

A tenet of organizational theory is that one can explain the prevalence and distribution of an organizational form with respect to the fit of that form to its environment. By these standards, the family enterprise must be a remarkably efficient and robust organizational form: it is the world's most common form of economic organization and, as noted by La Porta et al. (1999), family-controlled corporations dominate the global economic landscape.

Rafael La Porta, Florencio Lopez-De-Silanes, and Andrei Shleifer,  
“Corporate Ownership around the World”

## 1 Family Business Research and Organization Studies

### 1.1 The Objective and Organization of the Element

Family firms are a dominant form of organization across the globe, in emerging as well as in established economies, and play a prominent role in the global economic landscape (Zellweger, 2017). These organizations are also ubiquitous. Recent estimates indicate that 65–90 percent of all companies in the world are family owned, including more than one-third of the S&P 500 companies (Claessens et al., 2000; Faccio & Lang, 2002; La Porta et al., 1999; Zellweger et al., 2015). With their emphasis and commitment to long-term ownership, family values and identity, sustainability, and a desire for the firm to endure across generations, family businesses are a distinctive organizational form compared to nonfamily firms (Gomez-Mejia et al., 2011). Indeed, the intersection of family ownership and business presents unique challenges to these companies that seek to balance economic and noneconomic goals and to preserve the socioemotional wealth (SEW) of both the family and the business (Gomez-Mejia et al., 2007). Examining the organizational features and strategic postures of these organizations is therefore essential to understand the organizations that surround us and their critical role in society.

As these organizational forms are so ubiquitous and impactful, family businesses should be consistently on the radar of organizational scholars. And yet, they are not. Organization theory and family business (FB) research have seemingly developed on parallel paths, with only occasional and sporadic crossovers. Organization theory has a long-standing tradition that traces back to the early sociological efforts to understand the large new organizations that proliferated in the late nineteenth and early twentieth centuries (Hinings & Meyer, 2018). The interest in the rationalization of society focused scholarly attention on the rational–legal authority system and the bureaucratic form (Weber, 1947). Other prevalent forms of organizing, such as the traditional authority system (that underpins family firms) or the charismatic form based on strong leadership, were pushed to the background, even though some of the largest and most influential companies at the time were indeed family firms (e.g., DuPont and

Ford). As Hinings and Meyer (2018, p. 17) note, “there has been little analysis of . . . traditional authority systems in organization theory generally, although there is considerable study of family business as a relatively specialized area (cf. Family Business Review).” As a result, theories of organizations and managerial insights have been mostly derived from the examination of nonfamily corporations. The impact of different types of ownership and control structures has not been systematically factored in.

This trajectory has not significantly changed in the modern days of OT. Organizational scholars tend to consider family firms as an interesting empirical setting on which to build theoretical insights. This is very reasonable. As shown by research in health care and professional service organizations (see other titles in the Elements in Organization Theory series), organizational theories can be fruitfully applied to organizations with distinctive features. This approach is generative but assumes that OT is positioned on a higher level in the discipline hierarchy. Whether OT is foundational to our understanding of FB remains an open question, worthy of dialogue. In this Element, we are interested in exploring reciprocal relationships, where the analysis of unique forms of organizing generates new theories of organizations or at least highlights important boundary conditions. A good example is research on social enterprises, which spurred new theories of hybrid organizing. We suggest that the peculiarities of family ownership and management make them excellent empirical settings *and* open the possibility for new, or at least revised, theories of organizations.

Somewhat independently from OT, the family business research field has seen a rapid growth in the past decades, but its theoretical maturity is far from being reached (Holt et al., 2018; Neubaum & Micelotta, 2021; Payne, 2018). The field started with a distinctive “practitioner” flavor and has only relatively recently acquired the legitimacy of an academic area of research (Sharma et al., 2012; Stewart & Miner, 2011). For the past twenty-five years, researchers have dedicated efforts to develop theoretical insights about family businesses. Scholars, however, still debate about whether the field of family business is anything other than a unique – although quite prevalent – context of study. This is due to the lack of clear boundaries and comprehensive conceptual frameworks to define the field (Payne, 2018), as well as the need for original theories related to the context of family enterprises (Reay & Whetten, 2011).

Although advancing the theoretical development of the field is necessary, the task is challenging. Grasping the peculiar dynamics that characterize family enterprises can be problematic as they are generated at the intersection of two intertwined but idiosyncratic systems: the family and the business. Indeed, the field has been referred to as one of paradoxes and tensions (e.g., Zahra & Sharma, 2004), which denotes a “wide variety of contradictory yet interwoven

elements: perspectives, feelings, messages, demands, identities, interests, or practices” (Lewis, 2000, p. 761). Family business research is therefore an intrinsically multidisciplinary field, where scholars rely on various theoretical frameworks to address relevant phenomena and research questions. The field comprises a large set of interrelated subfields linked together by the common thread of the family’s involvement in the ownership, governance, and management of their businesses (Yu et al., 2012).

Thus far, family business researchers have drawn primarily on theories from economics and strategy (e.g., agency theory, behavioral theory of the firm) and conducted mostly quantitative studies. Only recently, the field has begun to draw upon a wider array of theories of organizations, including from sociology and culture (Sasaki et al., 2019), as well as adopting a wider array of qualitative approaches (Fletcher et al., 2016; Micelotta et al., 2020). Such variety has importantly enhanced our understanding of these organizations and their complex interrelationships across levels of analysis (Chirico & Salvato, 2016). However, integration of family business research and organization studies is still occasional. Many opportunities to create a strong and consistent research program around this integration remain untapped (Salvato et al., 2019). Interestingly, the family business field has created bridges with the field of entrepreneurship, as indicated by the growing number of publications, journal special issues, and conference themes dedicated to family business research in entrepreneurship outlets. The field of entrepreneurship has experienced a similar trajectory of development and these commonalities may have enhanced the opportunities for dialogue. Conversely, the cross-fertilization of family business with organization studies dwarfs in comparison (Aldrich & Cliff, 2003; Salvato et al., 2019).

In this Element, we have two goals. First, we introduce the FB and OT audiences to one another because they may have little or no familiarity with their respective areas of research. The interest for cross-domain research is growing, as are research and publication opportunities. Yet, there is still a divide between the two fields, which will grow if the next generations of researchers become more specialized. Doctoral students in OT are well versed in organization theories, but they may not know how much research has been done in the family business domain. Similarly, students in the family business field may lack deep exposure to organization theories in their doctoral courses. The interdisciplinary nature and theoretical openness of FB research make the field exciting, but it is likely harder to navigate for students who need to master a wide array of theories to address their (family business) research questions.

This is also a good time to renew calls made in the past by a number of family business (e.g., Sharma, 2004) and organization studies researchers (Hjorth & Dawson, 2016). FB research has matured from a specialized research area

where practitioners' knowledge was central to a legitimate field with theory development at its core. Research focused on family business firms has grown substantially in the past few years, not only in size (i.e., number of published papers) but also in quality (Rovelli et al., 2021; Sharma, 2004; Xi et al., 2015). Specialist journals (e.g., *Family Business Review*) are becoming increasingly demanding in terms of theoretical contribution, whereas generalist management journals are increasingly interested in theory and insights about family businesses. Opportunities for theoretical generalization are more evident and the convergence of standards provides a growing number of outlets where bridging conversations can occur.

Our second goal is to encourage the integration between FB and OT by suggesting promising areas of overlap that can highlight and reinforce the usefulness of an OT lens. There is a growing appetite in the FB domain for management lenses that can help scholars and practitioners better understand and support strategies and behaviors of family businesses. The recent trend, however, has been to look at insights from outside the OT field. For instance, there is a keen interest in family science (Jaskiewicz et al., 2017b), history (Suddaby & Jaskiewicz, 2020), or organizational behavior (OB) and social psychology (De Massis & Foss, 2018) to shed light on the foundations of family business behaviors and the intricate dynamics between family and business. Although these theoretical linkages are extremely useful, they represent a warning that OT may become increasingly disconnected from the FB field and perhaps been perceived as less relevant and useful. Not dissimilar from other boundary-spanning streams of research highlighted in the Elements series (e.g., Muzio et al., 2019; Reay et al., 2021), we strongly believe that the intersection of FB and OT is full of theoretical possibilities. We seek to jumpstart this conversation (again) and hopefully stimulate researchers to continue to explore and experiment with research that spans boundaries and reaches across the FB–OT theoretical aisle.

This Element is organized as follows. In Section 2, we introduce the field of family business and describe its evolution through an overview of the family business literature (908 relevant papers) published in the time frame 1995–2020. We highlight the topics that have intrigued family business scholars as well as the theoretical lenses they have drawn upon with a longitudinal perspective. In Section 3, we begin to explore the intersection of organizational studies and family business research by analyzing a subsample of seventy-seven family business papers published in high-quality management journals listed in the FT50 and classified as ABS 4/4\*. We examine their theoretical contributions based on two dimensions – contextual orientation and target audience. At the intersection of these two dimensions, we find four types of papers: embedded, integrative, challenger, and generalized. In Section 4, we identify research

opportunities between organization studies and family business research. We summarize the literature and offer research questions to stimulate cross-fertilization in three research foci: (i) managing hybridity; (ii) mastering tensions, dualities, and paradoxes; and (iii) modeling time and temporality. Finally, in Section 5, we offer our concluding thoughts.

## 1.2 Methodological Note

A methodological note is useful to explain the scope of our review. Our analyzes are based on a literature search of relevant family business articles conducted by the authors in September 2021. We followed a systematic approach to retrieve relevant papers. First, we defined a set of keywords that capture the family business field of research (i.e., *family business\**, *family firm\**, *family enter\**, *family entre\**, *business famil\**, *family influence*, *family control\**, *family own\**, *family manag\**). Using these keywords, we focused on research published – or in press – in academic journals. We selected two journals dedicated to family business research – that is, *Family Business Review* and *Journal of Family Business Strategy* – and the (twenty-five) journals ranking 4/4\* in the fields of entrepreneurship and small business management; general management, ethics, gender, and social responsibility; international business and area studies; innovation, management development, and education; organizational studies, social sciences, and strategy of the *Academic Journal Guide (AJG) 2018* ranking of the Chartered Association of Business Schools (CABS). This ranking is widely used by business schools to assess the rigor and quality of journals. Third, we restricted our search to articles written in English published since 1995. The founding year of *Family Business Review* – the first outlet dedicated to family business research – is 1988. We chose 1995 because articles started to be published in an academic format (rather than essays) in that year.

We searched our keywords in the title, abstract, or keywords of papers published in the selected journals using Scopus, the largest database of peer-reviewed literature. The search resulted in 1,523 articles. Two authors independently evaluated the relevance of each article by reading their title and abstract, and, when necessary, the full paper. Unclear cases and disagreements were discussed among the authors. This procedure led to a final sample of 908 articles on family business-related issues.

## 2 A Brief History of Research in the Family Business Domain

### 2.1 The Academic Field of Family Business Research

Family businesses are recognized today as major players in the global economy. In a constantly evolving and vibrant environment, firms run by families have managed to survive and thrive by using their distinctive features to their own

advantage. Their hybrid nature, built on the two subsystems of family and business, makes these firms working organisms characterized by long-term sustainability (Zellweger et al., 2012a) – ability to preserve value across generations (Nordqvist & Zellweger, 2010), a strong socioemotional attachment (Gomez-Mejia et al., 2007, 2011), and a history that comes together with values, culture, and tradition (Suddaby & Jaskiewicz, 2020). Today, scholars recognize both the ubiquity of family firms and their complexity (Sharma et al., 2012). However, this has not always been the case. Publications on family firms started to appear in management journals only in 1990. Since 1995, the number of papers published per year has rapidly increased (more than 2,000 articles published in the 1990s and more than 4,000 articles published between 2010 and 2014). Academic interest in this peculiar type of organization has also grown, as shown by the increase in management top-tier journals that now welcome studies in this field (Sharma et al., 2012; Stewart & Miner, 2011). Compared with OT, however, family business is still a relatively young research domain. Some of its foundational constructs (e.g., SEW) are still under scrutiny, and efforts to further specify the boundaries and direction of research in the field are needed.

## 2.2 What Are Family Firms?

The definition of family business continues to be a crucial point of discussion within the family business community. New definitions of family business are proposed, and definitional ambiguities persist, even after all the years researchers have spent systematically investigating family firm characteristics, goals, and behaviors (Chua et al., 1999; Litz, 2008; Upton et al., 1993). Initially, researchers adopted an operational definition of family business using family involvement in a firm's ownership and management as the main criteria for differentiating family firms from nonfamily organizations. However, researchers struggled to separate family from nonfamily firms as family involvement and family ownership were often differently interpreted and perceived by the firms themselves (Chua et al., 1999; Villalonga & Amit, 2006; Westhead & Cowling, 1998). Accordingly, researchers have increasingly recognized the need to distinguish between definitions that are theoretically based and those that are more operational in nature (Chua et al., 1999).

The approaches used to define family firms have been divided into *involvement* and *essence* approaches (Chrisman et al., 2005). The involvement approach adopts ownership, governance or directorship, management, and the involvement of multiple family generations as the most common defining

criteria. The essence approach proposes that theoretical definitions of family firms should be based on the essence of family influence, including intention for intra-family succession, self-identification as a family firm, unique and synergistic resources, and the preservation of socioemotional values among the defining criteria (Chrisman et al., 2012; Hoy & Sharma, 2006). The involvement and essence approaches are firm-centered approaches to define the family business. That is, the existence of the business is assumed, and the definition concerns the family's role and influence in the business. A family-centered approach has emerged, which considers equally the family and the business side of the family–business dyad, including the involvement and management in the household (Heck & Stafford, 2001; Winter et al., 1998). Although progress has been made, defining the family remains a challenging task that would greatly benefit from further refinement.

Finally, a recent stream of research has shifted the focus from considering family firms as a homogeneous group to a heterogeneous one. Not all family firms share the same attributes and characteristics (Chua et al., 2012; Sharma & Nordqvist, 2008; Villalonga & Amit, 2006). Hence, it becomes important to redefine family firms based on all the relevant dimensions along which they may vary from each other, in addition to their nonfamily counterparts. Among these dimensions, family firms widely vary in the way they deal with temporality. Differently from other types of organizations, family firms are indeed not just influenced by time, but they express their agency through temporal work by interpreting past traditions in the present to guide the future behaviors (Suddaby & Jaskiewicz, 2020). Family business tensions are indeed often intergenerational in nature and, thus, rest on the family business's capacity to integrate past, present, and future within the broader tension of continuity versus change.

We summarize approaches and definitions in the family business literature in Table 1.

### 2.3 Evolution of Family Business Research

Our literature search found 908 articles on family business-related issues published in top-tier journals over the years 1995–2020; these papers are associated with 71,524 citations (corresponding to 78.77 citations per paper) at the time this analysis was conducted. The number of papers published per year has rapidly increased over time (Figure 1, blue line). This reflects the increased interest in family firms as a peculiar type of organization, not only by individual scholars but also by a wider group of management journals (Table 2).

The analysis of the trend of publications per year revealed three temporal brackets that, following Jaskiewicz et al. (2020), we labeled: emergence

**Table 1** Definitions of family firms proposed in the literature

<b>Definition of family firm</b>	<b>Reference</b>
The owner/CEO identifies the firm as family firm	De Massis et al. (2021); Harveston et al. (1997); Mahto et al. (2013)
The CEO is a member of the family and there is more than one generation actively involved in the firm	Calabrò et al. (2013)
The founder or a family member is an officer, a director, or the owner of at least 20 percent of the firm (individually or as a group), and the CEO identifies the firm as a family firm and affirms that the ownership will most likely pass to heirs	Caselli and Di Giuli (2010)
At least two family members are employed in the firm and the ownership is in the hands of the family	Eddleston et al. (2008); Kellermanns and Eddleston (2006)
A family owns at least 5 percent of the voting stocks of the firm	Berrone et al. (2010)
A family owns at least 20 percent of the firm and a family member is involved in the board of directors	Tiscini and Raoli (2013)
A family owns more than 25 percent of the firm	De Massis et al. (2013)
A family owns at least 25 percent of the firm and the CEO is a member of the family	Ansari et al. (2014)
A family owns at least 25 percent of the firm and at least two members of the family participate in the management of the firm and/or the board of directors	García-Ramos and García-Olalla (2011)
A family owns at least 50 percent of the firm	Cruz and Nordqvist (2012); Ling and Kellermanns (2010); Sciascia et al. (2012)
A family owns at least 50 percent of the firm. The threshold is reduced to 25 percent for listed firms	Miller et al. (2013); Naldi et al. (2013)



Table 1 (cont.)

Definition of family firm	Reference
A family owns at least 50 percent of the firm. The threshold is reduced to 30 percent for listed firms	De Massis et al. (2021); Minichilli et al. (2010)
A family owns at least 51 percent of the firm and there are family members on the board of directors or in management	Basco (2013)

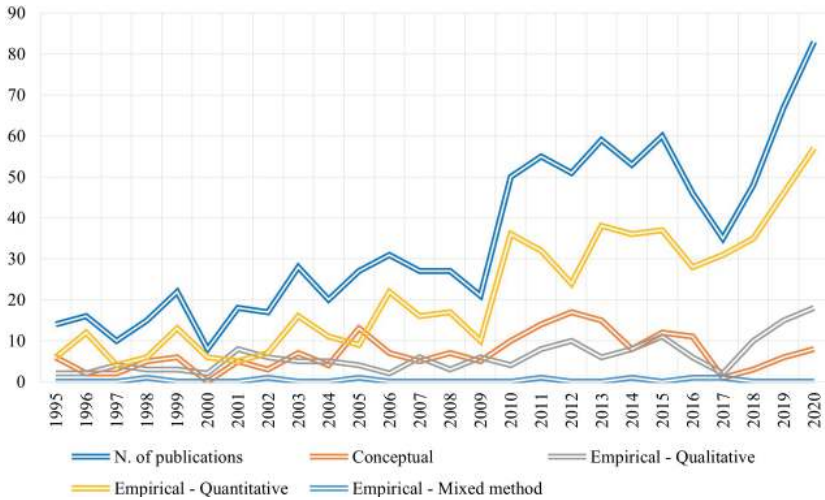


Figure 1 Publication trends in the literature on family business.

Source: The Authors

(1995–2009), adolescence (2010–14), and adulthood (2015–20). The first bracket illustrates the emergence of the field (see also Rovelli et al., 2021). In this phase, family business research established itself in the management field. Scholarly production consisted in 20.07 papers per year, and this average remained stable throughout the fifteen years of this period. In aggregate, the papers that received the highest number of citations are those published between 2000 and 2009, with an average of 146.15 citations per paper compared to 81.91 citations per paper in the previous five years. Two of the top-three most cited works in this phase have been published after 2000: Gomez-Mejia et al. (2007) in *Administrative Science Quarterly*, with 1,571 citations, and Schulze et al. (2001) in *Organization Science*, with 1,252 citations; these are followed by Habbershon and Williams (1999) in *Family*

**Table 2** Journals that published research on family business and related publication trends

Journal	No. of pubs	Emergence			Adolescence		Adulthood
		1995–99	2000–04	2005–09	2010–14	2015–20	
<i>Academy of Management Journal</i>	10	-	3	-	4	3	
<i>Academy of Management Review</i>	3	-	1	-	1	1	
<i>Administrative Science Quarterly</i>	5	-	1	1	1	2	
<i>American Sociological Review</i>	2	1	-	1	-	-	
<i>British Journal of Management</i>	12	-	1	1	4	6	
<i>Business Ethics Quarterly</i>	4	-	-	-	4	-	
<i>Entrepreneurship: Theory and Practice</i>	131	-	4	24	53	50	
<i>Family Business Review</i>	378	73	61	85	97	62	
<i>Human Relations</i>	5	-	-	1	2	2	
<i>Journal of Business Venturing</i>	33	2	13	4	10	4	
<i>Journal of Family Business Strategy</i>	200	-	-	-	106	94	
<i>Journal of International Business Studies</i>	13	-	-	4	3	6	
<i>Journal of Management</i>	8	-	-	-	2	6	
<i>Journal of Management Studies</i>	28	-	2	6	13	7	
<i>Journal of Product Innovation Management</i>	13	-	-	-	5	8	
<i>Journal of World Business</i>	13	-	1	2	3	7	