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Contextualizing employment outcomes in family business research: current findings and future research avenues

Stefano Amato[1] · **Rodrigo Basco**[2] · **Nicola Lattanzi**[1]

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Abstract
The empirical evidence of family business phenomenon in terms of employment outcomes is contradictory highlighting the micro–macro gap in the existing research. To address this contradiction, our study disentangles the role of context in family firms' employment outcomes. To do so, we conduct a systematic literature review of 67 articles focusing on three employment-related outcomes—namely, growth, downsizing, and quality of labour—published in peer-reviewed journals from 1980 to 2020. Based on a two-by-two framework to classify this extant research, we unpack what we know about family firms and employment outcomes and where we can go from here. We highlight three main findings. First, current research is context-less since has mainly focused on the firm level in one context (i.e., region or country) and there is a lack of studies comparing family firms' employment outcomes in different contexts and explicitly measuring the effects of contextual dimensions on family firms' employment outcomes. This context-less approach could explain the conflicting results and lack of theoretical predictability about the family effect on employment across contexts. Second, the lack of understanding of the context in which family firms dwell highlights the need for future research to focus on context by theorizing about employment outcomes—that is, measuring context and its interactions with family- and job-related variables. Third, there is a need to further explore, analyse, and theorize on the aggregate effect of family firms on employment outcomes at different level of analysis (e.g., local, regional, and national).

Keywords Family business · Contextualizing family firms · Systematic literature review · Firm employment · Regional employment · Context

✉ Stefano Amato
stefano.amato@imtlucca.it

Extended author information available on the last page of the article

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1 Introduction

Recent decades have witnessed a surge of anecdotal stories and fact-based news (e.g., Schwartz 2020) showing the special commitment of family firms to their stakeholders, and specifically toward their employees. The main assumption is that family involvement in the firm results in certain specificities such as family oriented goals (Williams et al. 2019), long term orientation, nepotism culture, and social capital which affect the way human resources are managed (Jeong et al. 2021). This factual information also has a scientific counterpart, reflected in the increasing number of research articles trying to unveil the effect of family involvement in the firm's role as employer regarding job creation, downsizing, and quality of employment. However, the empirical evidence is still contradictory. For instance, while at the firm level, most empirical research has found that family firms are able to grow in terms of employment (Becchetti and Trovato 2002) and downsize less during economic crises (Lee 2006), at the aggregate level, family firms are related to less developed regions (Chang et al. 2008) and to economic entrenchment based on political rent seeking as an impediment of economic growth (Morck and Yeung 2004). This contradiction brings to the fore the micro–macro gap in the family business phenomenon in terms of employment outcomes.

Following Bamberger's thesis (2008), we argue that the aforementioned micro–macro gap is due to the failure of research efforts to move from a simple contextualization approach to context theory approach (Krueger et al. 2021). That is, the positive or negative influence of family involvement in firms in terms of employment could depend on the context in which family firms' dwell. More specifically, we propose that context may help shed new light on why, when, and where the dark or bright sides of family firms emerge because context can boost or hinder (Johns2006) the family's influence on employment outcomes. In dealing with this gap, we follow Gomez-Mejia et al. (2020) and James et al. (2020) to argue that context has been overlooked across levels of analysis when explaining the phenomenon of employment outcomes within family business research.

To begin this debate, we conducted a systematic literature review on employment outcomes in family business research by focusing on a two-by-two framework based level of analysis and meaning of context. In so doing, we classified 67 published articles in peer-reviewed journals from 1980 to 2020 to answer the following research question: *What do we know about family firms and employment outcomes and where can we can go from here?*

Our article contributes to the family firm debate in several ways. First, it attempts to incorporate the dimensions of context and level of analysis in family business research to explain why and how employment outcomes vary across space and time. In this sense, we identify an alternative source for family firm heterogeneity to improve our understanding of how different contexts may shape the way family firms are owned, governed, and managed in terms of employment outcomes. While family involvement in economic activities seems to be the *raison d'etre* for family business scholars, they cannot ignore how contexts constrain or enable the phenomenon itself.

Second, the contextualization of family business research offers the opportunity to challenge the current theoretical approaches (e.g., agency theory and stewardship theory, among others) to test the validity of their theoretical predictions not only in particular family business samples but also across contexts, thereby making theory more context sensitive. This step is important for family business research to gain external legitimacy by developing an inverse contribution path (Pérez Rodríguez and Basco 2011)—that is, by generating contributions in the family business field that can be spread into the main research field. Third, we conclude that applying a context theorizing approach—that is, allowing context to play a more important role in family business research at the firm and aggregate levels—may help analyse, describe, and predict employment outcomes for family firms. Further, our framework can be used as a template to analyse what we know and where to go for other family business–related topics. In this sense, the proposed approach is a tool for developing further the current theory-building process in family business by closing the micro–macro gap in current research.

Finally, beyond the aforementioned academic contributions, our article offers a new perspective to interpret family firms that could be useful for both family firm and policymakers. For business families, our research puts family businesses' connections with their employees into perspective by considering context. This perspective is important not only for local but also for international firms that operate in different institutional and geographical settings to understand their strategies and consequences related to employment. For policymakers, particularly those who develop and implement public policies to stimulate employment in certain areas or mitigate the social costs of downsizing in adversity (e.g., business cycle fluctuations), our review could contribute to their understanding of how economic actors (i.e., family firms) react to public policy stimuli (Basco and Bartkevičiūtė 2016).

In the following sections, we first describe the conceptual background. We then explain the methodology used to carry out our systematic literature review. Following that, we synthetize the literature based on our conceptual framework and present the main findings. Finally, we suggest future research directions.

2 A framework to bridge the micro–macro gap

While family business scholars have focused on describing the distinctive behaviour and performance between family and non-family firms and among different types of family firms, current research has been mainly disconnected from macro- (Krueger et al. 2021) and micro (De Massis and Foss 2018) foundations to explain such distinctive behaviour and performance. Following the debate about micro–macro gap in management (Aguinis et al. 2011), and specifically in family business research (Gomez-Mejia et al. 2020), we propose a two-by-two framework with the purpose of delimitating the boundaries of our study enabling us to further explore the content of current research. In this sense, with the two-by-two framework, we attempted to segment and classify extant knowledge in sub-categories of homogenous groups of research during the collection process, frame our interpretations in sub-categories after analysing the retrieved articles, and visualize future research lines to bridge the highlighted micro–macro gap.

Basically, the framework combines two dimensions. First, the level of analysis represents the focus of research at the firm or aggregate level. The *firm level of analysis* focuses on the influence of family involvement on firms' employment outcomes—that is, on firms' creation (i.e., growth) and destruction (i.e., downsizing) of jobs as well as quality of employment. Conversely, the *aggregate level of analysis* focuses on exploring the role of family firms from a supra-organizational perspective—that is, by assuming territories with administrative and symbolic boundaries as the unit of analysis. In particular, the aggregate level enhances our understanding of the ways family firms contribute to or hamper employment at the industrial, local, and regional levels in which they are situated. In other words, the primary aim of exploring the aggregate level of analysis is to understand family firms' collective role in terms of the growth, reduction and quality of employment.

Second, the meaning of context represents the extent to which context is implicitly or explicitly incorporated into research to understand how it affects or is affected by the family firm phenomenon (Bamberger 2008; Gomez-Mejia et al. 2020; Krueger et al. 2021). There are two different meanings of context. First, the "context as container" which does not consider explicitly the geographical, cultural, and institutional dimensions potentially affecting the phenomenon under study. For the context-as-container meaning, there are two approaches. The context-by-sampling approach is a research strategy aimed at investigating the phenomenon under study in a specific contextual setting and the context-by-comparing approach entails comparing the phenomenon under study in different contextual settings. Second, the "context as covariate" is when research accounts for some contextual dimensions that may influence the phenomenon under study. The context-as-covariate meaning is related to the context-by-theorizing approach, which embraces the interaction between context (by measuring it) and the phenomenon under study.

Table 1 summarizes the conceptual framework combining level of analysis and meaning of context to form four possible combinations (quadrants) of research. Quadrant A (firm level and context as a container) includes research that investigates family firms in a specific contextual setting shaped by institutional, social, cultural, and territorial factors (context by sampling approach) or research that includes family firms in different contextual settings with the aim of highlighting heterogeneity of family firms in different institutional, social, cultural, and territorial contexts (context by comparing approach). Quadrant B (firm level and context as a covariate) entails the recognition and measurement of contextual dimensions that shape or are shaped by the family firm (context by theorizing approach).

The last two quadrants in the second column are related to the aggregate level of analysis. Quadrant C (aggregate level and context as a container) integrates research focusing on the aggregate family firms' effect on creating or downsizing employment but in one specific contextual setting (context by sampling approach) or using more than one contextual setting to compare the aggregate family firms' effect on creating or downsizing employment (context by comparing approach). Quadrant D (aggregate level and context as covariate) considers context as situational opportunities or constraints that can be measured to determine their impact on family firm

Table 1 Micro–Macro approach in family business research

Meaning of context	Level of analysis	
	Firm level	Aggregate level
Context as container	Quadrant A Context by sampling: sampling FFs and/or non-FFs in a contextual setting Context by comparing: Comparing FFs and/or non-FFs operating in two or more contextual settings	Quadrant C Context by sampling: Sampling all FFs or a representative group of FFs in a contextual setting in order to explore or determine their contributions to the employment outcomes Context by comparing: Comparing two or more contextual settings by sampling all or a representative group of FFs in order to determine their contributions to employment outcomes
Context as a covariate	Quadrant B Context by theorizing: Measuring contextual dimensions in order to determine their impact on FFs and/or non-FFs	Quadrant D Context by theorizing: Measuring contextual dimensions in order to determine their impact on FFs or a representative group of FFs and their contributions to employment outcomes

employment or a representative group of family firms and their contributions to employment outcomes at the industry, local, regional, or aggregate level (context by theorizing).

3 Methodology

We decided to conduct a systematic review of the literature as a rigorous scientific procedure to minimize researcher bias in the process of addressing our research questions: *What do we know about family firms and employment outcomes and where can we can go from here?* For this purpose, we adopted the methodological approach suggested by Tranfield et al. (2003). The proposed systematic selection process (Denyer and Tranfield, 2009; Jesson et al. 2013) is advantageous because it enables relevant contributions to be identified by means of explicit and reproducible selection criteria. Following Hoon and Baluch (2020), our consolidated interrogation approach in the emerging field of family business studies looks for commonalities and confirming consensus to bridge the micro–macro gap around the topic of employment outcomes.

First, in the planning stage, we created a preliminary protocol[1] to identify material related to employment outcome in main stream research fields (such as management research field) and in family business field in particular (mainly literature reviews and articles describing the evolution of the field). Based on this first approach and on the current debate in the family business literature around the topic of context, the Soleimanof et al. (2018) article and the recently published article by Gomez-Mejia et al. (2020), we identified the preliminary research gaps around context and level of analysis to approach the systematic literature research on employment outcomes.

Second, during the initial stage, we conducted an unbiased search for published peer-reviewed journal articles solely written in English from January 1980 to the end of December 2018. We chose 1980 as the official starting point because Dailey and Reuschling's (1980) article is the first contribution dealing with family firms and employment outcomes. We searched in the following databases: Business Source Complete (EBSCO) and Scopus. It is important to highlight that we searched for an extensive range of keywords in titles and abstracts to identify the relevant contributions. The main keywords at the end of the planning stage had two categories: family business and employment. The keywords related to family business were necessary to define the boundary of our search into the family business field. The keywords related to employment are integrated into three sub-dimensions: growth, downsizing, employment quality. For the context we do not define any specific keyword because it has to be analysed within the articles investigating employment outcomes in family business research.

Specifically, we adopted the following keywords: 1) family firms OR family business OR family-owned business OR family enterprise OR family owner and 2) employment growth OR downsizing OR retention OR termination OR layoff OR turnover OR employment quality OR wages OR employee relationship OR regional employment OR national employment. Based on our definition of employment outcome, we focus on employment outcomes to capture the results or effects of family firms as economic actors in creating or destroying employment and in influencing the quality of employment at the firm and aggregate levels. While the firm level is related to success (employment growth), reputation (downsizing), and satisfaction (working preferences and employee relationships) as one specific dimension of firm performance (Richard et al. 2009), the aggregate level is related to regional/national performance and regional/national resilience.

[1] The preliminary protocol contains a list of actions to approach the topic of employment in the field of family business. For instance, the first action was to look for articles which explain the evolution of the family business field and summarize the most important ideas. The second action was to look for literature review articles in the management, business, and entrepreneurship fields related to employment and summarize the main ideas. The rest of the actions were more operative to narrow down our knowledge of family business and employment. The protocol was not a rigid instrument but an adaptive instrument. For instance, when we discovered the importance of context we incorporated new actions to integrate this information to our debate.

Table 2 Database search results

	Business Source Complete	Scopus	Manual	Exclusion	Total
Automatic search—keywords search in title/abstract	82	144			227
Manual search—key journal			20		247
No. of duplicates				−59	188
After reading Title/Abstract				−47	141
After reading entire articles				−74	67
Final sample					67

Search limiters: only peer-review academic journals in English

Additionally, to ensure adequate coverage, we also manually scanned major family business journals, international business journals, and entrepreneurship journals.[2] The aforementioned procedures yielded 227 articles. Once duplicate articles were eliminated (59 articles in total), we read the title, abstract, and introduction of each retrieved article to determine its relevance for the purpose of our research. In total 47 articles were removed at this step. Then, after reading the remaining articles in their entirety, we removed 74 articles we judged to lack substantial relevance for our study. In particular, we discarded both conceptual articles and those that do not explicitly explore the relationship between family firms and employment outcomes.[3] At the end of this process, we obtained a final sample consisting of 67 articles, as shown in Table 2.

Even though the first retrieved paper was published in 1980, the area under investigation only became of interest in 2009. However, the topic did not acquire importance in the family business field until 2012; thus, more than 70% of the retrieved papers were published between 2011 and 2020. With reference to the distribution of the selected articles by journal, more than half of the contributions selected (23 of 44 articles) belong to the area "Entrepreneurship and small business management" in the Association of Business Schools (ABS) ranking. In particular, *Family Business Review* and *Entrepreneurship Theory and Practice* account for nearly 12% and 9% of the sample, respectively, followed by *Journal of Family Business Strategy* and *Small Business Economics*, which account both for 6% of the total of contributions selected.

[2] The following journals were included in the manual research process: *Academy of Management Journal*, *Academy of Management Review*, *Administrative Science Quarterly*, *Journal of Management*, *Strategic Management Journal*, *Organization Science*, *Journal of International Business Studies*, *Journal of World Business*, *Entrepreneurship Theory and Practice*, *Journal of Business Venturing*, *Journal of Small Business Management*, *Small Business Economics*, *International Small Business Journal*, *Family Business Review*, *Journal of Family Business Strategy*, *Journal of Family Business Management*, *Journal of Management Studies,* and *Asia Pacific Journal of Management*.

[3] Besides duplicates, the main criteria used to disregard papers from those originally retrieved was the lack of evidence along one of the three dimensions under investigation (e.g., employment growth, downsizing and quality of labor) and the absence of any explicit attempt to explore the influence on employment outcomes at both firm and aggregate level.

Finally, during data analysis and data synthesis, we analysed the content of all the retrieved articles thoroughly following a two-step method. First, two co-authors of this article were independently responsible for classifying the retrieved papers using our proposed framework described in Sect. 2. In case of any divergence of opinion in the classification process, the third author was called upon to settle it. Second, we summarized each article using a predefined coding scheme consisting of the *methods* (i.e., type of analysis, sample composition, and country of analysis), *theoretical framework* (used for explaining the relationship between family firms and growth in term of employment and the definition of family firm used), level of context, employment measure, and the main findings. Finally, to analyse the articles in each quadrant, several meetings were conducted where thorough debate was carried out. These meetings served to define the structure and narrative to describe the existing evidence and, from there, future research in each quadrant.

4 Literature review on family firms' employment outcomes

In this section, we describe and interpret the results of our systematic literature review and classification, focusing on each of the quadrants of the conceptual framework for the micro–macro approach in family business (see Table 1).

4.1 Firm level

4.1.1 Context as a container—firm level

Most the research in family business falls in this quadrant (Quadrant A in Table 1) and to better understand its content we re-organize the retrieved article in two subgroups based on how the context was interpreted: context by sampling (those articles that use one single country) and context by comparing (those articles that use two or more countries)

4.1.2 Context by sampling

There are 39 articles (almost 60% of the retrieved articles—see Table 3) contextualizing the relationship between family firms and employment at the firm level by sampling the phenomenon of analysis in a specific country. While developed countries represent the prominent research context (e.g., the United States, Italy and Belgium), only two studies cover emerging economies (e.g., China, Korea). In these contributions, family dimensions, as a micro-context, are more important than the meso- and macro-contexts implicitly defined by the origin of the sample. Regarding family dimensions, most of the articles use the demographic approach when measuring family involvement (e.g., family owned, family managed, family controlled, and generation involved) (Basco 2013) to capture family effects on employment outcomes, while only two articles (Ensley et al. 2007; Khanin et al. 2012) focus on essence dimensions (e.g., culture) of family involvement.

Table 3 Quadrant A—Firm level/Context as a container (articles using one single country –i.e., context by sampling)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Aoi et al. (2015)	Journal of Family Business Management	Listed family and non-family firms/Japan	/	Quantitative	Family ownership. Fraction of board members from founding family in the board. CEO from founding family	/	/	Family ownership (> 10% equity) and/or a family member serving on board of directors as members chair or vice-chair	Employee relations as pillar of composite corporate social performance index	Compared to family counterparts, non-family firms are found to achieve better employee relations. However, when industry is controlled for, family ownership and family CEO together positively affect the employee relationship pillar
Barnett et al. (2009)	Family Business Review	Family and non-family firms/USA	Identity theory and social identity theory	Quantitative	Career role salience; family role salience	Family firm status	/	Self-reported definition of family firms	Employment growth	Family firm status positively moderates the relationship between business owner's career salience and firm growth
Bassanini et al. (2013)	ILR Review	Family and non-family firms/ France	/	Quantitative	Family ownership	/	/	Family ownership (main category of shareholders is either a family or an individual)	Wages level-Downsizing	Family-owned businesses pay lower wages to employees than non-family businesses on average. In contrast, the former have higher job security

Table 3 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Bennedsen et al. (2018)	Journal of Financial Economics	Family and non-family firms/Denmark	–	Quantitative	Family management	/	/	Family management: (1) two board members are related to the CEO by blood or marriage or (2) any three board members are related (even if none of them is CEO)	Absenteeism	The family status of the firm is negatively correlated with absenteeism meaning that family firms are in a better position to elicit cooperative behaviour from employees
Becchettti and Trovato (2002)	Small Business Economics	Family and non-family firms/Italy	Gibrath law	Quantitative	Family ownership	/	/	Family ownership (at least 50% of equity)	Employment growth	In addition to size and age, financial constraints and access to foreign markets are major determinants of small and medium-sized family enterprises

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Blanco-Mazagatos et al. (2018)	Journal of Business Research	Unlisted family firms/ Spain	Human Capital Theory	Quantitative	HR practices for family and non-family employees	Generational stage	/	Family ownership (> 50%), governance and succession intention	Organizational human capital (OHC)	Both family and non-family employees' skill- and motivation-enhancing practices improve OHC. Generational stage exerts positive influence on aforementioned relationships
Block (2010)	Family Business Review	Family and non-family listed firms/ USA	Social identity and Agency theory	Quantitative	Family ownership. Family management	/	/	Family ownership and management (CEO or Chairman is from family)	Downsizing	Family ownership reduces the likelihood of downsizing to preserve corporate reputation preservation, while family management has no effect
Cameron et al. (2009)	Journal of Human Resources in Hospitality & Tourism	Small family-owned business/ Australia	/	Qualitative	/	/	/	/	Employment retention	Small family businesses in rural areas can successfully adopt human resource management to strengthen their relationships with employees to retain staff

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Coad and Timmermans (2014)	European Management Review	Family and non-family entrepreneurial dyads/Denmark	/	Quantitative	Family ownership	/	/	Family status of the firm, uniquely based on family relationships	Employment growth	Family entrepreneurial teams show lower employment growth than non-family counterparts
Colombo et al. (2014)	Journal of Small Business Management	Family and non-family firms/Italy	SEW approach	Quantitative	Family ownership; non-family members in entrepreneurial team; multiple generations in ET	Changes in sales	/	Family ownership (at least 50% of equity)	Downsizing	In entrepreneurial ventures with family ownership, the relationship between changes in sales and changes in employment is weaker than in their counterparts without family ownership. The involvement of multiple generations further weakens this relationship

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Dailey and Reuschling (1980)	Journal of General Management	USA	/	Qualitative	/	/	/	/	Termination	Human resource management in family-owned businesses is characterized by lack of objectivity and formal policies regarding employee termination and retirement
Damiani et al. (2018)	Economia Politica	Listed and non-listed family and non-family firms/Italy	/	Quantitative	Family firm status; performance-related pay for employees (PRP)	/	/	Family ownership (> 50% of shares)	Competitiveness	Family firms that adopt wage-incentives obtain greater gains in terms of competitiveness than non-family counterparts
Deng (2018)	Asia Pacific Business Review	Single family firm/China	Social capital theory/ Social exchange perspective/ Organizational support	Qualitative	/	/	/	/	Employee retention	By embedding familiness in human management practices, a family firm can enhance employees' organizational commitment, which in turn positively affects the retention of migrant workers

Table 3 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Diwisch et al. (2009)	Small Business Economics	Family firms/Austria	/	Quantitative	Generation	/	/	/	Employment growth	Family firms that have either planned or already transferred ownership and control show a significant and positive impact on employment growth compared to firms without any succession plan
Eddleston et al. (2013)	Entrepreneurship Theory & Practice	Family firms/USA	/	Quantitative	Strategic planning	Generational involvement	/	Self-definition of family firms and at least two family members involved in the business	Employment growth	Family firm growth is influenced by strategic planning and succession in place. While the relationship is positive in first-generation firms, neither forms of planning lead to growth for second-generation firms. Their positive influence re-emerges in third-generation family firms

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Ensley et al. (2007)	Journal of Business Research	Family and non-family firms/USA	Upper Echelons Theory	Quantitative	Long-term stock option dispersion; short-term pay dispersion	/	Potency; cohesion; affective conflict; cognitive conflict	Essence approach	Employment growth	Pay dispersion in top management teams of family firms negatively affects team cohesion, effectiveness, and conflicts, which in turn harms employment growth. The detrimental effect of pay dispersion is higher in family firms than in their non-family counterparts
Gomez-Mejia et al. (2018)	Human Resource Management	Only family firms/Spain	Behavioral agency theory	Quantitative	Firms size; sales trend	Non-family dominance of TMT	/	Family ownership (> 50% of shares) and management	Employee risk bearing	Family firms dominated by non-family members in the TMT are more likely to introduce incentive pay schemes than family firms dominated by family members in the TMT. This tendency is aggravated in firms bigger in size and declines when trend sales is negative

Table 3 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Hu and Schaufeli (2011)	Career Development International	Three family-owned business/USA	/	Quantitative	Past job downsizing; anticipated downsizing; current remuneration	/	Burnout; work engagement	/	Turnover intention	Using the Job Demands-Resources (JD-R) model, the authors show that job insecurity negatively affects employees' turnover intentions. This relationship is mediated by the workers perceived well-being
Kappes and Schmid (2013)	Corporate Governance: An International Review	Family and non-family firms/Germany	Agency theory	Quantitative	Family ownership; family management; generation	/	/	Family ownership (at least 25% of firms' voting right) and management (a member of the founding family represented on management/supervision board)	Downsizing	Family firms actively managed by their founder and/or the founder's show longer time horizons— reflected in employee-related investments—than non-family firms

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Khanin et al. (2012)	Family Business Review	Family firms/ USA	Embeddedness	Qualitative	Superior job alternatives; family embeddedness; work centrality	/	Job satisfaction	Founder's vision and intention to secure cross-generational sustainability	Turnover intention	By reconciling two different institutional domains (the family and the business), family-business embeddedness positively influences job satisfaction, which in turns reduces family employee turnover
Khanin (2013)	Business Horizons	Single family firm/USA	/	Qualitative	/	/	/	/	Turnover intention	The causes and intensity of turnover intentions are ascribed to two divergent forces—namely, centripetal and centrifugal—that respectively positively or negatively influence the turnover intentions of family firms' employees

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Kim and Lee (2018)	Asia Pacific Business Review	Listed family and non-family firms/Korea	Agency theory	Quantitative	Family status of the firm; *Chaebol* family firms	/	/	Family ownership (at least 5% of firms' equity)	Employee relations	Whereas family and non-family firm do not differ in terms of employee relations, *Chaebol* family firms have higher employee-related performance than non-*Chaebol* family firms
Kölling (2020)	Bullettin of Economic Research	Family and non-family owned and managed firms/Germany	/	Quantitative	Family status of the firm	/	/	Family firm (> more than one owner working in the firm)	Labour demand volatility	Family firms show lower labour turnover, hence implicit contract. However, only small firm display this distinctive behaviour. When the analysis is restricted to the establishments with more than 20 employees, most of the differences disappear

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Levie and Lerner (2009)	Family Business Review	Family and non-family firms/U.K	Agency theory and Resource-based View (RBV)	Quantitative	Family ownership. Family management	/	/	More than 50% of equity owned by the family and at least 2 family members in managerial position	Employment growth	Family and non-family businesses achieve the same performance despite employing different internal resources. The social capital endowment of family firms offsets their weaknesses in human and financial capital
Madison et al. (2018)	Journal of Business Research	Private family firms/U.S.A	Agency and Organizational justice theory	Quantitative	HR professionalziation	Bifurcated monitoring	/	Family ownership and at least two family members working in the firm	Financial performance	The success of HR professionalization on firm's performance is contingent upon perceived organizational justice. Indeed, when the asymmetric treatment of family and non-family employees occurs (i.e., bifurcation bias), the beneficial effect of HR professionalization weakens

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Mahto et al. (2020)	Journal of Business Research	Private family firms/U.S.A	Social identity theory	Quantitative	Value similarity; family bonds; decision-making homogeneity	Family member commitment	Opportunity costs	/	Turnover intentions	The opportunity costs of staying moderate the relationship between family commitment and turnover intentions of family employees. However, when the opportunity costs are very high, family members show interest in exploring job opportunities elsewhere

Table 3 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Martí et al. (2013)	Journal of World Business	Family and non-family firms/Spain	SEW approach	Quantitative	Family ownership. Venture capital ownership	/	/	Companies whose ultimate largest shareholder is a family or individuals closely linked to a family group	Employment growth	Venture capital–backed family firms underperform compared to their non-family counterparts only when venture capital holds a minority of the stake. In this circumstance, a mismatch between the traditional management style of the family with that introduced by the venture capitalists negatively affects growth
McLarty and Holt (2019)	Family Business Review	Family firms/U.S.A	SEW approach	Quantitative	SEW importance	Employees' dark personality	/	/	Employee task performance	When supervisors in family firms prioritize SEW, a positive environment results which mitigates the adverse effect of employees' dark personality – in the form of narcissism, psychopathy and Machiavellianism – on performance

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
McLarty et al. (2018)	Entrepreneurship Theory & Practice	Family firms/ U.S.A	Social exchange theory; socioemotional wealth approach	Quantitative	Supervisor family member	Organizational commitment; SEW importance	/	/	Employee task performance	Organizational commitment is more job performance when there is a congruence between the supervisor family status and the importance they place on SEW goals
Neckebrouck et al. (2018)	Academy of Management	Family and non-family firms/Belgium	Stewardship Theory	Quantitative	Family ownership; family management	/	/	Family holds more than 50 percent of the shares of the firm, and at least two board members share the same surname	Downsizing and Voluntary Turnover	Family firms are better financial stewards than non-family counterparts. However, they are worse organizational stewards, as reflected in higher voluntary turnover. Dismissal rate does not differ according to family status

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Pittino et al. (2016)	Journal of Family Business Strategy	Family and non-family firms/ Austria and Hungary	Social Exchange Theory	Quantitative	Family firm status	high-performance work practices (HPWP)	/	Family ownership (absolute majority of equity)	Employees retention	Family firm status has a positive effect on employee retention. When high performance work practices (HPWPs) are adopted, a family effect combines with formal practices, positively affecting the retention of valuable employees

Table 3 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Pittino et al. (2019)	European Management Review	Private family firms/Belgium	Upper Echelon Theory	Quantitative	Family ownership; family management	Generational involvement	/	Family ownership (percentage of shares owned by family in control) and management (family presence in the TMT as percentage of total number of managers in the company)	Employment growth	Increased generational involvement, by raising cognitive diversity and opening the family TMT to unexplored opportunity, fosters employment growth
Powell and Eddleston (2013)	Journal of Business Venturing	Lone-founder SMEs/USA	Work-family enrichment and Social support	Quantitative	Affective family-to-business enrichment; family-to-business enrichment; family-to-business support	Female entrepreneur	/	/	Employment growth	Family-to-business support is positively related to entrepreneurial success is stronger for female than male entrepreneurs

Table 3 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Rutherford et al. (2008)	Entrepreneurship Theory & Practice	Family firms/ USA	Familiness	Quantitative	Power; experience; culture	/	/	Family firm's definition based on the same surname shared by at least two officers or directors	Employment growth	The relationship between familiness (i.e., power, experience, and culture) and financial and non-financial measure of business performance is assessed. The analysis does not show any influence of familiness on employment growth
Stavrou et al. (2007)	Journal of Business Ethics	Family and non-family listed firms/ USA	Stakeholder theory	Quantitative	Family ownership	Performance	/	Family ownership (at least 5% of firms' voting rights) and management (at least two directors have a family relationship)	Downsizing	Family firms are less likely to downsize than non-family firms irrespective of financial performance considerations

Table 3 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Stenholm et al. (2016)	Journal of Small Business Management	Family and non-family firms/Finland	Discovery Theory	Quantitative	Innovation orientation; proactive orientation; risk-taking orientation	/	Entrepreneurial activity	At least 50% of equity owned by a single family and perception of being a family firm	Employment growth	While proactive entrepreneurial orientation affects the growth of both family and non-family firms, innovation orientation influences the growth of family firms only
Sultan et al. (2017)	Journal of Family Business Management	Family and non-family firms/Palestine	high performance organization (HPO)	Quantitative	/	/	/	Family perception of being family firm; Family ownership (> 50%) and management (firm managed by members drawn from founding family)	Employee quality as dimension of HPO framework	Family firms have lower employee quality scores than their non-family counterparts

Table 3 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
VanDalsem (2019)	Journal of Economics and Business	Listed family and non-family firms/U.S.A	/	Quantitative	Family firm status	Stock repurchase	/	Family ownership (more than 20% of stockholder votes) and management (if a founding family member is either a CEO or board chairperson)	Investment in employment	Family firms are less likely to repurchase shares than non-family firms. Whereas a stock repurchase is associated with a decrease in investment in employees, family firms engaging in repurchase are found to sacrifice employees-related expenses a lesser extent than non-family counterparts
Vardaman et al. (2017)	Entrepreurship Theory & Practice	Single family-owned firm/USA	Social identity theory	Quantitative	Family and non-family degree centrality; family and non-family simmelian ties; organizational identification	/	/	/	Employee Turnover	Centrality in both family and non-family friendship networks reduces turnover among non-family employees

Regarding the theoretical background, while there are several articles that rely on a data-driven approach to explore and explain employment outcomes in family and non-family firms (e.g., Bassanini et al. 2013; Bennedsen et al. 2019), the rest of the articles focus on two important specificities of family firms that may affect employment outcomes. First, the internal familiness emerging from the interrelationship between the family and the firm (e.g., Rutherford et al. 2008) make family firms unique in their behaviour toward their employees because of the family's long-term perspective (e.g., Blanco-Mazagatos et al. 2018), the close involvement of the family in the firm (e.g., Powell and Eddleston 2013), and the family's commitment (e.g., McLarty et al. 2018). Most of these studies are related to well-established theories applied to family businesses, such as upper echelon theory (Pittino et al. 2019), stewardship theory (Neckebrouck et al. 2018), and behavioural agency theory (Gomez-Mejia et al. 2018). Second, the external relationship between the family firm and its surroundings is based on identity theory and related concepts, such as social identity (e.g., Barnett et al. 2009) and social embeddedness (e.g., Khanin et al. 2012), among others. The latter are related to family owners' image, sense of pride, and community ties, all of which enable family firms to achieve different employment outcomes from that of non-family firms. Even though family business scholars have highlighted the importance of familiness in its effect on employment outcomes, this external relationship is gaining in importance, so future research should combine both theoretical streams to achieve a holistic perspective of the phenomenon.

Next, we analyse the contributions of the retrieved articles by considering three main clusters of employment outcomes: employment growth, downsizing, and employment quality. First, most of the articles rely extensively on employment growth as the general measure of firm performance (Eddleston et al. 2013) and corporate social responsibility (e.g., Block 2010). The empirical evidence shows conflicting results for the relationship between family involvement dimensions (e.g., ownership, management, governance and succession) and firm employment growth. The family ownership dimension is one of the main determinants affecting employment growth for listed family firms (Amore et al. 2017), family-owned small and medium-sized enterprises (Becchetti and Trovato 2002), and venture capital–backed family firms (Martí et al. 2013) in the United States, Italy, and Spain, respectively. However, the aforementioned relationship is negative for the case of family entrepreneurial start-ups in the context of Denmark (Coad and Timmermans 2014). In disentangling the family effect by considering family ownership, family management, and family generation (Astrachan et al. 2002), whereas Rutherford et al. (2008) did not find evidence that family involvement affects employment growth in the US context, in a sample of Belgian family firms, Pittino et al. (2019) find that increased generational involvement in ownership positions affects firms' employment growth.

To address the contradictory results emerging from studies exploring the direct effect of family involvement on employment growth, an alternative research path focuses on conditional effects (moderation and mediation as a contingency approach). For instance, the impact of family ownership on firm growth may be more complex depending on firm-specific characteristics. From this perspective, Bjuggren et al. (2013) reveal that family ownership negatively influences the probability that a firm will be have high-growth, but this negative effect disappears when a longer time period is considered. Additionally, succession is another determinant of employment growth. Based on a sample of small and medium Austrian family firms, Diwisch et al. (2009) find that firms that plan their succession have higher employment growth than firms that lack a formal succession plan. However, the effectiveness of succession planning may depend on the generation involved. For instance, Eddleston et al. (2013) reveal that succession is more conducive to growth for the first, third, and later generations. Unlike previous studies, mediating variables explain the different propensity of family and non-family firms to grow in terms of employment. For instance, Ensley et al. (2007) show that, compared to their non-family counterparts, pay dispersion in top management teams produces stronger negative behavioural dynamics that adversely affect employment growth. An additional example of mediation is presented by Stenholm et al. (2016), based on a sample of Finnish firms, who find that the relationship between innovation and employment growth is mediated by entrepreneurial activity only in family firms.

Beyond the different academic perspectives (e.g., management, family business, business economics) used to investigate the phenomenon, several theories have been applied to interpret the relationship between family involvement and employment outcomes. There are two main theoretical justifications. First, there is an external link between the firm and its surroundings created by family involvement. The presence of this connection is supported by complementary approaches, such as social identity theory and social capital and stakeholder perspectives. According to these approaches, family firms are deeply embedded in their local surroundings because of their connections with the community over time, resulting in social pressure to contribute to the future wellbeing of the community itself (Bassanini et al. 2013; D'Aurizio and Romano 2013). Second, there is an internal link between family and firm created by the interaction between family and business systems. The presence of this link is supported by the resource-based view, stewardship theory, and the socio-emotional wealth approach. From this perspective, the renewal of family bonds through dynastic succession leads family firms to proactively engage employees as internal stakeholders (Cennamo et al. 2012).

An alternative group of dependent variables in the articles retrieved is downsizing. Most empirical evidence on this topic shows that that there is a negative association between family involvement and the likelihood of downsizing, at least in the United States (Block 2010; Stavrou et al. 2007), France (Bassanini et al. 2013), Germany (Kappes and Schmid 2013) and Denmark (Bennedsen et al. 2019). The main theoretical rationale for explaining this finding comes from social identity theory (Block 2010), stakeholder theory (Stavrou et al. 2007), and the socio-emotional wealth approach (Colombo et al. 2014). Unlike non-family firms, family owners are more likely to care about their social identity and reputation in the community they are embedded in and thus tend to avoid reputation-damaging behaviour, such as layoffs. In other words, the relationship between family firms and their employees seems to be driven by normative commitment and moral principles rather than merely financial considerations (Stavrou et al. 2007). A number of contributions show that the relationship between family firms and employee turnover is mediated by different factors. For instance, Hu and Schaufeli (2011) reveal that job insecurity (i.e., past downsizing and current remuneration) affect turnover intentions via employee wellbeing (i.e., burnout and work engagement). Further, based on a sample of family-owned businesses, Khanin et al. (2012) find that family-business embeddedness and work centrality reduce family employees' turnover intentions by magnifying their job satisfaction. More recently, Vardaman et al. (2019) show that friendship ties between family and non-family members negatively influence non-family employee turnover indirectly through organizational identification. However, the negative association between family firm status and turnover is contingent on firms' size, with only small family firms showing distinctive behaviour toward employees (Kölling 2020).

Finally, further evidence suggests that, despite having less incentive to downsize, family firms are associated with low-quality employment resulting in lower salaries than non-family firms in France (Bassanini et al. 2013) and higher voluntary turnover in Belgium (Neckebrouck et al. 2018). Indeed, there is also evidence showing that job insecurity (Hu and Schaufeli 2011) in China, disaffection (Khanin 2013) in the United States, a low employee relationship orientation in firms (Cameron et al. 2009) in Australia, and superior employment prospects elsewhere (Mahto et al. 2020) affect employees' turnover intentions in family firms. However, the empirical evidence of employment quality in family firms is contradictory. It was found that some employment practices such as reciprocity is particularly strong in family firms whereby family ties can cross the family domain to encompass non-family employees (Vardaman et al. 2018). For instance, evidence shows that embedding familiness into human resources practices is an effective way to improve employee retention in the Chinese (Deng 2018), Austrian and Hungarian (Pittino et al. 2016), and North American contexts (Khanin et al. 2012). However, the perceived inequity stemming from the asymmetric treatment of family and non-family members may reduce the benefits of human resource practices on firms' performance (Madison et al. 2018).

We can conclude that aside from differences stemming from the definition of family firm used (i.e., the way the family firm concept is activated/defined to distinguish family firms from non-family firms), current research has focused on determining whether family involvement (captured using demographic or essence dimensions) in the firm affects employment outcomes (i.e., growth, reduction or quality of employment). Current evidence shows that while family firms generally seem to downsize less than their non-family firm counterparts, their effect on employment growth and employment quality is less evident. This evidence could be explained by the lack of theoretical predictability across contexts. That is, even though these findings make important contributions, the limitation lies in the fact that these results are context-less, implying a lack of generalizability. In our analysis of the next two quadrants at the firm level, we explain and interpret the extent to which family business scholars have overcome this context-less limitation.

Table 4 Quadrant A—Firm level/Context as container (articles using two or more countries—i.e., context by Comparing)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Arijs et al. (2018)	Journal of Family Business Strategy	-/U.S.A & Belgium	Signalling Theory	Quantitative	Instrumental and symbolic components of family business employer brand	/	/	/	Job pursuit intentions	In the two countries, participants show different perceptions of family business brand. In particular, in USA instrumental attributes show a higher influence on job pursuit intentions towards family firms

Table 4 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Backman and Palmberg (2015)	Journal of Family Business Strategy	Family and non-family firms/Sweden	/	Quantitative	Family status of firm	Metropolitan; urban; rural area	/	Family ownership (one or more family members owning majority of shares) and management (one or more members are in management position)	Employment growth	Regional context affects the performance of family firms, with family-owned businesses in rural areas exhibiting higher employment growth than non-family firms
Baú et al. (2019)	Entrepreneurship Theory & Practice	Family and non-family firms/Sweden	Embeddedness	Quantitative	Family firm status	Urban area; local embeddedness		More than 2 family members own and are involved managerial position	Employment growth	Local embeddedness positively affects employment growth of family firms, and this is more pronounced in rural areas

Table 4 (continued)

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Karlsson (2018)	Journal of Family Business Strategy	Family and non-family listed firms/ Sweden	Resource-based view (RBV)	Quantitative	Family firm status	/	/	Family ownership (majority of decision-making rights) and management (at least one family member in governance of firm)	Employment growth	Family firms show comparative employment growth advantages relative to non-family firms in rural areas. These arise because family firms' higher social capital seems to be particularly valuable in regions with low population density

4.1.3 Context by comparing—firm level

Only four articles (equal to 6% of the retrieved articles—see Table 4) contextualize the relationship between family firms and firm employment by comparing family and non-family firms operating in different geographical areas. The articles in this quadrant mostly stress the role of the location of the family firm in exploiting the competitive advantages derived from family involvement in the firm. Specifically, these studies address the question of whether the surrounding socio-economic environment influences family and non-family firm employment outcomes differently. The contributions in this quadrant focus on the urban/rural location of family firms in Sweden, and their conclusions are consistent: family firms exhibit better employment growth than non-family firms in rural areas (Backman and Palmberg 2015; Baú et al. 2019; Karlsson 2018). This research line follows the theoretical rationale of social capital approach (Arregle et al. 2007; Pearson et al. 2008), the resource-based view of the firm (Barney 1991), and the local embeddedness/regional familiness perspective (Basco 2015; Stough et al. 2015), suggesting that family firms located in rural areas are better positioned to acquire, allocate, and manage valuable tangible (e.g., financial capital) and intangible resources (e.g., human capital) that positively affect employment growth.

Despite the importance of context for firm behaviour and employment, only the aforementioned studies attempt to compare employment outcomes, specifically employment growth, based on location. Even though these results regarding the urban–rural location of family firms align, all of the firms studied are located in the same country. Indeed, these findings set a precedent for Swedish policymakers (Basco and Bartkevičiūtė 2016), but that does not mean that these results can be generalized. Another limitation of these studies is related to how they measure location by focusing simply on different categorizations of urban–rural areas, which is a rough measure of socio-spatial context. There are so many assumptions (e.g., the type of embeddedness in local municipalities) when categorizations of urban–rural areas are used to explain the mechanisms behind these contexts and the advantages or disadvantages between family and non-family firms. The econometric exercises in these studies oversimplify reality by failing to measure the socio-economic dynamics occurring in these settings, so most of the conclusions are taken for granted. In the next quadrant at the firm level, we explore how current research overcomes some of the aforementioned limitations by measuring context.

4.1.4 Context as a covariate

There are 19 articles (29% of the retrieved articles—see Table 5) measuring context and its impact on the relationship between family firms and employment outcomes (Quadrant B in Table 1). Most of these studies adopt a cross-country approach in investigating the impact of context in the relationship between family firms and employment outcomes. The most common strategy in these articles consists of using contextual dimensions as moderator variables in the main relationship between family involvement (demographic or essence variables) and employment outcomes. The interpretation of context in this quadrant applies the multi-embeddedness framework

Table 5 Quadrant B—Firm level/Context as a covariate

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Amato et al. (2020)	Baltic Journal of Management	Listed and non-listed family and non-family managed firms/Spain	Embeddedness	Quantitative	Family firm status	Municipality size; global financial crisis	/	Family management (more than one family member in managerial positions)	Employment growth	Family-managed firms located in large urban areas have higher employment growth than non-family firms. During the global financial crisis, family firms in small municipalities showed a lower reduction of employment than non-family counterparts in the same area

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Amore et al. (2017)	Journal of Corporate Finance	Listed family-firms/Italy	Agency theory	Quantitative	Marital leadership	Industry shocks	/	Family ownership (at least 50% of equity or 25% if firm is listed)	Turnover	Firms led my married couples exhibit lower employee turnover and higher labour productivity than companies with lone or multiple non-family leaders and companies with lone or multiple family leaders

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Bach and Serrano-Velarde (2015)	Journal of Corporate Finance	Family and non-family listed firms/ France	Implicit contract theory	Quantitative	Dynastic transition	Labour market relations; labour market conditions	/	Family ownership and management	Downsizing—Wages level adjustment	At the time of CEO transition, family-promoted CEOs are associated with fewer job losses of the incumbent workforce and less wage renegotiation than non-dynastic CEOs. This difference is greater in the presence of friction in industrial relations

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Bennedsen et al. (2019)	The Review of Corporate Financed Studies	Family and non-family listed firms/ multiples countries	/	Quantitative	Family ownership	Labour Market Regulation	/	Family ownership (25% of voting rights via direct and indirect family shareholding)	Labour volatility	Family firms outperform non-family counterparts in countries with weaker market labour regulations. Additionally, labour volatility of family firms is lower in unregulated markets

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Bernhard and O'Driscoll (2011)	Group and Organization Management	Small family-owned business/Germany	/	Quantitative	Transformational leadership; transactional leadership; passive leadership	/	Psychological ownership	Firms that are 100% owned and managed by a single business owner-manager employing less than 50 workers	Turnover intention	Psychological ownership positively mediates the relationship between the owner-manager leadership style and non-family employees' turnover intentions
Bjuggren (2015)	Journal of Economic Behaviour & Organization	Family and non-family listed and non-listed firms/Sweden	/	Quantitative	Family ownership	Industry shocks	/	Family ownership (at least 50% of equity)	Downsizing	Employment in family-owned businesses is less sensitive to unanticipated sales and value-added shocks at industrial level

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Bjuggren et al. (2013)	Journal of Small Business & Entrepreneurship	Listed and non-listed family-firms/Sweden	/	Quantitative	Family ownership	/	/	Family ownership (at least 20% of the votes)	Employment growth	The main analysis reveals that family ownership reduces a firm's probability of high-growth. This negative relationship disappears for medium and large firms and when a longer time period is considered

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Block et al. (2018)	Entrepreneurship Theory & Practice	multiple countries	Occupational choice theory	Quantitative	Female; education; entrepreneurial intention	Labour market institutions	/	/	Individual preference to work in a family firm	National labour market institutions influence individuals' preference to work for a family firm. In particular, this choice is positively related to a high degree of labour market flexibility, centralized wage determination, and low labour-employer cooperation

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Chen et al. (2014)	Corporate Governance: An International Review	Family and non-family firms/ multiple countries	SEW approach	Quantitative	Family ownership	Country's regulatory environment	/	Family control	Employment growth	Family-controlled firms show higher employment growth rates than non-family-controlled firms. The impact of a poorer regulatory environment on workforce growth rate reduction is higher in family firms than in their non-family counterparts

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Ellul et al. (2018)	Review of Financial Studies	Listed family and non-family firms/multiplecountries	/	Quantitative	Family ownership:	National unemployment insurance	/	Family firms are defined as those where a family blockholder is the largest shareholder, has at least 25% of cash flow rights, and is present in the firm's management	Employment growth	Compared to their non-family counterparts, family firms offer more employment stability in countries with less generous national unemployment insurance

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Ernst et al. (2012)	International Journal of Entrepreneurship and Innovation Management	Non-listed family and non-family firms/The Netherland	Agency theory & Stewardship theory	Quantitative	Family ownership; family management	Firm's age	/	At least two of the following criteria: 1) a single family owns more than 50% of the equity; 2) a single family exercises considerable influence on the business or succession decisions; 3) at least two members of the board of directors or advisors are from one family	Employment growth	Firm's age moderates the relationship between family firm and employee growth in an inverted U-shaped relationship between family involvement and firm's growth

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Kang and Kim (2020)	Management Science	Family and non-family listed firms/ USA	Agency theory	Quantitative	Family status of the firm;	Tax changes at state-level	/	Family ownership (> 5%) and governance (at least one family member on the board or management)	Employee relations	Family firms invest more in employee relations than non-family firms when an exogenous shock such as reduction in state inheritance and state taxes occurs

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Kim et al. (2020)	Journal of Business Ethics	Family and non-family listed firms/ USA	Place-basedness theory	Quantitative	Family status of the firm	Population density	/	Family ownership (at least 5% of firms' equity)	Downsizing	Family firms are less inclined to downsize when located in less-populated area where the negative socio-economic consequences (i.e., externalities) would be higher

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Lee (2006)	Family Business Review	Family and non-family listed firms/ USA	/	Quantitative	Family ownership; family management	/	/	Family ownership (founding family or descendants hold shares) and management (founding family or descendants on the board of directors)	Employment growth	Family-owned businesses have higher employment rates than non-family counterparts. Family management is shown to foster employment stability during economic slowdowns

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Mueller and Philippon (2011)	American Economic Journal: Macroeconomics	Family and non-family-controlled firms (multiple countries	/	Quantitative	Cooperative labour relations	/	/	Family ownership (if a single family is the largest shareholder) and generation (1st generation and beyond)	Fraction of firms controlled by families/ Fraction of total market capitalization controlled by 5 top families	Labour conflicts explain differences in ownership across countries. In particular, countries with hostile labour relations have more family ownership than countries with cooperative labour relations

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Santoro et al. (2020)	Small Business Economics	Small family firms/Italy	Organizational resilience	Quantitative	Employee-level resilience	Entrepreneur resilience	/	Family ownership and management	Growth and profit performance	All of employee-level dimensions of resilience (i.e., behavioural, cognitive and contextual) affect firm performance positively when the entrepreneur has a propensity towards resilience

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Sraer and Thesmar (2007)	Journal of the European Economic Association	Family and non-family listed firms/ France	/	Quantitative	Firm-founder management; founder's heirs management; professional CEO management	Industry shocks	/	Family ownership (more than 20% of voting right)	Wages level-Downsizing	On average, family firms pay lower wages to employees than non-family firms. In contrast, the lower reactivity of employment levels to industry shocks suggests that family firms provide insurance to their workforce

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Tabor et al. (2020)	Journal of Business Ethics	Family firms U.S.A	Conservation of resources theory	Quantitative	Work-family conflict	Spiritual leadership	/	Family ownership and at least two family members employed in the firm	Organizational commitment	Spiritual leadership exacerbates the negative effect of work-family conflict on employees' organizational commitment. Additionally, whereas spiritual leadership has positive effects on family employees, it is detrimental for non-family employees leading to high work-family conflict

Table 5 (continued)

Author	Journal	Sample (Country	Theoretical framework	Research design	Independent variable	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Van Essen et al. (2015)	Corporate Governance: An International Review	Family and non-family listed firms/ multiple countries	Institutional theory	Quantitative	Family-controlled firm	/	/	Family ownership (at least 5% of voting rights and is the largest owner)	Wages level-Downsizing	Family firms are more resilient than non-family firms since family firms are less likely to downsize or decrease wages in both crisis and pre-crisis periods

for family firms (James et al. 2020) by discriminating between different contexts, such as the family (e.g., Amore et al. 2017), the meso-context (e.g., industry, labour market, or region) (e.g., Bach and Serrano-Velarde 2015), and the country (Chen et al. 2014). Each of these contexts combines existing family business approaches (e.g., socioemotional wealth) with mainstream theories, such as institutional theory (van Essen et al. 2015) and occupational choice theory (Block et al. 2018). Following the structure presented for Quadrant A, we next analyse the contributions of the retrieved articles by considering three main clusters: employment growth, downsizing, and employment quality.

First, as in Quadrant A, most of the articles focus on employment growth and their contributions lie in revealing the contingent effect of context on the relationship between family involvement and employment growth. Regarding the micro-context, while Bjuggren et al. (2013) find that the negative relationship between family involvement and employment growth disappears for medium and large firms in Sweden, particularly when a longer time period is considered, Ernst et al. (2012) find that firm age seems to play a role in employment growth in the Netherlands. In particular, they show that a non-linear relationship exists between family involvement and employment growth across firm age. We did not find any articles measuring the meso-context, such as industry, to contextualize family involvement and employment outcomes, which indicates an opportunity for future research. Finally, regarding the macro-context, the research mainly focuses on formal institutional contexts and economic crises. For instance, in the United States, Lee (2006) find that family management fosters employment stability during economic slowdowns. More recently, based on a sample of Spanish firms, Amato et al. (2020) found that during crises, family firms located in small municipalities have higher employment growth than their non-family counterparts located in the same socio-spatial settings. In a cross-country study, Chen et al. (2014) find that the quality of the regulatory environment negatively moderates the relationship between family ownership and firm employment growth. In another cross-country analysis, Ellul et al. (2018) find evidence of the "substitutability hypothesis" between unemployment insurance offered by the government and that offered by firms. In particular family firms have been found offer more employment protection than non-family firms but only in countries with less generous national insurance policies. Finally, Bennedsen et al. (2019) found that family firms show less labour volatility, particularly in countries with fewer labour market regulations, wherein implicit insurance is most valuable.

The second most important group of articles explores downsizing. Regarding the micro-context, in a study of French family firms, Bach and Serrano-Velarde (2015) find that CEO transition in dynastic firms is associated with less workforce reduction than in non-dynastic firms. Regarding the meso-context, employment in less sensitive to unanticipated sales and value-added shocks from industry in the Swedish (Bjuggren 2015) and French contexts (Sraer and Thesmar 2007). With regard to the macro-context, Kim et al. (2020) study in the United States reveals that family firms are less likely to downsize, particularly when located in less populated areas, where the negative externalities resulting from massive layoffs would be higher. Finally, in a multi-country study, van Essen et al. (2015) find that family firms are more resilient (i.e., less likely to downsize) than non-family firms both before and during crisis periods.

The final group of articles covers employment quality related to wages and turnover. Regarding the micro-context, maritally-led firms have lower employment turnover than family and non-family firms in Italy (Amore et al. 2017). Moreover, leadership style, mediated by psychological ownership, is found to play an important role in explaining turnover intesntions among employees in German family firms (Bernhard and O'Driscoll 2011). In terms of the meso-context, Bach and Serrano-Velarde (2015) show that low wages are more common among dynastic family firms and are even more common in presence of the fictional labour market and conflictual labour-employer relations of the French context.

To sum up, our knowledge in this quadrant goes a step further than in the previous quadrants by attempting to measure context at micro-level (e.g., context in which couples work), meso-level (e.g., sales shock at the industry level), and macro-level (e.g., economic crises) to determine their impact on the relationship under study. This quadrant provides more information about when the direct general relationship between family involvement and employment growth (reported in Quadrant A) is positive and negative. In other words, context is interpreted as a moderator dimension that affects the strength and/or the direction of direct relationship and overcomes the conflicting empirical evidence emerging between family involvement and employment outcome (Quadrant A). In other words, context can better explain the nuances of the relationship and thus to make generalization from the results more accurate. The importance of context is also valid for downsizing and measures of employment quality. For instance, even though the research on contextualizing confirms the conclusion made in Quadrant A that family firms downsize less than non-family firms, this conclusion is even more apparent during economic crises. At the same time, family firms are less likely to reduce salaries, which seem to be lower than in non-family firms. Theoretically, the most important contribution of this quadrant is to show how theoretical predictions and the behaviour of the phenomenon itself (e.g., family firm) react to external dimensions at the micro-, meso-, macro-levels. Nevertheless, even with the steps to integrate context in the current research, the methodological approaches have hardly advanced. For instance, with the exception of Block et al. 's study (2018), there is no research using multi-level modelling to consider the nested nature of the data.

4.2 Aggregate level

4.2.1 Context as a container—aggregate level

There are four studies (6% of the retrieved articles—see Table 6) at the aggregate level of analysis (Quadrant C in Table 1), which are exploratory in nature and use a data-driven approach. The first three, Astrachan and Shanker (2003); Bjuggren et al. (2011); and Andersson et al. (2018), estimate the economic impact of family firms in terms of workforce employed and GDP generated in the US and Swedish economies, respectively. In both studies, the whole estimation process is constrained by the definition of

Table 6 Quadrant C—Aggregate level/Context as container

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable of interest	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Astrachan and Shanker (2003)	Family Business Review	Family firms/USA	/	Quantitative	/	/	/	Family control over strategic decision-Owner's intention to pass on firm to future generation—Multiple generations in firms	Workforce employed	Depending on the definition adopted, family firms represent the major contributor to the US economy in terms of workforce, business tax returns, and GDP
Andersson et al. (2018)	Small Business Economics	Listed and non-listed family firms/Sweden	/	Quantitative	/	/	/	Family ownership (at least 50% of equity or 25% if firm is listed) and governance (at least one family member in the board)	Workforce employed	By using register data on the population of Swedish firms, family firms contribute for over one third of all employment and GDP. They are also common in industry and vary in size

Table 6 (continued)

Author	Journal	Sample/Country	Theoretical framework	Research design	Independent variable of interest	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Bjuggren et al. (2011)	Family Business Review	Listed and non-listed family-firms/Sweden	/	Quantitative	Family ownership	/	/	Family ownership (at least 50% of equity or 25% if firm is listed)	Workforce employed	Contributions of family-owned businesses amount to one-fourth of total employment and one-fifth of GDP in Sweden
Holm et al. (2018)	Population, Space and Place	Kinship ties of which family firms account for a type/Sweden	/	Quantitative	Population density	/	/	More than 2 family members	Kinship density in the workplace	In investigating the determinants of kinship density, the study shows a negative association with population density. Family firms represent a particular type of kinship tie especially common in small workplaces

family firm. In the US economy, family businesses account for nearly one-third of the workforce employed if a broad definition of family firm is adopted. Similarly, in the Swedish economy, family firms contribute about one-fourth or one-fifth of the workforce based on the ownership criterion adopted (20% or 50% of family ownership). More recently, by drawing on official data covering the population of workplaces, workers, and their relatives in Sweden, Holm et al. (2018) assess the magnitude and composition of in-house kinship ties. The scholars find a negative association between kinship ties in workplaces and population density. Family firms, which represent a particular type of kinship tie, are particularly common in small marketplaces. However, all these findings come from one single country—Sweden—and they cannot be extrapolated to other developed and developing countries.

Even though this line of research is important for describing the employment role of family firms at country level, any conclusions may be premature because of the lack of comparable measures to identify the phenomenon of study across contexts (e.g., local, regional, and national) and the lack of reliable performance measures to understand the impact of family firms at aggregate level (e.g., aggregate measures of productivity, innovation, or exportation). Additionally, there is no research analysing and comparing the effect of family firms on aggregate employment in two or more municipalities, regions, or countries. Therefore, the most promising future research line for the family business field and subsequent contributions to policymaking is likely to come from this quadrant. Following Basco (2015), the unresolved question that emerges is whether the mere presence of family businesses is good or bad for growth and development at local, regional, and national level.

4.2.2 Context as a covariate—aggregate level

There is only one article exploring the extent to which family firm aggregate employment creation is affected by contextual dimensions (Quadrant D in Table 1). Mueller and Philippon (2011) found that the prevalence of family ownership is higher in countries in which labour relationships are hostile. This result is in line with the theoretical conception that the quality of the formal institutional environment (i.e., the effective laws, rights, and regulations) enhances ownership concentration and also the ownership held by families as mechanisms to guarantee large investors' rights (Table 7).

The single article in Quadrant D shows the scarce cross-fertilization of family business studies with more mature disciplines conducting research at meso- and macro-level such as international business and regional studies among others. More research in this quadrant could enhance our understanding of the role that family firms play in different contexts and how the context boosts or hinders their contribution to employment creation. The lack of research on contextualizing aggregate outcomes suggests several possibilities for future lines of research, which we shall discuss in more detail in Sect. 5.

As a visual summary, Fig. 1 provides an integrative model of the relationship of family firm dimensions, contextual dimensions, level of analysis, and employment outcomes.

Table 7 Quadrant D—Aggregate level/Context as covariate

Author	Journal	Sample/ Country	Theoretical framework	Research design	Independent variable of interest	Moderator	Mediator	Family firm operationalization	Employment outcomes	Main findings
Mueller and Philippon (2011)	American Economic Journal: Macroeconomics	Family and non-family-controlled firms (multiple countries	/	Quantitative	Cooperative labour relations	/	/	Family ownership (if a single family is largest shareholder) and generation (1st generation and beyond)	Fraction of firms controlled by families/ Fraction of total market capitalization controlled by 5 top families	Labour conflicts explain differences in ownership across countries. In particular, countries with hostile labour relations have more family ownership than countries with cooperative labour relations

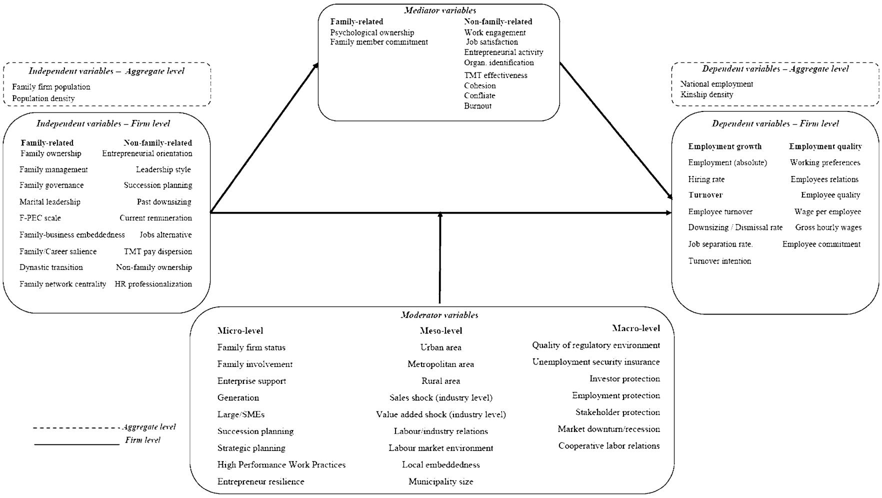

Fig. 1 Integrative model of family firm dimensions, contextual factors, and employment outcomes

5 Future research: Where can we go from here?

Our literature review considers how context and level of analysis have been used to understand the relationship between family firms and employment outcomes. We use our micro–macro framework in family business research to present the future research avenues summarized in Table 8.

5.1 Firm level

5.1.1 Context as container

5.1.1.1 Context by sampling Even though the evolution and consolidation of the family business field in recent decades have affirmed its legitimacy (Pérez Rodríguez and Basco 2011), such research still struggles to operationalize the concept of family firm and to understand the importance of heterogeneity. In this sense, the operationalization of the family firm should not only discriminate between listed and non-listed firms but should also consider differences between lone-owner, family-owner, and family-managed firms. Research into the heterogeneity of family firms could reveal new insights into firm employment outcomes by questioning whether different types of firms have different effects on job creation, downsizing, and employment quality. Indeed, future studies should explain how and why these differences occur.

Second, beyond the operationalization itself, most of the research presented in Quadrant A is built on several assumptions (internal or external link, as discussed in the previous section) to explain a positive or negative effect of family involvement dimensions on employment outcomes. These assumptions, such as family identity and social embeddedness at local level (identity theory, social identity theory, and the socioemotional wealth approach, among others), have hardly been tested, and

Table 8 Future Research Lines

Meaning of context	Contextualization approaches	Level of analysis	
		Firm level	Aggregate level
Context as a container	Context by sampling	How does the degree of familiness (demographic and essence dimensions) affect firm employment outcomes? Do employment outcomes follow a specific pattern in emerging and transition economies? Does the family firm and employment outcome relationship vary according the definition of family firm adopted? To what extent do family firms resort to temporary workers? How does the relationship between family firm and employment outcome transfer to firm performance such as financial performance or productivity? How do family firms deal with labour inefficiencies losses after downsizing?	What is the percentage of employment that family firms generate across contexts and time? To what extent do family firms contribute to maintaining/creating employment at local, regional, and country level? What is the family firm's contribution to employment creation in the local production systems (e.g. industrial districts, *innovative milieu*)? To what extent is the family firm a positive or negative disruptive agent in terms of employment across contexts? How and under what conditions are family firms able to alter regional processes (such as spillovers, information exchange, social interaction etc.) underlying local and regional employment growth?
	Context by comparing	Do the employment outcomes in family and non-family firms differ according to location, local production systems, regions, or countries? Do employment outcomes for family firms differ according to the location in developed versus emerging countries? Do employment outcomes between family and non-family firms and among family firms differ across countries assuming different formal and informal institutional context? Do employment outcomes between family and non-family firms and among family firms vary according to their regional settings or located within clusters? Do employment outcomes between family and non-family firms and among family firms differ according to the degree of labour unionization across industries?	Does the level of employment creation and employment growth among local production systems and regional contexts vary according family firm density? Is the disparity in the employment rate across local, regional, and national levels related to family firm density? Does the aggregate family firm effect (such as family firm density) affect aggregate employment outcomes? Is family firm density associated with the employment growth in manufacturing industry? To what extent does this relationship differ in the service sector? To what extent the relationship between family firm density and employment growth in particular industries differ between developed and emerging economies? Does family firm density and employment growth vary among countries/regions with different degrees of labour market flexibility?

Table 8 (continued)

Meaning of context	Contextualization approaches	Level of analysis	
		Firm level	Aggregate level
Context as a covariate	Context by theorizing	Do family characteristics alter the employment outcomes in family firms? How do family contextual dimensions (micro-context such as family size, type of family, and ethnicity) affect employment outcomes in family firms? Do socio-spatial and temporal-spatial dimensions affect employment outcomes in family firms? How do proximity dimensions affect family firm -employment outcomes? How do external shocks such as economic crises affect employment outcomes in family firms across contexts? What are the roles that family identity and social embeddedness play in family firms in terms of employment outcomes across spatial–temporal context? What is the reaction of family and non-family firms to environmental uncertainty (external shocks affecting sales volatility) in terms of temporary and permanent workers? To what extent do formal and informal institutional contexts moderate the family firm—employment outcomes?	Do spatial–temporal dimensions affect the relationship between the aggregate family firm effect (such as embeddedness) and local, regional, and national employment outcomes? To what extent do structural changes in the labour market moderate the relationship between aggregate family firm effect and employment growth at local, regional, and national level? Do family firms contribute to local, regional, and national resilience? Does this contribution come from employment creation, maintenance of employment, or less employment destruction? Does political uncertainty affect the relationship between family firm density and employment growth at local, regional and national level? Is the relationship between family firm density and employment growth moderated by economic volatility? Is this moderation the same across geographical areas? Did the adhesion to monetary regimes (i.e., European Monetary Union) or supranational organizations influence the relationship between family firm density and employment at regional and national level?

these assumptions remain underexplored. Future research should distinguish demographic dimensions related to family involvement in the firm, which are important for differentiating family firms from non-family firms and types of family firms, from essence dimensions, which account for the intrinsic behavioural consequences of family embeddedness in the firm and their link with society. In other words, the mere condition of being a family firm does not necessarily guarantee a connection and identification with the territory in which both the family and the firm are located. The importance of both dimensions of family involvement could unpack assumptions about what really drives family firms to have better or worse effects on employment outcomes.

Third, the employment outcome measures used in current research are limited in quantity (new measures are needed beyond classical employment growth or downsizing) and quality (to capture working environments, flexibility, and working culture, for instance). In this sense, future studies should expand outcome measures by using alternative measures to capture different aspects of the phenomenon, such as the extent to which family firms resort to temporary employees or temping agencies. On the other hand, beyond the effect of family involvement on employment per se, it is important to relate these measures to alternative performance measures, such as productivity (e.g., Barbera and Moores 2013). Therefore, future research should address the question of how employment outcomes in family firms are transferred to firm performance measures. For instance, possible areas of investigation might be how downsizing affects labour productivity and how family firms deal with losses due to labour inefficiencies. Along the same line, the lens used to theorize the relationship under study could define why and how family involvement in the firm is linked to different employment outcomes. We can expect that not all employment outcomes measured will be affected with the same intensity or in the same direction.

Fourth, as discussed in the previous section, the studies on family firms and firm employment have mainly been conducted in developed countries. Hence, future research could explore the relationship in emerging, developing, and transitional countries and in different cultural/regional settings. Therefore, extending the current research agenda beyond developed countries could be a first step towards a better understanding of the nuances of the effect of family involvement on employment outcomes as it is difficult to imagine that family involvement in economic activities follows the same patterns in developed and emerging economies (Basco 2018). This research effort could help test and validate theoretical predictions across contexts and at different periods of time to challenge mainstream theoretical approaches. Consequently, the aim is not only to test to what extent theoretical predictions work across contexts, but also to explain why they don't work out and how context and time either boost or constrain theoretical assumptions and relationships.

5.1.1.2 Context by comparing This approach represents an opportunity to introduce context into family business research by comparing what happens with the phenomenon in different municipalities, production systems (e.g., industrial districts, clusters, innovative *milieu*), regions, or countries. While the simplest methodological approach is to have samples covering different countries (macro-level), regions, or local productive systems (meso-level) to compare the effect of family involvement on firm employment across contexts, since the unit of analysis (i.e., family firm) is nested within different higher-order contextual dimensions (e.g., regions or countries), a multi-level approach (hardly used in family business research) would prove extremely useful in investigating the importance of context in the relationship under study.

Comparative exercises should be linked to theoretical lenses to justify the need for the comparisons, to hypothesize about the differences, and explain the differences and similarities of family firms across contexts. Choice of the appropriate theoretical approach should be based on the contextual level at which family firms are compared. For example, while comparisons of family firms across countries could use institutional theory (either from the economic perspective (North 1990) or from the sociological perspective (DiMaggio and Powell 1983) to justify that formal and informal institutional contexts frame individual, family, and firm behaviour, interregional comparisons of family firms may rely on approaches coming from regional studies, such as the territorial embeddedness (Hess 2004) and corruption-trust theory (Rothstein 2013), among others, that have emerged in the cross-fertilization between family firm and regional research.

Country-level comparison represents the first alternative for future research in this quadrant. Such research could use employment outcomes (e.g., downsizing) and compare family firms operating in different culturally distant contexts because informal institutional context, particularly the prevalence of different cultural values (e.g., collectivistic *versus* individualistic), could affect the relationship between family firms and their employees. Besides cultural aspects, formal institutional contexts differ in the degree of unionization in labour markets. Therefore, a possible research line could compare the employment decisions of family and non-family firms in countries with different union structures. Consequently, this line of research could challenge the current status quo of institutional theory to refine the theory by providing evidence of the relationship between different institutional settings and specific family firm behaviours because the latter are heterogeneous across contexts.

Beyond the country level, future comparative studies should consider alternative contextual levels, such as regional or industrial levels. Future research should consider regions as potential demarcations of family firm behaviour in terms of employment outcomes. Since economic activities and productive resources are unevenly distributed across space, different geographical areas are likely to have different degrees of well-being (Capello 2011) and competitiveness (Camagni and Capello 2013). Hence, comparing family firms located in different regional contexts would shed new light on how family firms' employment behaviour and outcomes are affected when regional resource endowments are considered. On the other hand, the industry in which a firm operates could serve as a demarcation of family firms and employment outcomes. As a result of continuous structural change and new technological paradigms, sectors of the economy undergo profound transformations in the composition of the workforce, labour relations and hiring and firing policies (Pilat et al. 2006). From this perspective, future research should investigate how family firms operating in different sectors cope with sectorial transformations (e.g., Industry 4.0 paradigm) and the resulting employment implications.

The main limitation of this quadrant is that such comparisons may lead to assumptions regarding context. For this reason, the most important movement for family business research is to measure context by applying a context theorizing approach.

5.1.2 Context as covariate

5.1.2.1 Context by theorizing The most important step for future research is to go beyond contextualizing the phenomenon and attempt to measure context, which may help connect family variables and contextual variables at different levels to explain firm employment outcomes. In this sense, the contingency approach could be used to provide theoretical justification for the importance of context as a conditional dimension (Bamberger 2008; Johns 2006) that either moderates or mediates the relationship between family firms and employment growth. Future research will need to measure institutional, socio-spatial and temporal context to capture contextual nuances (Camagni and Capello 2013) that can constrain or ease the relationships under study by considering the micro-, meso-, and macro-levels.

Regarding the micro-context, it is time for family business research to capture family measures (e.g., type of family, size of the family, and ethnicity) to contextualize family involvement and firm employment outcomes at the micro-level. The limitation of today's research in family business is the assumption that families are homogenous. However, the actual context in which family firms are embedded is the family, and not all families are the same (Stangej and Basco 2017). This homogeneity assumption has to be broken down because family business research risks losing its connection with its roots—the family itself—which gives meaning to the field. Therefore, future studies should explore how family, as a context, affect firm behaviour, specifically employment outcomes. This line of research opens the possibility to explore family theories beyond traditional family system theory, such as family developmental theory, social exchange theory, ecological theory, and feminist family theory.

Regarding the meso-context, the future of family business research lies in exploring the impact of the local social and economic environments in which firms operate. This line of research brings proximity dimensions -namely spatial, social, cognitive, and institutional proximity- into the analysis that could better explain how family firms operate in their close environment and what role family firms play at the local and regional levels –i.e., the regional familiness approach (Basco 2015). For instance, it might be worth investigating the effect of social proximity on family firms' employment decisions. Indeed, it is in local communities characterized by close, reciprocal, and trust-based relationships that family firms are particularly likely to behave differently from their non-family counterparts. Family firms' strong territorial identity and deep emotional connection with their home locality (Kim et al. 2020) may unveil further aspects in terms of employment practices. Additionally, future research could analyse social-spatial context alongside the temporal one. So far, investigations of family firms' employment choices during adversity (e.g., economic downturns, pandemics, and natural disasters) with respect to the communities they are located in have been fairly limited (Amato et al. 2020). Hence, it would be instructive to shed new light on whether and to what extent family firms respond to downsizing during tough times in different ways depending on their localization. From this perspective, the lens of spatial embeddedness could prove extremely useful (Hess 2004). In addition to exogenous shocks that force firms to reduce their workforce, demand volatility is another external pressure that may lead firms to prefer more flexible working options, such as temporary staff. Hence, future research should investigate whether external volatility affects family firms' reliance on temporary employees.

Finally, at the macro-level, an additional future line of research could be to explore the effect of institutional context (formal and informal) on firm employment. More specifically, this line of research, which traditionally relies on institutional theory to justify potential differences of firms across contexts, lacks both theoretical and empirical clarity regarding what and how contextual dimensions affect the phenomenon under investigation. Exploring the formal institutional context in more detail could help researchers generate a communication channel with policymakers by dismantling the assumption that one policy will affect all economic actors in the same way. For instance, research could measure how family and non-family firms react to changes in labour market flexibility and the effect on employment restructuring, such as layoffs. On the other hand, the cultural context may affect how family firms behave and react to their environment because the family is an agent of cultural change and generation in society. From this perspective, the moderating effect of national cultural dimensions in the relationship between family involvement and employment outcomes could prove highly beneficial.

5.2 Aggregate level

5.2.1 Context as a container

5.2.1.1 Context by sampling The aggregate level of analysis has received less attention than the firm level, and only a few articles have attempted to measure the impact of family firms on aggregate local, regional, and national employment outcomes. Hence, future research should explore how family firms contribute to aggregate employment (e.g., regional employment growth) and should analyse the conditions under which family firms are able to maintain, boost, or reduce employment at local, regional, or national level. Even more, this type of study should use longitudinal data to capture the creation and demise of family firms and changes in employment variables.

Dismantling the aggregate effect of family firms could be a step forward in understanding the role family firms play in local, regional, and national employment. Following the call made by Basco (2015) and Stough et al. (2015), there is room to investigate how and to what extent family firms are able to alter the regional processes—namely, spillovers, information exchange, learning, social interactions, competition, and institutional dynamics—underlying regional employment outcomes. Qualitative studies could help in describing and explaining the regional mechanisms that family firms alter, create, or transform to produce effects on aggregate employment outcomes. Additionally, following previous research focusing on country level (Astrachan and Shanker 2003), more empirical descriptive studies are needed at the local, regional, and national levels to capture the presence of family firms and employment generation across contextual settings and time. Both qualitative and quantitative studies are needed to understand the prevalence and importance of family firms in different contexts.

5.2.1.2 Context by comparing Comparative studies are an extension of the previous quadrant but analyse the density of family firms and aggregate employment outcomes in two or more contexts. This is a natural step towards determining similarities and differences in the phenomenon under study that may be linked to context.

While previous studies have shown that heterogeneous industrial structures and differences in human capital are the main factors contributing to regional disparities in employment growth (Saito and Wu 2016; Simon 1998), it would be worth exploring the condition of the firm (i.e., family or non-family) in explaining these differences. Future steps in this direction should consider two important inter-related paths. First, it is necessary to theorize and test the link between family firms and context to understand their effect on local, regional, and national aggregate patterns of employment. Current theorizing is focused on the family's embeddedness within geographical space, which assumes a particular socio and emotional connection between the family and the economic/social environment (Backman and Palmberg 2015; Basco 2015; Stough et al. 2015) based on the concept of proximity (e.g., spatial, social, organizational, and cognitive), but this assumption has not been empirically tested. Second, we need more explorative empirical studies to understand the phenomenon, which may ultimately lead to improvements in theory. The main reason for moving the aggregate level forward lies in the possibility of creating databases with micro-level information that is also representative at regional level.

5.2.2 Context as a covariate

5.2.2.1 Context by theorizing In terms of contextualizing at the aggregate level, future studies should explore how and to what extent family firms contribute to aggregate employment outcomes by considering the context in which this relationship is a moderator dimension. Based on our contingent interpretation of context, we expect that institutional, spatial, and temporal contexts explain when family firms have an effect on aggregate employment outcomes. Research in this quadrant represents the ultimate level of context theorizing, which attempts to measure which facets of context really moderate the aggregate relationship between family firms and employment. The fields of regional studies and international business have developed scales to measures institutional, spatial, and temporal contexts that can be used in family business research. In this sense, local, regional, and national contextual measures do not seem to be a problem; instead, it is difficult to find longitudinal micro-data that is locally and regionally representative across countries. Hence, future research should focus on collaborating with regional, national, or supra-national organizations (e.g., the European Union) to produce more reliable data on the family business phenomenon across regions and countries.

An important topic in this quadrant is related to local and regional resilience. In regional studies, the concept of resilience, which has attracted growing interest since the international financial crisis, refers to a region's ability to absorb economic disturbances, generally reflected as downward changes in the region's employment level during a shock (i.e., resistance) or some years after it (i.e., recovery) (Boschma2015; Eriksson and Hane-Weijman 2017). Extant research has shown that several factors could explain why a shock is unevenly distributed both within and across regions, such as higher diversification of industry (Eriksson and Hane-Weijman 2017), higher stock of human capital (Mazzola et al. 2018), and higher physical accessibility and connectivity (Giannakis and Bruggeman 2017), among others. In regional studies, however, family firms seem to be a missing factor of regional resilience. As a result of their unique characteristics, such as their long-term orientation in decision making (Huybrechts et al. 2011), non-economic goals (Basco 2017), and embeddedness in the community (Dekker and Hasso 2016), family firms may represent an additional, a hitherto hidden, source of regional resilience.

6 Conclusion

Most of the existing research on family firms has focused on the family's effect on firm behaviour and performance (Yu et al. 2012), and the results have been contradictory in terms of employment outcomes at the firm and aggregate levels. We conjectured that these contradictory results stem from of the context-less research in the family business field at different levels of analysis. To address this limitation, we carried out a systematic literature review of 67 published papers in peer-reviewed journal from 1980 to 2020, and developed a framework to classify, analyse, and interpret current knowledge by incorporating three different approaches to contextualize the family firm phenomenon combining two different levels of analysis (i.e., the firm and aggregate levels). Our approach enabled us to map what we know about family business and context in terms of employment outcomes, and what future research areas could be explored further. We summarize our main findings in four takeaway findings.

First, most of the existing family business research on employment has focused on the firm level in one specific context—that is, in one particular regional or national setting. In these studies, the micro-context—namely, family dimensions—is more relevant than the meso- and macro-contexts implicitly defined by the origin of the sample. Additionally, there is a lack of studies comparing family firms in different contexts. This indicates the need for comparative studies to better understand differences and similarities between family and non-family firms across spatial context. We conclude that family business research is context-less because most of the research in this area has used context in post hoc interpretations to contextualize results, and these interpretations are based on speculative assumptions or represent the boundaries for understanding the phenomenon itself. In this sense, the future of family business studies lies in closing the micro–macro gap by measuring context at different levels to interpret family business behaviour and employment outcomes. This stream of research offers a way to unveil nuances among family firms from both a phenomenological perspective and theoretical development one (Reay and Whetten 2011).

Second, in line with the theoretical development, future research has to introduce context in its institutional, socio-spatial, and temporal dimensions to explore the contingent effect—that is, researchers must develop context-contingent theory. This is a necessary step toward integrating theory of the family firm to "explain and predict not only the interaction between family and business systems at the individual and family firm levels but also the interaction between family firms and the environment at the aggregate level" (Basco 2015, p. 260). In pursuing this aim, the context theorizing approach should go beyond simple contextualization (i.e., defining the contextual boundaries that restrict theoretical generalization) by specifying and measuring the nature of the contextual forces and explaining the mechanisms that operate to constrain or enable the occurrence of a particular relationship between family firms and employment outcomes.

Third, there is a real need to better explore, analyse, and theorize on the effect of family firms on employment outcomes at the aggregate level. For this purpose, it is necessary to enlarge the unit of analysis by incorporating the actor (i.e., family firms) with space (i.e., the physical-relational entity with which the actor interacts) and time (Gomez-Mejia et al. 2020; James et al. 2020; Stough et al. 2015). This movement in the family business field requires multi-disciplinary research to embrace alternative theoretical perspectives from the fields of economic geography, regional science, and urban economics. By doing this, the family business field is likely to develop and expand its external legitimacy (Pérez Rodríguez and Basco 2011) to new research fields beyond its current connections with management and strategic research. In so doing, family business research would expand the boundaries of its core knowledge by introducing context as a dimension for future investigations. Research at aggregate levels is important for unpacking the role family firms play in the places where they live, endure, and thrive and therefore their contribution to local, regional and national development.

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Declarations

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Authors and Affiliations

Stefano Amato[1] · **Rodrigo Basco**[2] · **Nicola Lattanzi**[1]

Rodrigo Basco
bascorodrigo@gmail.com

Nicola Lattanzi
nicola.lattanzi@imtlucca.it

[1] IMT School for Advanced Studies Lucca, Piazza S. Francesco, 19, 55100 Lucca, Italy

[2] The Sheikh Saoud Bin Khalid Bin Khalid Al Qassimi Chair in Family Business, American University of Sharjah, PO BOX 26666 University City, Sharjah, United Arab Emirates