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# Job Creation: a Comparative Analysis of Organisational Structures in Family and Non-family Firms through the Economic Cycle

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**Abstract:** This study examines the impact of family ownership and the separation of ownership and management on firm performance, measured in terms of job creation. The analysis compares differences between family and non-family firms, as well as between firms managed by external professionals and those in which management responsibilities are undertaken by owners. By leveraging the panel structure of the dataset, the study further explores the influence of economic cycles, accounting for different combinations of ownership and management structures. A key finding of the study challenges the view that family firms generally outperform non-family firms in terms of job creation. Although this applies to non-professionalised firms, which account for most family firms, it does not apply to professionalised firms. Phases of the economic cycle are found not to affect the performance of family and non-family non-professionalised firms differently. However, professionalised family firms are found to both suffer more the effect of recessionary phases and display a greater capacity for job creation in expansive phases than professionalised non-family firms.

**CÓDIGO JEL**
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**PALABRAS CLAVE**
Estructura organizativa, Empresa familiar, Empresa no familiar, Ciclo económico, Creación de empleo.

**Creación de empleo: un análisis comparativo entre las diferentes estructuras organizativas de las empresas familiares y no familiares a través del ciclo económico**

**Resumen:** Esta investigación tiene como objetivo estudiar el efecto de la propiedad familiar de la empresa y la separación entre propiedad y gestión, en el rendimiento empresarial medido en términos de creación de empleo. Para ello se comparan las diferencias entre empresas familiares y no familiares, así como entre aquellas empresas dirigidas por profesionales externos a la propiedad y aquellas en las que las tareas de dirección son asumidas por los propietarios. Aprovechando la estructura de panel de la muestra, el trabajo se completa con el estudio de la influencia del ciclo económico, en función de las distintas combinaciones de estructura de propiedad y gestión. Una de las principales conclusiones del estudio cuestiona que las empresas familiares superen de forma generalizada a las no familiares en términos de creación de empleo. Aunque esto se aplica a las empresas no profesionalizadas, que representan la mayoría de las empresas familiares, no se observa en las empresas profesionalizadas. Al diferenciar el efecto del ciclo económico en función de sus fases, se observa que, entre las empresas no profesionalizadas, no aparecen diferencias entre empresas familiares y no familiares tanto en la fase recesiva como en la de recuperación. Sin embargo, entre las empresas profesionalizadas, las familiares sufren más los efectos de la fase recesiva y muestran una mayor capacidad de recuperación del empleo en la fase de recuperación.

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## 1. Introduction

The importance of family business in world economies is beyond doubt. For example, in Spain, according to estimates by the Family Business Institute, family firms account for 88.8% of all businesses, contribute approximately 57.1% of gross value added, and generate 66.7% of private jobs (Instituto de Empresa Familiar, 2024). These figures highlight their economic and social relevance, which makes them an interesting academic object of study.

One of the main areas of research in family business studies has been to compare their performance with that of other types of organisations. Family firms are unique owing to their distinctive attributes, which result in equally distinctive advantages and vulnerabilities. In consequence, numerous studies have explored the relative superiority of family businesses over non-family businesses or vice versa (Aguilera et al., 2024; Aparicio et al., 2021; Memili et al., 2015; Moreno-Menéndez & Casillas, 2021; O'Boyle et al., 2012; Pollak, 1985 or Wagner et al., 2015, among others). Similarly, extensive research has focused on heterogeneity within family businesses (Arteaga & Basco, 2023; Chua et al., 2012; Daspit et al., 2018; Hernández-Linares et al., 2017; Garcés-Galdeano, 2023; Hiebl & Li, 2020; Rienda et al., 2021) and compared the performance of family businesses that keep management within the family with those that delegate management to external professionals (Fang et al., 2022; Gómez-Mejía et al., 2007; Miller & Le Breton-Miller, 2006 or Vandekerkhof et al., 2015).

However, despite the abundant literature on the matter, few studies compare the performance of family and non-family businesses while simultaneously considering the approach to management of non-family firms, i.e. whether management is kept within the owners or delegated to external professionals (Ortiz et al., 2023; Ortiz & Gargallo, 2024). This gap may stem from the assumption that, in the face of the recognised heterogeneity of family businesses in terms of professionalisation of management (Miller et al., 2014; Tabor et al., 2017), non-family firms have often been assimilated to large, dynamic, modern, and professionally managed corporations (Barth et al., 2005; Garcés-Galdeano & García-Olaverri, 2020; Stewart & Hitt, 2012). This implicit assumption overlooks the heterogeneity of non-family businesses. However, data from the Spanish National Statistics Institute (INE) reveal that, among firms with ten to 49 workers, over 38% are non-family and that 70% of them are owner managed. Conversely, among the top ten Fortune 500 companies in 2016, three were family-owned, including Robert Bosch GmbH and BCD Group, which demonstrates the substantial size and degree of professionalisation of some family firms.

These findings challenge the presumed homogeneity of both family and non-family firms, raising concerns that research results based on these assumptions may be biased, yielding different if not contradictory conclusions. Although heterogeneity is not exclusively limited to the degree of professionalisation of management, this aspect remains a recurring topic in the academic literature on family businesses (Hiebl & Li, 2020; Martínez et al., 2007; Stewart & Hitt, 2012; Waldkirch, 2020) so it deserves special attention.

Against this backdrop, this study aims to analyse the effect of ownership and managerial professionalisation on business performance measured in terms of job creation. The analysis is based on the premise that both family and non-family businesses can either keep management within the ownership or delegate it to external professionals, resulting in four categories of companies: professionalised family businesses, non-professionalised family businesses, professionalised non-family businesses, and non-professionalised non-family businesses (Ortiz et al, 2023; Ortiz & Gargallo, 2024).

In addition, given the significant role played by family businesses worldwide and the socioeconomic value of job creation, the study also aims to determine whether certain combinations of ownership and management lead to superior outcomes in terms of job creation or whether differences in performance across the four categories are negligible.

This study contributes to the family business literature by adopting a comprehensive approach rooted in agency theory and socio-emotional wealth perspectives. It explores how the interplay between family ownership and the professionalisation of management affects job creation, particularly in different phases of the economic cycle. The study provides novel insights into an underexplored area by simultaneously addressing the heterogeneity of family and non-family businesses in terms of the professionalisation of management. The study employs a selection bias model to differentiate results based on whether management is delegated to external professionals, offering a significant methodological contribution.

Likewise, the findings shed light on differences in job creation between family and non-family firms based on their degree of professionalisation, offering a more nuanced understanding of these organisations' characteristics and performance. This has important implications for academia, business practitioners, and policymakers. Finally,

the panel structure of the sample facilitates the examination of the effect of different economic cycles. Notably, the results reveal that during the recovery phase of the economic cycle, professionalised family firms are the first to drive job creation, adding further value to the study's findings.
The rest of the article is organised as follows. Section 2 reviews the most relevant academic literature, section 3 presents the sample and defines the study variables, section 4 presents the models and empirical results, and section 5 presents the main conclusions.

## 2. Theoretical Framework

The academic literature has consistently sought to determine whether family businesses are a more efficient organisational model than their non-family counterparts, as well as to identify the key differences between them. As outlined in this section, several theories have been deployed to argue for either the superiority or the limitations of family businesses. These include agency theory (Jensen & Meckling, 1976; Jensen, 1986, 1993), the resource- and capacity-based view – linked to the concept of idiosyncratic resources or *familiness* (Habbershon & Williams, 1999; Habbershon et al., 2003; Sirmon & Hitt, 2003)-, stewardship theory (Davis et al., 1997; Miller & Le Breton-Miller, 2006; Miller et al., 2008) or, more recently, the socio-emotional wealth (SEW) perspective, which refers to the non-financial utility or affective endowment associated with family business ownership (Berrone et al., 2012; Gómez-Mejía et al., 2007).
Among the studies that emphasise the positive aspects of family businesses, particular attention has been paid to the reduction of agency problems within family relationships, as well as to attributes such as altruism, loyalty, and trust, qualities that can foster operational flexibility, streamline decision-making, and mitigate opportunistic behaviours (Pollak, 1985). Sirmon and Hitt (2003) identify distinctive resources specific to family businesses that distinguish them from non-family firms, while Habbershon and Williams (1999) and Habbershon et al. (2003) emphasise that the constant interaction between family and business – referred to as *familiness* – can create unique, hard-to-replicate capacities that contribute to the survival and growth of family businesses. Likewise, arguments closely aligned with the SEW approach, such as stronger long-term orientation (Lumpkin & Brigham, 2011), a heightened concern for reputation (Rousseau et al., 2018), a shared value system, or the emotional bonds between family members and employees (Gómez-Mejía et al., 2001), have been used to explain evidence that points to the superior performance of family firms compared to non-family firms (Naldi et al., 2013 or Tsao et al., 2016).
Conversely, studies addressing the limitations of family businesses argue that the interaction of family, business, and ownership can also lead to governance challenges that hinder efficiency. The same traits that foster mutual trust among family members may lead to excessive tolerance of underperformance (Chrisman et al., 2009 or Pollak, 1985). Schulze et al. (2001) and Chrisman et al. (2007) emphasise altruism, adverse selection, and weak control mechanisms induced increased agency costs in family firms. Cruz et al. (2010) caution that perceptions of indulgence and trust in family managers can be a double-edged sword, fostering cooperation but also weakening formal control and supervision, as reported by other authors (Jaskiewicz et al., 2017; Sánchez Marín et al., 2020). Nepotism in family management may deter the utilisation of external resources and discourage non-family employees from sharing knowledge (Chirico, 2008a). Additionally, the effects of adverse selection must also be considered, as highly qualified external managers may hesitate to join firms where performance evaluations and career advancement seem to be largely influenced by family ties rather than merit (Fang et al., 2022).
In contrast to these opposing views, other authors observe no significant differences between family and non-family firms in terms of performance, or report ambiguous results (Chirico & Bau, 2014 or Minichilli et al., 2010). For instance, O'Boyle et al. (2012) found no difference in a meta-analysis of 78 articles, while Wagner et al. (2015), in another meta-analysis of 380 studies, observed a positive effect of family ownership on performance in 61% of cases, but note that their findings were influenced by factors such as the definition of "family business" or the performance metrics used, the type of firm, company size, contextual factors, etc.
The professionalisation of family businesses, i.e. transferring management responsibilities to external professionals, is another contentious topic in the academic literature. In this regard, numerous studies compare professionalised and non-professionalised family firms (Chang & Shim, 2015; Dekker et al., 2015; Fang et al., 2022; González-Cruz & Cruz-Ros, 2016; Lin & Hu, 2007), and others compare these two groups with non-family firms (Garcés-Galdeano et al., 2020). However, as Dyer (2006) points out, keeping ownership and governance in the same hands is not an exclusive trait of family firms. Thus, non-family firms may present similar dynamics, and non-related owners can also

manage their businesses. Therefore, the debate should not focus on the professionalisation of family businesses, but on professionalisation, irrespective of ownership type. Following Dyer's clarification, it can be inferred that many of the traits attributed to non-professionalised family firms also apply to non-professionalised non-family firms where management is controlled by owners or their direct successors.

Family businesses tend to prioritise non-economic factors tied to the family's emotional needs, such as maintaining social ties around the family business, preserving control for future generations, or enhancing the family's reputation and well-being elements, central to the SEW perspective (Gómez-Mejía et al., 2007; Le Breton-Miller & Miller, 2009). These links, absent in non-family firms, may explain the reluctance of family businesses to hire non-family managers, as this could be perceived to undermine their socio-emotional wealth (Vandekerkhof et al., 2015).

Considering this, owner-managed businesses can more easily align the interests of the company with those of its owners, thereby addressing agency problems related to the control and motivation of professional managers (Fama & Jensen, 1983). In addition, reputational concerns arising from the close identification of ownership with the business are an incentive for owner-managers to enhance the firm's performance (Anderson et al., 2003; Miller & Le Breton-Miller, 2006).

On the other hand, relying on owner-managers restricts the pool of executive talent to members of the ownership group, excluding potentially more skilled and capable external professional managers (Bennedsen et al., 2007; Chirico, 2008b). This can breed resentment among employees who perceive that merit and ability are not adequately valued as criteria for senior management positions (De Massis et al., 2013, 2015; Miller & Le Breton-Miller, 2006; Poutziouris et al., 2015; Schulze et al., 2001; Sciascia & Mazzola, 2008). This discontent can have a knock-on effect, reducing the motivation and performance of non-owner employees, which is bound to have a negative impact on company results. Moreover, adverse selection may occur, deterring highly qualified candidates from joining the organisation due to anticipated limitations on their professional career development (Chrisman et al., 2007 or Schulze et al., 2001).

Summing up, proponents of professionalisation argue that hiring external managers for the company enables it to address potential skill deficits within the ownership group. This becomes especially critical as the complexity of the firm's operations or structure increases (Block, 2011; Chua et al., 2009; Dyer, 1989; Klein & Bell, 2007). Flamholtz and Randle (2012) refer to the professionalisation of management to overcome one of the main "growing pains" faced by businesses, namely the lack of sufficiently trained managers capable of steering the organisation through growth and complexity.

Finally, concerning the reasons that lead companies to grow, Donaldson and Lorsch (1983) argue that the ultimate drive for companies to grow is to ensure their long-term survival. Grant (2014) and Goold (1999) point out that executives seek growth as a mean to achieve greater opportunities for promotion and social prestige, regardless of ownership interests. Kochhar and Hitt (1998), link growth to the stock of resources and capacities of the firm. Meanwhile, Canals (2001) notes that, although growth entails risks, avoiding it may lead to even greater challenges, such as losing new customers or failing to comply with existing client demands, ultimately forcing companies to pursue growth, even if only moderate, or, on the contrary, to retract their position in the markets.

Several authors, including Daily and Dollinger (1992), Donckels and Fröhlich (1991), or Hamelin (2013), suggest that family businesses are less likely to grow than non-family firms. This reluctance is linked to factors such as reluctance to incur external financing, which limits their growth potential (Hiebl et al., 2013 or Westhead & Cowling, 1997 among others), and socio-emotional considerations, such as the fear of losing control of the business (Berrone et al., 2012 or Chua et al., 2009).

Conversely, as families expand, the firm is often compelled to grow to generate sufficient wealth for future generations. This dynamic implies that family firms must grow to align with the natural expansion of the family (Heck, 2004; Kuratko et al., 1997). In this process, professionalisation provides an effective framework to overcome limitations related to asymmetric altruism, adverse selection, and the lack of necessary networks and expertise to navigate growth processes (Schulze et al., 2001, 2003; Chrisman et al., 2014). Enhancing performance-based incentive systems, improving control mechanisms, and reducing bias in management practices can further contribute to the success of family firms (Michiels et al., 2013; Sánchez Marín et al., 2020; Verbeke & Kano, 2012).

Based on these arguments, and recognising the dichotomy in the professionalisation of non-family businesses, our first hypothesis is as follows:

*H1: Professionalised family businesses do not generate less employment than professionalised non-family businesses.*

The impact of economic cycles on firms is substantial, affecting both family and non-family businesses. However, prior research suggests that family firms may display inherently different behaviours during crises (Heino et al., 2024; Škare and Porada-Rochoń, 2021). They tend to adopt a longer-term orientation in their management strategy (Donckels & Fröhlich, 1991; Ward, 1997), which makes them less volatile and more resilient to adverse economic conditions and profit declines (Bauweraerts & Colot, 2013). From the SEW perspective (Gómez-Mejía et al., 2007), family business owners prioritise socio-emotional factors such as retaining control of the company, preserving the family legacy, fostering intergenerational cohesion, and protecting the firm's reputation, which is closely tied to the family's image (Rousseau et al., 2018).

As a result, family owners are often more committed to preserving employment and business stability than to maximising short-term profits (Bassanini, 2013; Baù et al., 2024; Block, 2010; Rivo-López et al., 2022). This commitment drives them to adopt more prudent and conservative measures during periods of economic uncertainty. For instance, Miller and Le Breton-Miller (2006) indicate that family businesses are more reluctant to downsize, which, while reducing costs, can undermine morale and erode the firm's human capital and knowledge base. Casillas et al. (2013) find that family businesses experiencing negative results prioritise maintaining or increasing employment, even at the expense of divestments assets. In the same vein, Rivo-López et al. (2022) note that SEW considerations promote greater employment stability across economic cycles in family firms.

Although owner-managers identify more closely with the business than external professionals (Gómez-Mejía et al., 2003), family ownership also influences non-family managers by emphasising the importance of binding social ties as described in the FIBER model of Berrone et al. (2012). These ties reflect the family firm's social relationships with stakeholders, particularly employees and local communities, where family firms are often deeply rooted. Furthermore, greater stability in employment and less pressure on external managers to achieve short-term results reduce their preference for mass layoffs or drastic adjustments during economic downturns. This preference for maintaining relatively stable employment during recessions is the basis for our second hypothesis:

> *H2: Family businesses, whether professionalised or non-professionalised, are less sensitive, in terms of employment, to the effects of the economic cycle.*

## 3. Methodology

### 3.1. The sample

The data used in this study are drawn from the Survey on Business Strategies (ESEE), an annual survey conducted by the SEPI Foundation. The ESEE provides a representative sample of Spanish manufacturing firms with ten or more employees, stratified by size and activity (Fariñas & Jaumandreu, 1999). The survey includes an annual average sample of 1800 companies. Over the years, especially since the onset of the 2008 financial crisis, the sample has experienced a significant turnover of firms, with departures offset by new entries. This dynamic helps to maintain the sample's size and representativeness. Moreover, the ESEE is subject to rigorous validation and logical consistency controls that ensure its quality and reliability over time.

The variables within the dataset are measured on an annual basis, enabling the construction of a panel dataset. This temporal dimension, coupled with the clear identification of the three phases of the economic cycle during the period under study, provides a valuable framework for analysis. Specifically, the period from 2006 to 2008 represents an expansionary phase (albeit with the financial crisis emerging in the final quarter of 2008, causing a contraction of the GDP, which nevertheless remained above zero); and the recessionary phase lasted between 2009 and 2013; and the recovery phase spanned from 2014 to 2018 (Table 1). This structure allows us to analyse whether variations in employment differ across the economic phases, as expected, and whether these affected family and non-family firms, both professionalised and non-professionalised, differently.

**Table 1.** GDP variation[1]

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| GDP variation (%) | 8.32 | 2.86 | 1.81 | -4.11 | -2.73 | -3.28 | -5.27 | -1.40 | 2.05 | 3.73 | 1.53 |
| Economic cycle | Expansionary | | | Recessionary | | | | | Recovery | | |

Source: Own elaboration based on data from INE.

The sample for this study consists of an unbalanced panel of 1092 Spanish manufacturing firms over the period 2006-2018. The panel includes companies for which data for all variables is available for at least seven years during the study period. The number of companies per year is summarised in Table 2.

**Table 2.** Annual distribution of firms in the sample

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Number of firms** | 832 | 899 | 974 | 1,092 | 1,092 | 1,092 | 1,092 | 1,092 | 1,092 | 1,092 | 1,023 |
| Family and professionalised | 100 | 116 | 125 | 164 | 154 | 151 | 152 | 156 | 158 | 159 | 151 |
| Family and non-professionalised | 226 | 268 | 302 | 321 | 327 | 341 | 337 | 333 | 326 | 317 | 291 |
| Non-family and professionalised | 319 | 323 | 351 | 392 | 385 | 366 | 376 | 377 | 372 | 369 | 337 |
| Non-family and non-professionalised | 187 | 192 | 196 | 215 | 226 | 234 | 227 | 226 | 236 | 247 | 244 |

Source: Own elaboration based on ESEE.

As shown in the table above, the modal number of firms in the study period is 1092 (specifically in the years 2009-2015). On average, family businesses account for 44% of the sample and non-family businesses for 56%.

**Table 3**. Average number of employees

| **Phases of the business cycle** | **Expansionary** | **Recessionary** | **Recovery** |
|---|---|---|---|
| **Number of employees** | 289 | 236 | 235 |
| Family and professionalised | 287 | 235 | 246 |
| Family and non-professionalised | 104 | 89 | 92 |
| Non-family and professionalised | 565 | 474 | 476 |
| Non-family and non-professionalised | 73 | 54 | 57 |

Source: Own elaboration based on ESEE.

The sample is biased towards larger firms. The average number of employees in the sample is 242, compared to an average of 61 employees for firms with ten or more workers, according to data from the Spanish National Statistics Institute (INE)[2].

1. The variation in GDP was calculated by updating the annual values to the last year presented (2016) and calculating with these values its variation by one over the previous year.

2. This information was obtained based on the number of companies by size segments and the number of workers of each company in the INE's website.

This discrepancy, which might initially appear as a limitation, is less restrictive than it seems, since, as Table 4 illustrates, the percentage of professionalised firms increases with size, reaching 100% among non-family firms with more than 1,000 employees and 72.5% among family firms of similar size. These indicates that professionalisation correlates with greater organisational complexity and that family firms face additional constraints related to size, likely driven by the desire to retain control within the family (Ortiz et al., 2023; Ortiz, 2021).

**Table 4.** Distribution of family and non-family firms by size (INE-ESEE), including professionalised family and non-family firms

| | **Family and non-family firms in the INE report and in the sample (%)** | | | | **Professionalised family and non-family firms in the sample (%)** | |
|---|---|---|---|---|---|---|
| | **INE (All sectors)** | | **SAMPLE (Manufacturing)** | | **SAMPLE (Manufacturing)** | |
| Number of employees | **Family** | **Non-family** | **Family** | **Non-family** | **Family** | **Non-family** |
| Total | 82.80 | 17.20 | 43.50 | 56.50 | | |
| 0 a 10 | 84.10 | 15.90 | -- | -- | | |
| 10 a 49 | 61.70 | 38.30 | 46.10 | 53.90 | 16.10 | 31.82 |
| 50 a 199 | 43.60 | 56.40 | 48.30 | 51.70 | 38.11 | 67.64 |
| 200 a 999 | 25.00 | 75.00 | 37.00 | 63.00 | 61.04 | 90.05 |
| 1,000 or more | 19.90 | 80.10 | 10.80 | 89.20 | 65.08 | 98.06 |

Source: Own elaboration based on INE and ESEE.

### 3.2. Variables

The dependent variable is the relative growth in employment of each firm. Following prior studies (Backman & Palmberg, 2015; Bjuggren, 2015; Chen et al., 2014; Davis & Haltiwanger 1990, 1992; Lee, 2006; Rivo-López et al., 2022; Ruano, 2000) employment variation is calculated as the year-on-year difference in the number of employees, normalised by the total number of employees in the previous year (t-1).

In this study, the definition of "family business" and "professionalised company" is particularly important. Two variables from the ESEE are key to define the concepts of family business and professionalisation: "Identity between ownership and control" (IOC), which takes a value of 1 if ownership and management coincide and of 0 otherwise; and "Belonging to a family group" (FAM.), which takes a value of 1 if the firm is owned by a family group and of 0 if otherwise. Using these two variables, family business and professionalised company are defined as follows.

- Family firm: categorical variable with a value of 1 if a family group is actively involved in the control of the firm and of 0 if otherwise.
- Professionalised firm: categorical variable with a value of 1 if ownership and management are in different hands and of 0 if otherwise.

The combination of these variables leads to four more categorical variables, all of which have a value of 1 if the required characteristic is met and of 0 if otherwise (Ortiz and Gargallo, 2024):

- Professionalised family firms.
- Non-professionalised family firms.
- Professionalised non-family firms.
- Non-professionalised non-family firms.

The economic cycle is reflected using two dummy variables: one for the recessionary phase (2009-2013) and another for the recovery phase (2014-2018), both of which have a value of 1 during their respective periods and of 0 in other periods. These dummies are also used to construct interaction terms with the family business variable (FAM).

Additional ownership variables include membership of a corporate group, defined as a categorical variable with a value of 1 if the firm is a parent or subsidiary within a group, and of 0 if otherwise.

Other variables include the logarithm of employees in the previous period (*log employees t-1*) and control variables such as sales (logarithmic), percentage of direct labour, higher education employees and temporary workers, capital stock per worker (logarithmic), export status (dummy), firm age (logarithmic), and two sector-specific dummies and 20 dummy variables for the 20 sectors (Ortiz, 2021; Ortiz et al., 2023). All data are sourced from the ESEE and are defined in the tables in which the results of each model are presented.

### 3.3. Model specifications

To test the hypotheses formulated in the previous section, the model investigates whether differences exist between family and non-family firms in terms of employment creation or destruction, depending on whether management has been delegated to external professionals or kept by the owners.

Establishing a precondition, in this case the professionalisation (non-professionalisation) of the firm, implies analysing the variable under study –variation in employment– in both groups. To address the potential selection bias inherent in comparing professionalised and non-professionalised firms, this study adopts Heckman's (1976, 1979) single-step selection model. This approach is preferred over the two-step method, as maximum likelihood estimators in the single-step model are more efficient than OLS estimators in the two-step model and are subject to fewer restrictions (Maddala, 1983). This methodology has been previously applied to Spanish family firms by Hernández-Trasobares and Galve-Górriz (2017), though not with the same goals. The selection equation for this study is as follows:

$$P_{it}(P) = \alpha_1 + \alpha_2 FO_{it} + \alpha_3 CV_{it} + \alpha_4 EC_{it} + \mu_{it} \qquad (1)$$

Where *i* and *t* are, respectively, the subscripts of company and year; $P_{it}$ is a dichotomous variable that adopts the value 1 if the company is professionalised and of 0 if otherwise and $P_{it}(P)$ is the probability of $P$=1; *FO* is a vector of variables related to the ownership of the company; *CV* is a vector of control variables, *EC* is a variable that reflects macroeconomic conditions; and $\mu$ is random disturbance.

The study equation is formalised as follows:

$$\Delta EV = \alpha_1 + \alpha_2 VN_{it} + \alpha_3 FO_{it} + \alpha_4 CV'_{it} + \alpha_5 EC_{it} + \varepsilon_{it} \qquad (2)$$

Where *i* and *t* are, respectively, the subscripts of company and year; $\Delta EV_{it}$ is a continuous variable that includes the year-on-year variation in employment as per one; *VN* is a level variable that includes the logarithm of the number of workers in year t-1; *FO*, *CV* and *EC* represent the same variables used in Equation 1 and ε include a random disturbance term. This model is repeated by using the variable *being a non-professionalised firm* as a selection variable.

## 4. Results

First, this section presents a descriptive analysis of the evolution of employment and the main variables under study. Following this, an econometric analysis is conducted to test the hypotheses outlined in previous sections.

### 4.1. Descriptive analysis

This subsection briefly examines the evolution of the main variables across the period under analysis, focusing on their distribution among the four ownership and management categories defined above.

Before delving into the analysis, it is important to note that very few companies switched categories during the period under analysis. Specifically, less than 1% of family firms transitioned to non-family ownerships, and only one non-family company came to be family-owned. Management changes were somewhat more frequent, as 11.17% of firms changed their management approach, including 76 family firms and 46 non-family firms.

A key observation is the smaller size of professionalised family firms compared to their non-family counterparts, which are almost twice as large. This is significant, as smaller size may limit the exploitation of advantages offered by economies of scale (Gómez-Miranda & Rodríguez-Ariza, 2004). Conversely, among non-professionalised companies, family firms are on average 30% larger than non-family firms, likely reflecting their older average age—33 years compared to 15—which indicates that many non-family firms are still in the early stages of their development.

The study window captures the profound effects of the global financial crisis, which began in the final quarter of 2008, on employment in OECD countries. In Spain, the crisis—triggered by the collapse of *subprime* mortgage markets—resulted in historically significant contractions in bank credit. As Rocha (2012) notes, the construction sector was particularly hard-hit, shedding 1.4 million jobs between 2008 and 2012. This shock had a knock-on effect on other sectors tied to construction, further deepening the economic downturn. The collapse in employment in construction-related sectors caused household consumption to decline sharply—by over 8% in the last quarter of 2008 and a further 6% in 2009, according to data from the Bank of Spain. This decline led to successive waves of layoffs due to the reduction in orders received by companies.

Job losses during the recession disproportionately affected workers with lower education levels and those on temporary contracts, as pointed out by Bentolila et al. (2012) and Sánchez-Sellero et al. (2017). However, the publication of Royal Decree-

Law 3/2012 (10 February), which enacted urgent labour market reforms, also had a significant impact on workers with permanent contracts. An additional consequence of the Royal Decree was that during the subsequent recovery phase, job creation was predominantly based on temporary contracts, which led to a deterioration in job quality.

Sanromá Meléndez (2012) identifies additional factors contributing to the destruction of jobs, the sluggish recovery, and the decline in job quality. These include wage rigidity, with pay adjustments tied to the Consumer Price Index (CPI) rather than productivity, and external labour market flexibility, which relied heavily on temporary contracts and increased the sensitivity of employment to GDP fluctuations.

Summing up, unemployment in Spain rose from 8.57% in 2007 to 25.77% in 2012, while the number of workers employed by the industrial sector fell by 21.1% in the same period, according to data from the INE[3].

**Table 5.** Variation in the number of employees (%)

| Economic cycle phase | Expansionary | Recessionary | Recovery |
|---|---|---|---|
| **Total number of employees** | 0.68 | -2.33 | 2.26 |
| Family and professionalised | -0.01 | -3.51 | 2.77 |
| Family and non-professionalised | -0.22 | -1.82 | 2.26 |
| Non-family and professionalised | 1.71 | -2.57 | 1.95 |
| Non-family and non-professionalised | 0.61 | -2.20 | 2.39 |

Source: Own elaboration based on ESEE.

The total employment figures presented in Table 5 do not fully align with the national unemployment rates noted above. Two key factors can explain this discrepancy. On the one hand, much of the increase in unemployment during the recessionary phase of the cycle was tied to the fact that 23.3% of Spanish industrial companies ceased their activity between 2008 and 2013, according to the INE[4]. On the other, as noted by Romero and Fuentes Castro (2017), at the time the Bank of Spain set structural unemployment in Spain at 16% of the active population while the European Commission raised this to 17.4%. In other words, the employment destruction rates in the recessionary phase of the economic cycle reported in this paper pertain to larger-than-average firms.

A closer examination of the four ownership and management categories defined above reveals that family firms appear to have anticipated adjustments in employment earlier than non-family firms at the end of the expansionary phase, (with average variations in employment of -0.01% for professionalised firms and -0.22% for non-professionalised firms), especially in 2008 (-1.97%), while non-family businesses continued to create jobs (1.71% for professionalised companies and 0.61% for non-professionalised businesses). These findings contradict the notion that family firms are less flexible than non-family firms (Ingram & Lifschitz, 2006 or Kotey & O'Donnell, 2002). During the recessionary phase, all four categories experienced job losses, with professionalised family firms suffering the largest declines (-3.51%), while non-professionalised family firms experienced the smallest (-1.82%). This suggests that professionalised firms, irrespective of ownership, are more inclined to make workforce adjustments during economic downturns, potentially because their larger size makes it more likely that they have the necessary resources to absorb the associated costs. It should be noted that the most severe adjustments took place in 2009 and during 2012-2013. The latter coincided with the implementation of the Royal Decree, which facilitated extensive workforce reductions in most Spanish companies, particularly among employees under permanent contracts (Table 6).

3. Percentages obtained from the data on the number of workers indicated in the INE's website.

4. Percentages obtained from the data on the number of companies indicated in the INE's website.

**Table 6.** Variation in the number of employees with permanent contracts (%)

| Economic cycle phase | Expansionary | Recessionary | Recovery |
|---|---|---|---|
| **Number of employees** | 1.21 | -2.14 | 1.26 |
| | | | |
| Family and professionalised | 0.36 | -3.23 | 1.22 |
| Family and non-professionalised | 0.27 | -1.64 | 1.84 |
| Non-family and professionalised | 2.33 | -2.13 | 0.76 |
| Non-family and non-professionalised | 1.12 | -2.11 | 1.28 |

Source: Own elaboration based on ESEE.

The recovery phase witnessed moderate job creation, around two percentage points in all four categories, and up to 2.77% in professionalised family businesses (Table 5). The analysis of this data in conjunction with the data in Tables 6 and 7 reveal that much of this job creation involved temporary workers, particularly within non-professionalised non-family firms, where temporary employment surged by 12.26%.

**Table 7.** Percentage of temporary employees (%)

| Economic cycle phase | Expansionary | Recessionary | Recovery |
|---|---|---|---|
| **Number of temporary employees** | 12.67 | 9.48 | 10.02 |
| | | | |
| Family and professionalised | 13.63 | 8.98 | 9.71 |
| Family and non-professionalised | 12.14 | 8.79 | 8.45 |
| Non-family and professionalised | 11.74 | 9.09 | 10.00 |
| Non-family and non-professionalised | 14.44 | 11.49 | 12.26 |

Source: Own elaboration based on ESEE.

### 4.2 Econometric analysis

Before proceeding with the analysis of the models to address selection bias, the results concerning family firms and professional firms, presented in the following table, are discussed:

The negative and significant coefficients of the variables "being a family business" and "being a professional business" reveal that, in relative terms, both being a family firm and being a professional firm are negatively associated with job creation.

Subsequently, the results obtained in the selection equation of the Heckman model, "being a professionalised firm", are presented. These results are briefly discussed, with further details available in Ortiz (2021), which extensively examines the determinants of professionalisation.

**Table 8.** Variation in the number of employees without selection bias

| | | | |
|---|---|---|---|
| Observations | 11,372 | | |
| Firms | 1,092 | | |
| Log likelihood | 3177.2016 | | |
| Wald chi2 | 373.18 | | |
| | **Coefficient** | | **Std. Err.** |
| *Level variable* | | | |
| Log. of employees in t-1 | -0.2628 | *** | 0.0446 |
| *Ownership* | | | |
| 1 if family firm (FAM) | -0.0338 | *** | 0.0101 |
| 1 if professionalised firm | -0.0112 | ** | 0.0073 |
| % family employees linked to ownership | -0.0077 | * | 0.0075 |
| 1 if part of a group | 0.0027 | | 0.0089 |
| *Control variables* | | | |
| Log of sales | 0.1681 | *** | 0.0264 |
| % direct labour | -0.0142 | | 0.0183 |
| % university-educated employees | -0.0144 | | 0.0200 |
| % temporary workers | 0.2257 | *** | 0.0291 |
| Log. capital stock per employee | 0.0218 | *** | 0.0066 |
| 1 if exporting | -0.0015 | | 0.0068 |
| Log age | 0.0000 | | 0.0002 |
| *Economic cycle* | | | |
| 1 if recessionary phase (2009-2013) | -0.0138 | * | 0.0076 |
| 1 if recovery phase (2014-2018) | 0.0049 | | 0.0083 |
| 1 if recessionary phase (2009-2013) x FAM | -0.0168 | * | 0.0098 |
| 1 if recovery phase (2014-2018) x FAM | 0.0237 | ** | 0.0102 |
| Categorical variables for 20 sectors | Included | | |
| *Constant* | -1.9951 | *** | 0.3168 |

Source: Own elaboration based on ESEE.

**Table 9.** Heckman selection model. Determinants of professionalisation

| | **Marginal effects selection equation** | | |
|---|---|---|---|
| | **dy/dx** | | **Std. Err.** |
| *Ownership* | | | |
| 1 if family firm | -0.1751 | *** | 0.0163 |
| % family employees linked to ownership | -0.1359 | *** | 0.0212 |
| 1 if part of a group | 0.2158 | *** | 0.0205 |
| 1 if subsidiary | 0.0764 | *** | 0.0145 |
| 1 if publicly listed | 0.0472 | | 0.0398 |
| *Control variables* | | | |
| Log of sales | 0.0831 | *** | 0.0101 |
| Log. capital stock per employee | 0.0216 | *** | 0.0078 |
| 1 if exporting | -0.0238 | | 0.0219 |
| Log age | 0.0081 | * | 0.0004 |
| *Economic cycle* | | | |
| 1 if recessionary phase (2009-2013) | 0.0255 | ** | 0.0104 |
| 1 if recovery phase (2014-2018) | 0.0190 | | 0.0133 |
| Categorical variables for 20 sectors | Included | | |

Source: Own elaboration based on ESEE.

As noted by Ortiz (2021), being a family firm and having members with family ties to the company's ownership reduce the likelihood of professionalisation. This indicates the presence of socio-emotional factors that limit the influence of the remaining factors. Conversely, belonging to a group or being a subsidiary company increase the likelihood of professionalisation. This could stem from increased organisational complexity, which requires a greater stock of managerial resources, or from the exhaustion of resources among owners, particularly in subsidiary management. Similarly, larger firm size and greater capital stock per employee increase the likelihood of professionalisation, underscoring the role of organisational complexity.

Additionally, the firm age variable suggests that the probability of delegating management to non-owners increases when founders retire, during transitions involving direct descendants, and in subsequent generational changes. Finally, recessionary conditions also appear to increase the likelihood of seeking external managers with a greater stock of talent and experience to address the associated challenges.

Table 10 compares the results of the study equations of the models that analyse variations in the number of workers.[5] The most significant finding is the negative and significant coefficient for the variable "being a professionalised family business". This indicates that professionalised family firms, all other things being equal, create fewer jobs than professionalised non-family firms, which contradicts hypothesis 1.

Although these findings are not directly comparable with prior studies –which do not account for heterogeneity in the degree of professionalisation of non-family firms– they seem to contradict arguments that link socio-emotional objectives with a stronger commitment to job creation among family firms (Berrone et al., 2012; Gómez-Mejía et al. 2007; Kotlar & De Massis, 2013 or Le Breton-Miller & Miller, 2009). In contrast, the results are in line with studies that argue that family firms grow more slowly (Belenzon et al., 2016; Saridakis et al., 2018) and face greater constraints to pursue growth strategies due to a preference for internal financing to retain family control (Hamelin, 2013).

However, among non-professionalised companies, the results are the opposite. In other words, being a family firm managed by their owners leads to greater job creation, although the effect is not statistically significant. In this regard, Lee (2006) emphasises that the positive effect on job creation is greater when members of the founding family are involved in management.

Family managers identify more closely with the firm as a social entity and are more concerned with its reputation, which is often tied to the family's own reputation. This translates into a stronger preference for employment compared to their non-family counterparts. Indirectly, these arguments align with studies that argue that family firms are more likely to create jobs, particularly when implicitly defined as non-professionalised family firms, one of whose main features is the participation of family members in the company's management (Moreno-Menéndez & Casillas, 2021; Škare & Porada-Rochón, 2021).

Summing up, these findings suggest that much of the previous literature, by not accounting for professionalisation-related heterogeneity in business, has tended to link outcomes to other variables or to assume that the practices of non-professionalised family firms apply to all family firms and those of professionalised non-family firms to all non-family firms.

In addition, belonging to a business group is positively associated with greater variation in the number of employees among professionalised firms but negatively so among non-professional firms. Furthermore, among the control variables, firm size, the percentage of temporary employees, and capital stock per worker are positively associated with greater variation in the number of employees in both categories ($p<0.01$ for professionalised and non-professionalised firms for the first two variables, and for capital stock per worker variable in professionalised firms; $p<0.1$ for capital stock per worker variable in non-professionalised firms). Larger size and capital stock enable firms to cope with a larger proportion of demand, boosting market confidence in these firms and driving the need for more employees.

This need, more or less circumstantial, is primarily met with temporary workers in both professionalised and non-professionalised firms. Finally, a higher proportion of highly educated employees provides professional firms with additional resources to assume greater growth, whereas, in non-professional firms, a greater proportion of direct workers leads to higher sales, which, in turn, facilitates greater growth of the workforce.

5. To address the robustness of the models and given the high number of companies exits and entries in the period under study, the authors repeated the same models using only the 771 companies that feature in all eleven years under consideration, obtaining practically identical results, which are not included owing to lack of space.

**Table 10**. Variation in the number of employees with Heckman selection model.

| | | | | | | |
|---|---|---|---|---|---|---|
| Observations | 11,372 | | | 11,372 | | |
| Selected | 4,975 | | | 6,397 | | |
| Firms | 1,092 | | | 1,092 | | |
| Log likelihood | -3,513.234 | | | -2,232.277 | | |
| Wild chi2 | 252.09 | | | 393.45 | | |
| rho | -0.094*** | | | 0.2343* | | |
| | **Professionalised** | | | **Non-Professionalised** | | |
| | **Coef.** | | **Std. Err.** | **Coef.** | | **Std. Err.** |
| *Level variable* | | | | | | |
| Log. of employees in t-1 | -0.0868 | *** | 0.0085 | -0.0859 | *** | 0.0080 |
| *Ownership* | | | | | | |
| 1 if family firm (FAM) | -0.1181 | *** | 0.0184 | 0.0520 | *** | 0.0125 |
| 1 if part of a group | 0.1123 | *** | 0.0181 | -0.0908 | *** | 0.0172 |
| *Control variables* | | | | | | |
| Log of sales | 0.0716 | *** | 0.0079 | 0.0611 | *** | 0.0062 |
| % direct labour | 0.0076 | | 0.0177 | 0.0344 | ** | 0.0138 |
| % university-educated employees | 0.0456 | ** | 0.0200 | -0.0217 | | 0.0177 |
| % temporary workers | 0.1501 | *** | 0.0313 | 0.1264 | *** | 0.0206 |
| Log. capital stock per employee | 0.0162 | *** | 0.0053 | 0.0069 | * | 0.0033 |
| 1 if you export | 0.0113 | | 0.0144 | 0.0035 | | 0.0080 |
| Log age | -0.0002 | | 0.0002 | -0.0002 | | 0.0002 |
| *Economic cycle* | | | | | | |
| 1 if recessionary phase (2009-2013) | -0.0201 | ** | 0.0092 | -0.0163 | * | 0.0107 |
| 1 if recovery phase (2014-2018) | 0.0119 | | 0.0101 | 0.0266 | ** | 0.0114 |
| 1 if recessionary phase (2009-2013) x FAM | -0.0150 | * | 0.0141 | 0.0049 | | 0.0118 |
| 1 if recovery phase (2014-2018) x FAM | 0.0334 | ** | 0.0148 | 0.0018 | | 0.0124 |
| Categorical variables for 20 sectors | Included | | | Included | | |
| *Constant* | -1.2491 | *** | 0.1194 | -0.6848 | *** | 0.0697 |

Source: Own elaboration based on ESEE.

To better understand the impact of demand fluctuations on employment a preliminary comment is in order. According to reports issued by the Spanish Economic and Social Council concerning socio-economic and labour conditions in Spain in 2006, 2007, and 2008 (Consejo Económico y Social España, 2006, 2007, 2008), the employment behaviour of the industrial sector anticipated the beginning of the oncoming crisis, despite high rates of employment growth in the Spanish economy overall and positive GDP variation during 2006 and 2007. Employment among these firms stagnated relative to preceding years (0.3% in 2006 and -1% in 2007), before a sharp decline of -7.2% in the third quarter of 2008, triggered by the beginning of the crisis. As explained by Arrondo-García et al., (2016), the recessionary phase of the economic cycle negatively impacted employment in both professionalised and non-professionalised firms. Similarly, the results show that the recovery phase had a positive effect in terms of employment in non-professionalised companies, and in professionalised firms, although in this instance this positive impact was not statistically significant. This analysis was expanded to account for differences in ownership model, using multiplicative variables. As shown in Table 10, in the professionalised firms subsample, the negative impact of the recessionary phase on employment is more pronounced in family firms than in non-family firms. In contrast, no significant differences are observed between both categories of non-professionalised firms. Conversely, among professionalised firms, the positive impact of the recovery phase is greater in family firms than in non-family firms, while no statistically significant differences are noted in non-professionalised firms. In consequence, the results do not support hypothesis 2, which suggested that family firms were less sensitive to different phases of the economic cycle.

These findings clash with the idea that family firms are more likely to preserve employment during crises (Block, 2010; Cano-Rubio et al., 2024; Casillas et al., 2013; Rivo-López et al., 2022) and, specifically, with studies that observe a lower propensity to cut jobs in family businesses, implicitly defined as non-professionalised by including family management as one of their characteristics (Amato et al., 2020; Sánchez-Bueno et al, 2020; Stavrou et al., 2007). Nonetheless, mixed evidence can also be found in the literature; for instance, Belling et al. (2022) argue that differences between family and non-family firms narrow as the severity of crises increases, and Block (2010), found that family ownership reduces the probability of job cuts, but family management does not. Similarly, Casillas et al. (2019) argue that family-managed firms adopt more drastic employment reduction strategies when the survival of the company is at stake.

In addition, the variable representing the number of workers in t-1 (log-transformed) is, as expected, negative and significant in both cases, highlighting convergence effects. In other words, the existence of marginal negative increments implies progressively smaller relative employment growth as the firm increases in size.

To conclude the econometric analysis, we note the presence of selection bias in both categories, professional and non-professional companies. The difference lies in its sign: it is negative for professional firms, where being professional is associated with lower employment growth, and positive for non-professional firms.

## 5. Conclusions

The aim of this study is to examine the effect of the type of ownership of firms –family-versus non-family-owned– and the separation of ownership and management on the firms' capacity to generate employment. Additionally, it analyses this across three phases of the economic cycle (expansion, recession and recovery), beginning with the crisis that began in the fourth quarter of 2008. For this purpose, employment variation between family and non-family businesses is compared considering also companies that have delegated management to external professionals and those where ownership keeps managerial responsibilities. The study uses data from the Survey on Business Strategies for a representative sample of Spanish manufacturing companies over the period 2006-2016.

The first conclusion is the existence of endogenous factors linked to organisational complexity, as already argued by Ortiz (2021), including firm size or membership of a group, that increase the likelihood of management being delegated to external professionals. Similarly, during the recessionary phase of the economic cycle, companies appear to seek external expertise with the stock of resources and experience required to reverse negative trends. Furthermore, greater company longevity will increase the likelihood of replacing founders with external professionals, particularly after the founders retire.

Regarding the study's main objective, results show that among non-professionalised firms, family businesses create more employment than their non-family counterparts do, while among professionalised firms, family businesses generate relatively less employment than non-family firms. These results refute hypothesis 1, which posited that professionalised family firms behave similarly to professionalised non-family firms regarding job creation. Although not directly comparable with prior studies, these results may help to explain inconsistencies in the literature, which often overlooks heterogeneity in the degree of professionalisation of non-family firms.

Concerning professionalised firms, family businesses experience greater employment losses during recessionary phases of the cycle but display stronger employment growth during recovery phases than non-family businesses. These results suggest that professionalized family firms adjust their workforce more closely to demand during recessions than do professionalized non-family firms. This efficiency translates into greater adaptability during recovery phases, with employment growth aligning with increased sales. Notably, the relevant variable in this study is the year-on-year proportional change to the previous year in the number of employees. As such, the results are consistent with the fact that, in absolute terms, professionalised firms –because of being generally larger– generate greater employment during both the expansionary and the recovery phases of the economic cycle.

Among non-professional firms, the opposite trend is observed: family firms create more employment than non-family firms but display no significant economic phase-related differences. In consequence, hypothesis 2, which stated that "*Family businesses, whether professionalised or non-professionalised, are less sensitive, in terms of employment, to the effects of the economic cycle* " must be rejected, as the results point in the opposite direction.

This study provides theoretical contributions with practical implications for the field of family business by exploring how family ownership and professionalisation of management influence employment behaviour during different economic cycles.

From a theoretical perspective, the study significantly contributes to the literature by challenging the widespread identification of *non-family firm* with *professionalised firm*, by arguing that non-family firms can also be managed by their owners. This vision expands the existing typologies of firms and provides a deeper understanding of their mutual differences. Unlike previous research, which has largely focused on comparing family and non-family businesses, this study incorporates heterogeneity in the professionalisation of both categories. This presents a more accurate characterisation of employment behaviour among both family and non-family firms, shedding light on how different types of firms respond to different phases of the economic cycle. The findings address calls from such authors as Le Breton-Miller and Miller (2016) to consider context more thoroughly in family business research. Additionally, the results underscore the difficulty of making generalised statements and the importance of accounting for heterogeneity (Heino et al., 2024).

From a practical standpoint, the findings reveal that professionalised family firms suffer more intensely during recessionary phases, but also indicate that they are better prepared to recover in terms of employment during periods of economic expansion. Therefore, managers and consultants should focus on increasing the resilience and capacity of these firms to mitigate the adverse effects of economic crisis and reduce their negative impact on growth.

Public policymakers may find this study relevant insofar as it provides useful information to adapt specific regulations to stimulate job creation and maintenance among different types of firms, helping them to be more robust against the effect of swings in the economic cycle.

For instance, special attention needs to be paid to professionalised family firms during periods of recession because, while they demonstrate significant dynamism in recovering employment during phases of growth, they may require additional support during economic downturns.

Finally, this study has certain limitations. First, professionalisation has been defined here as the delegation of management to external professionals. However, the academic literature has pointed out the existence of other multidimensional approaches to understand professionalisation, which go beyond external management (Dekker et al., 2015; Piyasinchai et al., 2024 or Polat, 2020). Unfortunately, the database used does not include relevant information on these dimensions, which would undoubtedly have enriched the present study and remains pending for future works. However, the existing literature emphasises the importance of incorporating external professionals to initiate, execute, and disseminate the principles of professional management (Hiebl & Li, 2020), which is why this characteristic is so widely used to define professionalisation (Chang & Shim, 2015; Chittoor & Das, 2007). Second, the sample is limited to manufacturing firms, excluding such an important economic sector as the services sector. Future studies could adopt a multidisciplinary perspective on professionalisation and widen the lens to include other sectors, contexts, countries, and firm sizes. These studies could also benefit from employing various theoretical approaches and methods to complement the ones used in this work. Nonetheless, we believe that this study offers a novel perspective on the heterogeneity of professionalisation in family and non-family firms, which we hope will be a starting point for researchers interested in delving deeper into this topic.

## Author contribution statement

The authors contributed equally to the work.

## Conflict of interest statement

The authors declare that there are no potential or explicit conflicts of interest.

## Declaration on the use of generative AI in the writing process

The authors declare that generative AI was not used in the research and writing process.

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## Data availability statement

The data used in this paper are confidential and are available from the SEPI Foundation on request for specific research and on payment of a fee.

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