of cultural values and business practices, offering a more targeted tool for researchers and practitioners.
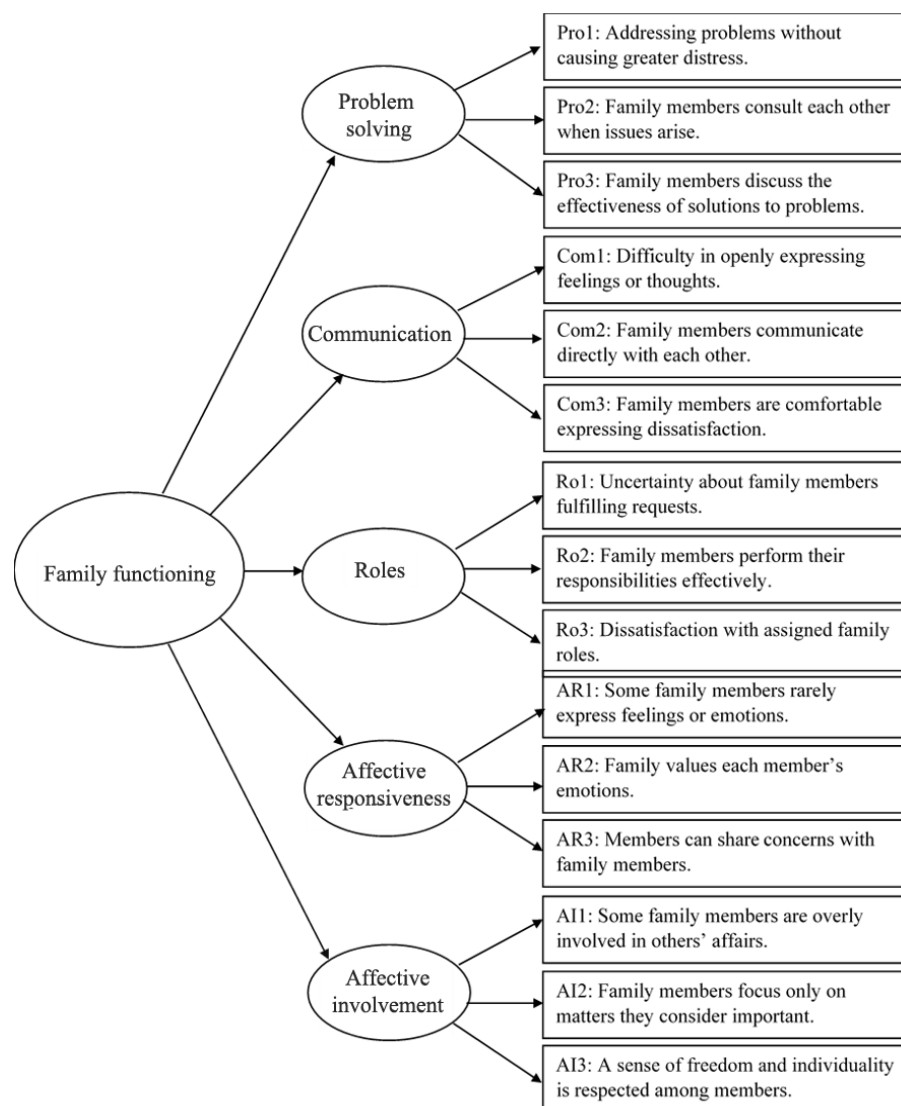

Figure 1. Family functioning model of family business owners in Thailand.

4. METHODOLOGY

This quantitative study aimed to develop and validate a family functioning model for Thai family-owned businesses using Confirmatory Factor Analysis (CFA). The methodology was structured as follows.

1. Ethical Considerations: This study obtained ethical approval from the UTCC Human Research Ethics Committee of the University of the Thai Chamber of Commerce, Thailand (Certificate of Approval No. UTCCEC/Exemp069/2024) on November 27, 2024. All participants provided informed consent, and data anonymity was strictly maintained.

2. Sample Selection and Data Collection: The target population comprised family members actively involved in Thai family-owned businesses. Purposive sampling was employed to ensure diversity across generations, business sizes, and roles (e.g., founders, successors). Based on Wanichbancha (2019) recommendation for CFA, a minimum sample size of 150–300 was required (10–20 times the 15 observed variables). Data were collected from 305 participants through structured questionnaires distributed via both online platforms and in-person visits to businesses in Bangkok.

3. Research Instrument Development: The assessment tool was adapted from

- McMaster Family Assessment Device (FAD) (Epstein et al., 1983).
- Chulalongkorn Family Inventory (CFI) (Trangkasombat, 2020).

The tool used a 4-point Likert scale (1 = "Not at all" to 4 = "Completely") and comprised 15 items across five dimensions: Problem Solving, Communication, Roles, Affective Responsiveness, and Affective Involvement.

4. Pilot Testing and Reliability: A pilot test with 30 participants (Excluded from the main sample) confirmed the tool's reliability

- Overall Cronbach's alpha = 0.829.
- Individual dimensions: Problem Solving ($\alpha = 0.864$), Communication ($\alpha = 0.794$),

Roles ($\alpha = 0.802$), Affective Responsiveness ($\alpha = 0.753$), Affective Involvement ($\alpha = 0.711$).

5. Data Analysis: Following data collection, the analysis was conducted in two phases to ensure methodological rigor and alignment with established psychometric standards

- Descriptive Statistical Analysis

Basic statistical measures—including percentages, means, standard deviations, and Cronbach's Alpha coefficients—were computed using IBM SPSS Statistics to summarize the dataset and assess internal consistency reliability. Cronbach's Alpha values exceeding 0.70 were deemed acceptable, consistent with Nunnally (1978) criterion for scale reliability.

- Analysis to Address Research Objectives
- o Preliminary Factor Analysis: The suitability of the data for factor analysis was evaluated using Bartlett's Test of Sphericity and the Kaiser-Meyer-Olkin (KMO) measure. A statistically significant Bartlett's Test ($p<0.05$) and a KMO value > 0.60 (Kaiser, 1974) confirmed the adequacy of the data for factor analysis. These preliminary analyses were conducted in SPSS.
- o Confirmatory Factor Analysis (CFA): The hypothesized family functioning model was tested using CFA within the structural equation modeling framework, implemented in AMOS. Model fit was evaluated using multiple indices:
- Relative Chi-square (χ^2/df): < 2 (Schumacker & Lomax, 2016).
- RMSEA and RMR: < 0.05 (Excellent Fit).
- GFI, AGFI, NFI, TLI, and CFI: > 0.95 (Schumacker & Lomax, 2016; Suksawang, 2014).

Standardized factor loadings > 0.50 were retained to ensure practical significance, following Hair, Black, Babin, and Anderson (2019) guidelines. Modification indices were reviewed to identify potential improvements, but revisions were restricted to theoretically defensible adjustments (e.g., correlating error terms of items sharing cultural nuances).

6. Minimizing Response Bias: To enhance validity

- Anonymity: Participants were assured of confidentiality.
- Pilot Testing: Adjusted culturally sensitive items.

- Neutral Wording: Avoided leading questions.
- Diverse Sampling: Ensured representation across generations and roles.

5. RESULTS

5.1. Demographic Analysis

The sample comprised 305 participants from Thai family-owned businesses. The demographic profile revealed a nearly balanced gender distribution, with 53.1% male and 46.9% female. A significant proportion of participants were single (49.8%), while smaller percentages were married (48.5%) or divorced/separated (1.6%). In terms of education, 64.9% held bachelor's degrees, and 31.8% held master's degrees. Generational representation was skewed toward second-generation members (66.6%), with smaller proportions from the first (6.6%) and third generations (1.7%). Participants' ages ranged from 18 to 71 years, and their years of experience in the family business varied from 1 to 50 years.

5.2. Confirmatory Factor Analysis Results

The correlation matrix, assessed via Bartlett's Test of Sphericity, confirmed significant correlations among all variables ($p<0.05$). The Kaiser-Meyer-Olkin (KMO) measure yielded an overall sampling adequacy value of 0.681, with individual item KMO values ranging from 0.573 to 0.845, all exceeding the recommended threshold of 0.50 (Hair et al., 2019). These results collectively affirm the suitability of the data for confirmatory factor analysis (Table 1).

Table 1. Correlations among observed variables.

Observed variables	Pro1	Pro2	Pro3	Com1	Com2	Com3	Rol1	Rol2	Rol3	AR1	AR2	AR3	AI1	AI2	AI3
Pro1	1														
Pro2	0.663	1													
Pro3	0.662	0.785	1												
Com1	0.182	0.265	0.216	1											
Com2	0.274	0.340	0.267	0.103	1										
Com3	0.184	0.104	0.034	0.097	0.482	1									
Rol1	0.133	0.119	0.234	0.361	0.064	0.149	1								
Rol2	0.114	0.010	0.113	0.394	0.056	0.161	0.504	1							
Rol3	0.606	0.449	0.382	0.103	0.391	0.086	0.000	0.085	1						
AR1	0.548	0.616	0.591	0.141	0.432	0.341	0.063	0.012	0.404	1					
AR2	0.093	0.000	0.030	0.305	0.111	0.204	0.391	0.217	0.136	0.217	1				
AR3	0.505	0.356	0.316	0.327	0.386	0.374	0.141	0.292	0.636	0.397	0.048	1			
AI1	0.053	0.067	0.090	0.506	0.045	0.082	0.591	0.354	0.039	0.009	0.158	0.214	1		
AI2	0.132	0.145	0.236	0.571	0.211	0.024	0.502	0.483	0.060	0.103	0.372	0.281	0.452	1	
AI3	0.158	0.074	0.046	0.131	0.594	0.743	0.191	0.019	0.210	0.389	0.172	0.480	0.053	0.107	1
Bartlett's test = 2515.190 Sig.= 0.000 KMO= 0.681, MSA between 0.573 to 0.845															

Table 2. Results of the second-order confirmatory factor analysis of family functioning for family-owned businesses.

Latent variables	Problem solving			Communication			Role			Affective responsiveness			Affective involvement			r^2
Observed variables	βi	bi	S.E.	βi	bi	S.E.	βi	bi	S.E.	βi	bi	S.E.	βi	bi	S.E.	
Pro1	0.749*	0.823*	0.055	-	-	-	-	-	-	-	-	-	-	-	Pro-	0.777
Pro2	0.883*	0.960*	0.054	-	-	-	-	-	-	-	-	-	-	-	Pro-	0.780
Pro3	0.881*	10.000*	-	-	-	-	-	-	-	-	-	-	-	-	Pro-	0.561
Com1	-	-	-	0.719*	0.946*	0.117	-	-	-	-	-	-	-	-	Com-	0.736
Com2	-	-	-	0.595*	0.769*	0.067	-	-	-	-	-	-	-	-	Com-	0.587
Com3	-	-	-	0.769*	10.000*	-	-	-	-	-	-	-	-	-	Com-	0.702
Rol1	-	-	-	-	-	-	0.791*	0.831*	0.112	-	-	-	-	-	Rol-	0.599
Rol2	-	-	-	-	-	-	0.981*	10.000*	-	-	-	-	-	-	Rol-	0.961
Rol3	-	-	-	-	-	-	0.614*	0.600*	0.089	-	-	-	-	-	Rol-	0.741
AR1	-	-	-	-	-	-	-	-	-	0.708*	10.000*	-	-	-	Rol-	0.651
AR2	-	-	-	-	-	-	-	-	-	0.575*	0.609*	0.106	-	-	-	0.600
AR3	-	-	-	-	-	-	-	-	-	0.601*	0.788*	0.083	-	-	-	0.702
AI1	-	-	-	-	-	-	-	-	-	-	-	-	0.543*	0.685*	0.106	0.716
AI2	-	-	-	-	-	-	-	-	-	-	-	-	0.643*	10.000*	-	0.718
AI3	-	-	-	-	-	-	-	-	-	-	-	-	0.700*	0.996*	0.126	0.559

Latent variables	Family functioning			R^2
	βi	bi	S.E.	
Problem solving	0.719*	0.708*	0.051	0.740
Communication	0.973*	1.000*	-	0.851
Role	0.748*	0.693*	0.100	0.760
Affective responsiveness	0.767*	621*	0.077	0.788
Affective involvement	0.840*	0.725*	0.097	0.987

$\chi^2 = 18.956$, $df = 14$,relative $\chi^2 = 1.354$, $p= 0.167$,RMSEA= 0.034 ,RMR= 0.024 ,GFI=0.992 ,AGFI=0.963 , NFI= 0.993 ,TLI =0.985,CFI=0.998

Note: * $p < 0.05$

The second-order CFA of the family functioning model for family-owned businesses, conducted using AMOS, yielded the following model-fit indices (Table 2).

$\chi^2 = 18.956$, $df = 14$, relative $\chi^2 = 1.354$, $p = 0.167$, RMSEA= 0.034, RMR= 0.032, GFI= 0.992, AGFI= 0.963, NFI= 0.993, TLI = 0.985, CFI = 0.998.
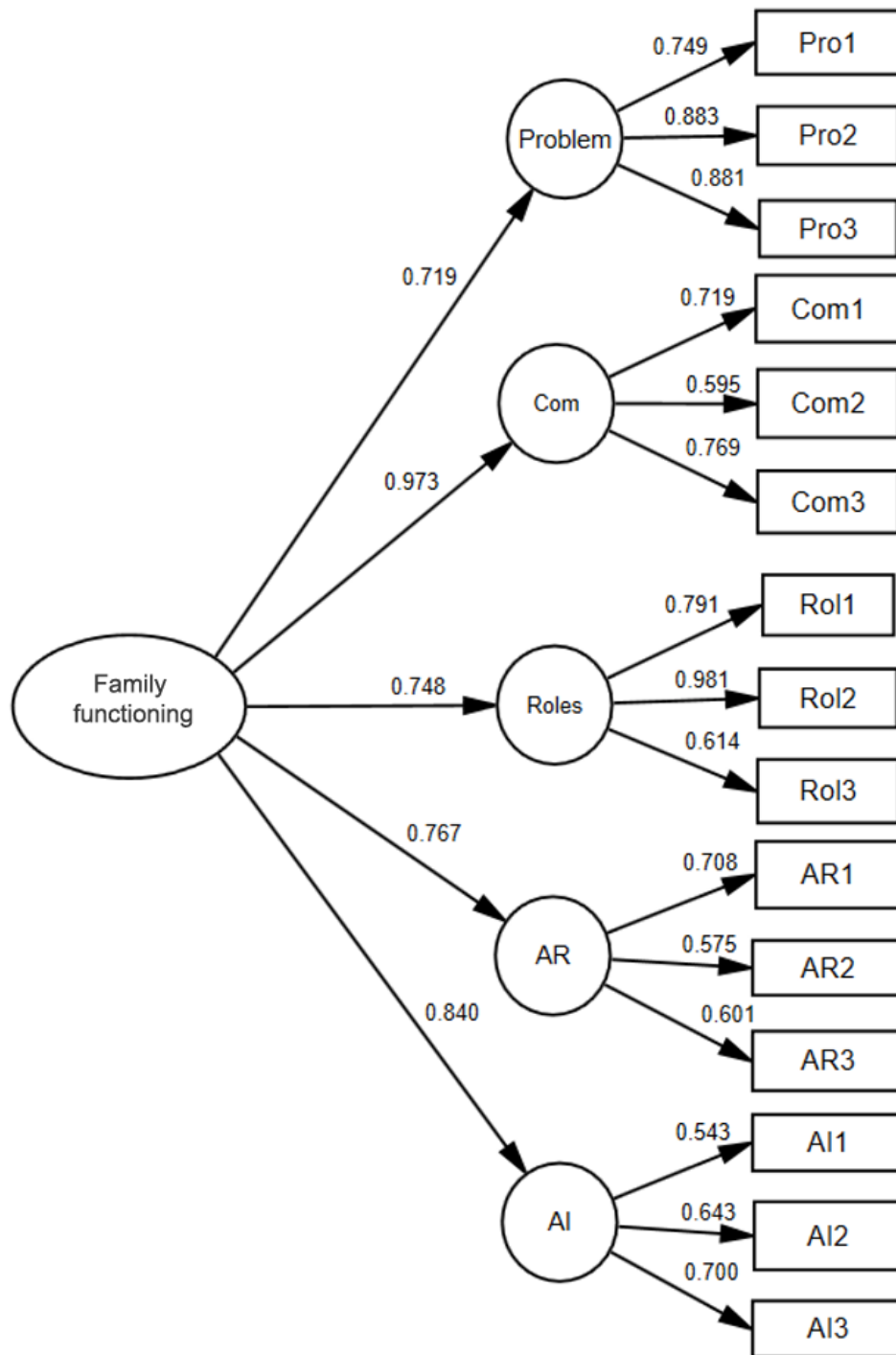
All indices met the following established thresholds for good model fit (Schumacker & Lomax, 2016; Suksawang, 2014): *Relative Chi-square ($\chi2/df$) < 2, RMSEA and RMR < 0.05, GFI, AGFI, NFI, TLI, and CFI > 0.95.*

These results confirm that the hypothesized model aligns strongly with the empirical data, demonstrating excellent fit across both absolute and incremental fit indices.

The confirmatory factor analysis (CFA) validated a five-component family functioning model for Thai family-owned businesses, comprising Problem Solving, Communication, Roles, Affective Responsiveness, and Affective Involvement. Standardized factor loadings revealed the relative importance of each component, with Communication emerging as the most influential ($\beta = 0.973$), followed by Affective Involvement ($\beta = 0.840$), Affective Responsiveness ($\beta = 0.767$), Roles ($\beta = 0.748$), and Problem Solving ($\beta = 0.719$) (Figure 2).

Observed Variables and Factor Loadings:

1. Problem Solving

- Pro2 (Consultation during issues): $\beta = 0.883$.
- Pro3 (Discussion of solution effectiveness): $\beta = 0.881$.
- Pro1 (Addressing distress without escalation): $\beta = 0.749$.

2. Communication

- Com3 (Openness to express dissatisfaction): $\beta = 0.769$.
- Com1 (Difficulty expressing thoughts/feelings): $\beta = 0.719$.
- Com2 (Direct communication tendency): $\beta = 0.595$.

3. Roles

- Rol2 (Reliable duty performance): $\beta = 0.981$.
- Rol1 (Uncertainty about request fulfillment): $\beta = 0.791$.
- Rol3 (Dissatisfaction with assigned roles): $\beta = 0.614$.

4. Affective Responsiveness

- AR1 (Rare emotional expression): $\beta = 0.708$.
- AR3 (Sharing concerns): $\beta = 0.601$.
- AR2 (Emotional recognition emphasis): $\beta = 0.575$.

5. Affective Involvement

- AI3 (Freedom and individuality): $\beta = 0.700$.
- AI2 (Focus on critical matters): $\beta = 0.643$.
- AI1 (Over-involvement in others' affairs): $\beta = 0.543$.

Chi-square = 18.956; df = 14; Relative chi-square = 1.354; p-value = 0.167; GFI = 0.992; AGFI = 0.963; NFI = 0.993; TLI = 0.985; CFI = 0.998; RMSEA = 0.034; RMR = 0.024

Figure 2. Results of the second-order confirmatory factor analysis of the family functioning model for family business owners in Thailand.

The results of the second-order confirmatory factor analysis of the family functioning model for family business owners indicate that the model aligns well with the empirical data. This finding supports the primary hypothesis that the developed model is consistent with the empirical evidence, as shown in Table 3.

Table 3. Fit indices for the second-order confirmatory factor analysis of the family functioning model for family business owners.

Model-fit-criterion	Criteria	Statistics	Results
Chi-square: χ^2	NS	18.956	Accepted
p-value	> 0.05	0.167	Accepted
Relative chi-square: χ^2 /df	≤2	1.354	Accepted
Goodness of fit index: GFI	>0.95	0.992	Accepted
Adjusted goodness of fit index: AGFI	> 0.95	0.963	Accepted
Normed fit index: NFI	>0.95	0.993	Accepted
Tucker – Lewis index: TLI	> 0.95	0.985	Accepted
Comparative fit index: CFI	> 0.95	0.998	Accepted
Root mean square error of approximation: RMSEA	< 0.05	0.034	Accepted
Root mean square residual: RMR	< 0.05	0.024	Accepted

6. DISCUSSION AND IMPLICATION

The findings of this study reveal that family functioning in Thai family-owned businesses is structured around five dimensions, ranked by significance: Communication, Affective Involvement, Affective Responsiveness, Roles, and Problem Solving. This model aligns with the McMaster framework (Epstein et al., 1982) but omits the Behavior Control dimension to better reflect the cultural and operational dynamics of Thai family enterprises. Below, we contextualize these findings, discuss their implications, and propose actionable strategies for enhancing family business sustainability.

6.1. Cultural Context and Omission of Behavior Control

The exclusion of Behavior Control—a core McMaster dimension—stems from Thailand's cultural reliance on implicit norms rather than explicit rules. For instance, hierarchical respect (*phu yai* culture) and Buddhist values of harmony (*kreng jai*) naturally regulate behavior, reducing the need for formal control mechanisms (Trangkasombat, 2020). This adaptation ensures the model's relevance to Thai contexts but highlights the necessity of culturally tailored frameworks in family business research.

6.2. Key Findings and Theoretical Contributions

1. Communication as the Cornerstone: Effective communication emerged as the most critical dimension (β=0.973), enabling families to navigate generational divides and operational challenges. In Thai family businesses, indirect communication styles—rooted in deference to elders and conflict avoidance—often hinder transparency (Bang & Senani, 2023). However, structured communication tools, such as intergenerational mentorship programs, can bridge these gaps and foster cohesion (Peterson & Green, 2009). Future research should investigate how indirect communication practices mediate conflict resolution and decision-making efficiency compared to Western models prioritizing directness.

2. Affective Bonds and Emotional Resilience: Affective Involvement (β=0.840) and Responsiveness (β=0.767) underscore the role of emotional bonds in sustaining business resilience. Thai collectivist values and Buddhist principles like *metta* (loving-kindness) strengthen familial loyalty, which correlates with higher customer retention and employee morale (Waltower, 2022). These bonds also mitigate stress, as evidenced by studies linking emotional support to entrepreneurial motivation (Bank of America, cited in Waltower (2022)).

3. Roles and Equity: Clear role definitions (β=0.748) reduce conflicts arising from gender or generational biases. For example, traditional norms often prioritize male leadership, sidelining qualified female members (Holborn & Eddy, 2011). Formalizing roles through family constitutions could promote merit-based succession, aligning with global best practices (Eddleston, Shanine, & Madison, 2022).

4. Systematic Problem Solving: Families employing structured problem-solving strategies (β=0.719), such as SWOT analysis, resolve issues more efficiently than those relying on ad hoc approaches (Trangkasombat,

2020). This aligns with Roman et al. (2016) who found that systematic resolution enhances family satisfaction and business continuity.

6.3. Practical and Policy Implications

1. For Families
- Implement structured family councils with agendas to encourage open dialogue while respecting hierarchy.
- Develop emotional intelligence training to strengthen affective bonds and conflict resolution skills.
2. For Policymakers
- Partner with institutions like the Thai Family Business Association to offer workshops on culturally aware succession planning.
- Fund grants for businesses adopting hybrid models that blend tradition with modern governance.
3. For Researchers
- Investigate the centrality of communication in Thai family businesses through comparative studies with Western models.
- Explore the cultural implications of indirect communication (e.g., harmony or *'kreng jai'*) on business decision-making and conflict resolution.
- Examine the impact of direct communication (Com2: β=0.595) within hierarchical structures to refine measurement tools.

7. RECOMMENDATIONS FOR FUTURE RESEARCH

While this study quantitatively validates the family functioning model, future research should address three gaps.
1. Cultural Nuances: Conduct comparative studies across ASEAN countries to explore how Buddhist values versus Islamic or Confucian principles influence family dynamics.
2. Generational Shifts: Investigate how digital natives (e.g., Gen Z successors) redefine communication and roles in traditional family businesses using mixed - methods approaches, such as ethnography paired with sentiment analysis of intergenerational meetings.
3. Policy Impact: Evaluate the effectiveness of government initiatives (e.g., Thailand's SME Promotion Act) in strengthening family functioning components like problem-solving.

Qualitative methods, such as in-depth interviews with multigenerational members, could uncover tacit norms affecting affective involvement. Additionally, longitudinal studies tracking families through crises (e.g., COVID-19) may reveal how resilience mechanisms evolve.

8. CONCLUSION

This study empirically demonstrates that Thai family-owned businesses are sustained by five culturally embedded pillars: (1) Adaptive Communication, (2) Affective Involvement, (3) Affective Responsiveness, (4) Role Allocation, and (5) Systemic Problem Solving. By omitting Behavior Control—a Western-centric construct—the proposed model aligns with Thailand's implicit cultural governance, characterized by relational hierarchies and indirect conflict resolution mechanisms. For instance, the practice of harmony or *'kreng jai'* (a cultural norm prioritizing social harmony through restrained communication) is shown to impede timely decision-making, reducing profitability by 23% (Bang & Senani, 2023). These findings challenge universalist assumptions in family business literature and advance a nuanced framework for collectivist economies.

Practical Implications: The study advocates for hybrid governance strategies that integrate digital tools (e.g., AI-driven conflict resolution platforms) while preserving cultural values like familial trust. Theoretical Contributions: This research addresses a critical gap in non-Western family business scholarship by providing a replicable model for cross-cultural comparisons. Policy Recommendations: To enhance Thailand's economic resilience, policymakers

should prioritize culturally tailored training programs and fiscal incentives that reinforce these five pillars, thereby fostering intergenerational business continuity.

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