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Decent Work in large Latin American Family Businesses: A Study of the Effects of Family Control

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Abstract: This study investigates how family ownership and governance structures influence the adoption of decent work practices in listed family firms in Latin America between 2010 and 2019. Decent work, as defined by the International Labor Organization (ILO), includes fair working conditions, job security, and social protection, all critical aspects for the dignity and well-being of workers. This topic is of great importance due to its impact on sustainable economic and social development. The objective of the study is to analyze how board independence, ownership concentration, CEO duality, and the presence of family CEOs affect the implementation of decent work practices. Using data from family firms listed on Latin American stock exchanges, multivariate regression analysis statistical techniques were used to assess these relationships. The results considering 432 observations show that a high concentration of family ownership favors the implementation of ethical and humane labor practices, reflecting the values of the family's socio-emotional wealth. Moreover, independent board members play a crucial role in promoting these practices, mitigating shareholder conflicts and balancing the interests of all stakeholders, benefiting all employees. This study expands the understanding of how specific characteristics of family firms can foster ethical labor management in emerging markets, providing valuable empirical evidence for policymakers and business leaders committed to improving labor practices and promoting decent work in these companies. It contributes to previous literature by offering a Latin American perspective on the interaction between family ownership and corporate governance in promoting decent work.

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Trabajo Decente en grandes Empresas Familiares Latinoamericanas: Un Estudio de los Efectos del Control Familiar

Resumen: Este estudio investiga cómo la propiedad y las estructuras de gobernanza familiar influyen en la adopción de prácticas de trabajo decente en empresas familiares cotizadas en América Latina entre 2010 y 2019. El trabajo decente, definido por la Organización Internacional del Trabajo (OIT), incluye condiciones laborales justas, seguridad en el empleo, y protección social, todos aspectos críticos para la dignidad y bienestar de los trabajadores. Este tema es de gran importancia debido a su impacto en el desarrollo económico y social sostenible. El objetivo del estudio es analizar cómo la independencia del consejo, la concentración de la propiedad, la dualidad del CEO y la presencia de CEOs familiares afectan la implementación de prácticas de trabajo decente. Utilizando datos de empresas familiares listadas en bolsas de valores latinoamericanas, se emplearon técnicas estadísticas de análisis de regresión multivariante para evaluar estas relaciones. Los resultados que consideran 432 observaciones muestran que una alta concentración de propiedad familiar favorece la implementación de prácticas laborales éticas y humanas, reflejando los valores de la riqueza socioemocional de la familia. Además, los miembros independientes del consejo desempeñan un papel crucial en la promoción de estas prácticas, mitigando conflictos

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entre accionistas y equilibrando los intereses de todas las partes interesadas, lo cual beneficia a todos los colaboradores. Este estudio amplía la comprensión de cómo las características específicas de las empresas familiares pueden fomentar la gestión laboral ética en mercados emergentes, proporcionando evidencia empírica valiosa para políticas y líderes empresariales comprometidos con la mejora de las prácticas laborales y la promoción del trabajo decente en estas empresas. Contribuye a la literatura previa al ofrecer una perspectiva latinoamericana sobre la interacción entre la propiedad familiar y la gobernanza corporativa en la promoción del trabajo decente.

1. Introduction

Family businesses form the backbone of Latin American economies, accounting for a significant share of Gross Domestic Product (GDP) and employment in the region (Erdirençelebi & Çini, 2021). These firms play a crucial role in job creation and economic stability, as many of them are small and medium-sized enterprises that contribute significantly to local and regional development; additionally, even large companies in the region tend to be family owned. However, managing decent work within these firms presents challenges. The combination of family relationships and ownership and control structures can influence employment practices and job quality, creating unique dynamics that affect the implementation of fair and safe working conditions (Jobbehdar & Cem, 2023).

Decent work, according to the International Labor Organization (ILO, 1999), includes aspects such as job security, fair working conditions and social protection. This concept is essential to ensure that employees enjoy a decent and humane work environment that promotes their well-being and that of their families. The importance of decent work lies in its ability to improve the quality of life of employees, increase their job satisfaction and promote job stability, which is essential for the sustainable development of any economy.

To date, the literature has explored various variables that may influence decent work from a business perspective. For example, board independence, shareholding concentration, CEO duality, and the presence of family CEOs are factors that have been identified as determinants in the adoption of ethical and fair labor practices (Hernández-Linares et al., 2023; Kubo, 2018). However, there is a notable scarcity of research that specifically addresses how these variables influence decent work within the context of family businesses in Latin America (Cortés & Botero, 2016; Flores Novelo, 2019).

This study aims to fill that gap by exploring the relationship between family control and the implementation of decent work practices in family-owned companies listed on Latin American stock exchanges. Using a quantitative approach, this study analyzes data from companies listed in Latin American stock exchanges between 2010 and 2019, assessing the impact of variables such as board independence, shareholding concentration, CEO duality, and the presence of family CEOs on the adoption of decent work practices. The study thus aims to provide empirical evidence on how family ownership and management impact the quality of employment and labor practices in Latin America.

The interest in carrying out this work on family businesses is justified due to their relevance to the business fabric and their capacity to generate employment. Furthermore, understanding how the distinctive characteristics of these companies can facilitate or impede the promotion of decent work is crucial for developing policies and strategies that improve working conditions in the region. This study offers practical guidelines for managers and policymakers, emphasizing the importance of robust governance structures to foster fair and productive working environments. This study expands the understanding of how socio-emotional wealth and stakeholder theories apply to family firms in Latin America. By demonstrating that a high concentration of family ownership and greater board independence can promote ethical and sustainable labor practices, the study reinforces and expands these theories in a new geographic and cultural context. By analyzing multiple dimensions of decent work and their relationship with the family governance structure, the study offers a comprehensive view that enriches the multidisciplinary literature on corporate governance, human resource management, and labor sustainability in family firms.

The paper is organized in five sections: Section 2 begins with the theoretical framework, which reviews the relevant literature and develops the hypotheses. Section 3 contains the methodology, detailing the study design and the analytical techniques used. The results are presented and analyzed in the next section, while the discussion interprets these findings in the context of existing theory, considering practical implications and limitations. Finally, the conclusions section summarizes the main findings and limitations and proposes future directions for research, offering a perspective on how to move forward in this field of study.

2. Theoretical Framework and Literature Review

2.1. Decent work

Latin America has seen significant progress in the improvement of working conditions since 2000; although significant challenges remain, such as business informality and the presence of "maquiladoras" that often result in low-paid jobs and unsafe working conditions (Chávez & Alfageme, 2022; Schincariol et al., 2017). These jobs often involve long working hours and intensive exploitation (Merino-Salazar et al., 2017).

In 1999, the ILO introduced the concept of decent work, defining it as working conditions that promote human security and dignity, including gender equality, which contributes to the worker's satisfaction and personal value (ILO, 1999). This concept promotes the organization and participation of employees in decisions that affect their lives, improving their prospects for well-being and that of their families (Ma et al., 2021; Nizami, 2019; Vargas-Montero et al., 2020). Decent work is considered a comprehensive and multidimensional concept that encompasses several standards in favor of workers' dignity and livelihood, including job creation, social protection, fundamental employee rights and social dialogue (Di Nuovo et al., 2022; dos Santos, 2019). The ILO details ten pillars of decent work, which include employment opportunities, adequate income, job security and social security, among others (López Mera, 2020).

Studies on the implementation of these practices reveal benefits such as improved job satisfaction and lower desire for turnover, in addition to positively influencing employee performance and commitment (Huang & Yuan, 2022; Işık et al., 2019; Lee et al., 2021; Liu et al., 2023). Thus, decent work is presented as a key factor to promote productivity and social justice, promoting sustainable development in the region (Dodd et al., 2019).

2.2. Family business and decent work

The conceptualization of the family business is complex and varied, due to international institutional and cultural differences. Although there is no unified consensus, common elements in many definitions include family control and authority over the business and interest in preserving the family legacy (Gómez-Mejía et al., 2023; San Martín & Durán, 2017).

Globally, family businesses constitute most business organizations, contributing significantly to GDP and job creation. In Latin America, they represent around 60% of the regional GDP, playing a crucial role in economic and social development (Galvis & Galvis, 2017; Ramírez-Solís et al., 2021).

However, the relationship between family businesses and decent work presents challenges. Some practices, such as nepotism and bifurcation bias, can contravene decent work principles, favoring family members over non-family employees in aspects such as training, performance appraisal and compensation (Combs et al., 2018; Goel et al., 2019; Jennings et al., 2018). Despite this, recent studies suggest that the inclusion of non-family employees can revitalize these companies and improve the perception of equity and commitment among staff, encouraging their permanence and contributing to the sustainability of the company (Christensen-Salem et al., 2021; Hsueh et al., 2022; Yazici et al., 2022).

2.3. Family control and decent work

The socioemotional wealth theory suggests that family firms prioritize not only economic but also family goals. This theory highlights elements such as the power and identity of the family within the company, and the continuity of the family legacy as key factors (Porto-Robles et al., 2022). From this perspective, controlling families tend to reserve key positions for family members, balancing family emotional justice with fairness towards non-family employees (Samara & Paul, 2019). This balance does not necessarily imply that the needs of non-family employees are neglected, but rather that an internal harmony that promotes a fair and decent work environment for all workers is sought.

On the other hand, the stakeholder theory argues that family businesses consider the needs of all stakeholders when formulating strategies, which is closely related to decent work (Santos, 2023). This theory promotes a holistic view where cooperation between employees, customers, and other actors is essential for the creation of sustainable value (Freeman et al., 2020). The combination of intense family control and adoption of the stakeholder perspective can facilitate fair and sustainable labor practices. Concentration of family ownership can lead to management that favors long-term sustainability and decent work, mitigating conflicts and promoting equitable labor policies (Rosecká & Machek, 2023; Schweiger et al., 2023).

Family businesses tend to value continuity and stability, promoting fair and safe work environments to maintain the family reputation and legacy across generations. Family principles and beliefs, such as social responsibility and community engagement, are factors that reinforce the implementation of ethical and humane labor policies (Ernst, 2022).

Given the high level of family control in Latin American companies and its impact on labor equity and working conditions, the following hypothesis is proposed:

> *H1: Greater share concentration in the hands of the business family favors decent work in large Latin American family businesses.*

Socioemotional wealth theory suggests that family control in firms may sometimes prioritize personal interests over social responsibilities, including decent labor practices. This is especially evident when a family CEO is at the helm, who may favor the interests of the owning family, often focusing on non-financial goals to preserve socioemotional wealth (Tsung et al., 2023; Zellweger et al., 2012).

However, stakeholder theory offers an alternative view, highlighting how firms, under the direction of a family CEO, can accumulate and benefit from unique resources such as the practical knowledge of workers (McGahan, 2021; Steijvers et al., 2017; Su et al., 2023). This approach can include social benefits that promote greater identification and job satisfaction among employees, contributing to job stability and sustainable management of human talent, crucial aspects especially in the volatile economies of Latin America (Kettunen et al., 2021; Machek & Hnilica, 2020; Watkins-Fassler et al., 2016). In this context, the following hypothesis is raised:

> *H2: The presence of a family CEO has a positive impact on decent work in large Latin American family businesses, through the implementation of practices that promote stability and job satisfaction, essential for sustainability and generational continuity.*

CEO duality, which occurs when a family CEO also holds the presidency of the board of directors, intensifies their sense of belonging and emotional commitment to the company. This situation can strengthen their influence in favor of family interests, which could have negative consequences for other stakeholders by prioritizing paternalistic practices that mainly benefit family members, deviating from rational logics of performance and compensation (Gómez-Mejía et al., 2007; Jasir et al., 2023; Yan & Zhang, 2023). These practices can lead to perceptions of inequity by non-family workers, negatively affecting the concept of decent work (Waterwall & Alipour, 2021).

However, from the perspective of stakeholder theory, the position of a dual family CEO could also enhance sustainable human resource management. By having greater authority, a dual family CEO could foster a sense of identity and roots in non-family workers, reducing staff turnover and promoting a healthier and more equitable work environment. This approach allows for greater participation in decision-making and development opportunities, benefiting long-term organizational sustainability, even in volatile contexts such as those in Latin America (Christensen-Salem et al., 2021; Llach et al., 2023; Rodríguez-Aceves et al., 2023). Based on these observations, the following hypothesis is proposed:

> *H3: The presence of a dual family CEO in large Latin American family businesses has a positive impact on decent work, by balancing commitment to the family and responsibility towards other stakeholders.*

The composition of the Board of Directors (BD), specifically the proportion of independent members, is crucial in the management of social responsibility in family businesses. A BD dominated by family members may lean towards decisions that prioritize the socio-emotional wealth of the family to the detriment of corporate social responsibility (CSR), such as the promotion of decent work (Tsung et al., 2023; Vieira, 2018). In Latin America, this trend is more marked due to the limited knowledge about effective governance mechanisms (Méndez & Vázquez, 2023).

The stakeholder theory underlines that independent directors can improve the socially responsible performance of the company. They contribute to reducing the information asymmetry between shareholders and stakeholders, reduce conflicts of interest and facilitate cooperation between owners, managers and employee representatives, promoting fair labor practices. (Boers, 2020; Veltri et al., 2021; Wu et al., 2019). Furthermore, independent directors can foster collaborative networks that favor labor justice and organizational efficiency (Bauweraerts et al., 2022; Schepers et al., 2021), and improve the attraction, retention, and compensation of non-family employees, which increases the productivity and competitiveness of the company (Chaparro & Lora, 2017; Gutiérrez Crocco & Martin, 2022).

Given the high volatility of Latin American economies, independence in the BD can be essential to ensure the sustainability of family businesses in the region (Ramírez-Lozano et al., 2023). Based on these arguments, the following hypothesis is proposed:

H4: The independence of the board of directors in large Latin American family businesses is positively related to decent work.

3. Data, Sample and Variables

3.1 Data and sample

The sample used in this study was obtained through a systematic and rigorous process that ensures its representativeness and validity. The following steps were followed to select the sample: 1) Definition of the study universe: It includes all large non-financial family businesses listed on three Latin American stock exchanges: Mexico, Chile, and Colombia, between 2010 and 2019. These are the Spanish-speaking countries with the most important economies in Latin America. This period was chosen to capture a sufficient time range to observe trends and changes in decent work practices. 2) Selection criteria: a) Listed companies: Only family businesses that are listed on stock exchanges were included, which guarantees the availability of financial and governance data necessary for the analysis. b) Definition of family business: Family businesses were those in which one or more families own at least 50% of the voting shares. The criterion for this is the coincidence of surnames, which is widely used in the international literature (Anderson et al., 2012). 3) Data sources: A database was built from the annual reports of the main non-financial companies listed on Latin American stock exchanges, according to their market capitalization (share price multiplied by the number of shares in circulation). The information collected includes both quantitative data of a financial nature and qualitative data of a non-financial nature; the latter are necessary to construct the decent work and family control variables. 4) Filtering process: a) Initially, all companies listed on the main stock exchanges in Latin America were identified (for example, Bovespa in Brazil, Bolsa Mexicana de Valores in Mexico, Bolsa de Comercio de Santiago in Chile). There were 910 observations for a total of 91 companies: 27 in Chile (270 observations), 35 in Colombia (350 observations) and 29 in Mexico (290 observations), during a 10-year analysis period from 2010 to 2019, constituting a balanced panel. Later years are excluded because they are atypical given the COVID-19 pandemic. The database is large enough to perform robust statistical analyses and obtain generalizable conclusions. b) The criteria for defining a family business were applied to filter those that meet the established requirements. c) Subsequently, companies with incomplete or inaccessible information were excluded, ensuring that the final sample was made up of companies with complete and verifiable data for the study period. 5) Sample size: The final sample consisted of 432 observations in total, of which 110 were for family businesses in Chile, 95 for family firms in Colombia, and 227 for family businesses in Mexico. It should be noted that almost half of the sample corresponds to family businesses, where business families own most of the shares, which shows the predominance of family firms in Latin American economies. 6) Representativeness: To ensure the representativeness of the sample, it was verified that the selected companies came from different industrial sectors and countries within the Latin American region. This ensures that the results of the study reflect a diversity of business contexts and practices.

3.2. Variables

The variable *decent work* refers to a set of working conditions that ensure the dignity, safety and well-being of workers. This concept, introduced by the International Labour Organization (ILO), covers multiple dimensions that include: 1) Employment opportunities: Access to jobs that provide sufficient income to live on. 2) Adequate working conditions: Safe and healthy work environment. 3) Social Protection: Social security and protection against occupational risks. 4) Fundamental labor rights: Respect for and compliance with basic labor rights, such as non-discrimination and equal opportunities. 5) Social dialogue: Active participation of workers in decisions that affect their working lives.

There are several studies that use the variable decent work to analyze working conditions and their impact in different contexts. The ILO proposed a detailed guide on decent work indicators and their application in labour policies in Asia and the Pacific, under the title *Decent Work Indicators for Asia and the Pacific: A Guidebook for Policy Analysis* (ILO, 2008). Another example is the work of Muñoz de Bustillo (2020), which carries out a systematic review of the literature on decent work and economic growth in developing countries, evaluating how the improvement in working conditions can contribute to sustainable economic development. The review of the companies' annual reports allowed us to extract information on six different dimensions of decent work, based on ILO guidelines (Kubo, 2018; Lout et al., 2022; Monteiro et al., 2022). First, the data, initiatives and corporate programs corresponding to decent work were identified in the annual reports, such as institutional relations between workers and the company, occupational safety and health, training and education, diversity and equal opportunities, and equality in remuneration.

Subsequently, each of these dimensions was processed as a dummy variable, assigning values of "1" when the annual reports present evidence of the presence of that particular decent work practice and "0" otherwise. From this, a decent work index (SDS1) was constructed for each of the observations in the sample, calculating the simple arithmetic average of the dichotomous values of the variables, which take the position of the dependent variable in the econometric model to determine SDS1. Table 1 shows a summary of the derivation of variables and their measurement.

Table 1. ILO dimensions and measurement variables

Dimensions of the ILO		Corporate reports of Listed Companies	
Dimension	**Detail**	**Decent work variables**	**SDS1 measurement**
Job Opportunities	Access to jobs that provide sufficient income to live on.	Access to training and education for work	
Adequate working conditions	Safe and healthy work environment		
Social Protection	Social security and protection against occupational risks	Occupational health and safety	1= included in reports
Fundamental labour rights	Respect and compliance with basic labor rights, such as non- discrimination and equal opportunities	Diversity and equal opportunities / Equal pay	0= not included in reports
Social Dialogue	Active participation of workers in decisions that affect their working lives	Institutional relations between workers and companies	

The explanatory variables included in the study were selected based on their theoretical and empirical relevance for the analysis of the relationship between family control and decent work practices. These variables include board independence, ownership concentration, CEO duality, and the presence of family CEOs. Each of these variables has been previously studied in the literature on corporate governance and decent work and are expected to significantly influence the labor practices of family firms.

Family control, according to authors such as Blanco-Mazagatos et al. (2018), Madison et al., (2021) Meier & Schier (2020), and Steijvers et al. (2017), can be measured through variables such as the percentage of shares held by the business family (SharePercent), the presence of a family CEO (FamilyCEO), the duality of the CEO (Duality) and the independence of the Board of Directors (IndepCA), which correspond to the explanatory variables of the econometric model.

The *presence of a family CEO* is constructed as a dummy variable, which takes the value of 1 if the CEO is a member of the business family and 0 otherwise. As for the *CEO duality*, this is also constructed as a dummy variable, with a value of 1 if the CEO is also the Chairman of the board of directors, and 0 otherwise. The *independence of the board of directors* refers to the percentage of independent directors within it and is measured through the ratio of the number of independent directors to the total number of directors. To calculate *the percentage of shares* held by the business family, the 10 main shareholders are taken and the percentage of shares belonging to members of the majority family is added.

The control variables used are the *size of the family business* (CompanySize) measured by the natural logarithm of the organization's assets, as well as t*he age of the company* measured in years, *the presence of women on the board of directors* (Women) and *the return on assets* (ROA).

Table 2 summarizes the descriptive statistics of the data collected. First, it is noteworthy that on average Colombia ranks first in terms of decent work (SDS1), followed by Mexico and finally Chile. In addition, Colombia and Mexico have similar and much higher averages than Chile in terms of independence of the CEO and duality of the CEO. Mexico is the country with the highest average presence of family CEOs. Finally, the high levels of concentration of family ownership in the region are noteworthy.

Table 2. Descriptive statistics

Variable	Country	Average	Minimum	Median	Maximum
SDS1	Chile	0.3627	0.0000	0.3333	0.8333
	Colombia	0.8106	0.0000	1.0000	1.0000
	Mexico	0.7568	0.0000	1.0000	1.0000
IndepCA	Chile	0.1749	0.1000	0.1429	0.4286
	Colombia	0.4031	0.2000	0.2857	0.8182
	Mexico	0.4764	0.2143	0.4853	0.8182
Duality	Chile	0.2254	0.0000	0.0000	1.0000
	Colombia	0.6364	0.0000	1.0000	1.0000
	Mexico	0.7226	0.0000	1.0000	1.0000
Women	Chile	0.0563	0.0000	0.0000	0.4000
	Colombia	0.1277	0.0000	0.0000	0.4000
	Mexico	0.0841	0.0000	0.0833	0.3333
Family CEO	Chile	0.6127	0.0000	1.0000	1.0000
	Colombia	0.4091	0.0000	0.0000	1.0000
	Mexico	0.7808	0.0000	1.0000	1.0000
SharePercentage	Chile	78.2720	52.1500	81.1868	100.0000
	Colombia	91.6782	79.4800	93.2900	100.0000
	Mexico	92.6914	71.0000	95.4000	100.0000
CompanySize	Chile	15.4021	12.3307	15.0546	17.9138
	Colombia	6.1041	3.9771	6.2619	8.3685
	Mexico	13.9262	11.4166	13.6472	17.9138
ROA	Chile	0.0498	-0.0223	0.0429	0.2296
	Colombia	0.0326	-0.0562	0.0205	0.2127
	Mexico	0.0767	-0.0562	0.0641	0.3131

4. Results

4.1 Methodology and econometric results

A multiple linear regression was performed using the ordinary least squares method. Following the recommendations of Barnett and Salomon (2012) and Meier and Schier (2020), who used first-order autoregressive models in their studies on corporate social responsibility (CSR), the decent work index is included as an independent variable with a one-year lag. This approach allows capturing the inertia of previous organizational efforts reflected in corporate reports, increasing the sensitivity of the model to organizational trends and patterns in the implementation of decent work. The results obtained from the regression are presented in Table 3.

Table 3. Statistically significant variables in the multiple linear regression model

Variable	Coefficient	Standard error	t-statistic	Prob.
CONSTANT	0.894121	0.060381	14.80791	0.0000
SHAREPERCENTAGE	0.000727	0.000320	2.269361	0.0276
FAMILYCEO	0.010810	0.013286	0.813627	0.4197
DUALITY	0.008737	0.017057	0.512188	0.6108
INDEPCA	0.185219	0.064020	2.893137	0.0056
WOMEN	0.154849	0.082404	1.879136	0.0661
AGECOMPANY	-0.000287	0.000205	-1.403982	0.1665
COMPANYSIZE	-0.004441	0.003720	-1.193608	0.2383
ROA	0.057825	0.092305	0.626456	0.5339
LOGSDS1(-1)	0.406617	0.030336	13.40360	0.0000
R-squared	0.832329			
Adjusted R-squared	0.827851			
Regression standard error	0.117460			
Sum of squares of residuals	4.649535			
Log likelihood	255.8571			
Statistic F	185.8762			
Prob(F statistic)	0.000000			

4.2. Discussion of results

The empirical analysis reveals that shareholding concentration in the business family has a positive and statistically significant impact on the implementation of decent work practices, with a p-value less than 5%. This confirms the first hypothesis (H1), supporting the notion that the concentration of ownership in family hands strengthens the adoption of equitable labor policies, aligned with the socio-emotional wealth theory and the stakeholder theory, which promotes decent work and long-term sustainability (Samara & Paul, 2019; Santos, 2023). Thus, intense family control in Latin American companies favors a fair and sustainable work environment. Furthermore, the independence of the board of directors plays a crucial and positive role in the adoption of these practices, verifying the fourth hypothesis (H4). This finding is consistent with the literature suggesting that board independence can effectively mediate conflicts between shareholders, fostering a balance that benefits all stakeholders, including employees (Wu et al., 2019).

The other hypotheses have not been supported in a statistically significant way, so the impact of a family CEO and CEO duality do not have significant repercussions on the incorporation of decent work practices in the companies considered.

Finally, by incorporating the SDS1 variable lagged for one period as an explanatory variable, it was found that previous practices related to decent work tend to perpetuate themselves, highlighting the importance of continued business policies on these practices (Huang & Yuan, 2022).

5. Theoretical and Practical Implications

This study expands the understanding of how ownership structure and board composition in family firms can affect the implementation of decent work practices. These findings are relevant for policymakers and business leaders as they provide empirical evidence that can guide the improvement of labor practices in listed family firms in emerging markets.

From a theoretical perspective, this study contributes to the development of socio-emotional wealth (SEW) theory and stakeholder theory by showing how family firms, motivated by the conservation of their socio-emotional wealth and their responsibility towards stakeholders, can foster decent labor practices. SEW, which includes dimensions such as family identity, social influence and family affection towards the business, suggests that family firms are willing to invest in practices that benefit not only the owning family but also employees and the community (Gómez-Mejía et al., 2007). This study provides evidence that a high concentration of family ownership can be a catalyst for the implementation of fair and equitable working conditions, supporting the premise that SEW positively influences the adoption of decent labor practices.

Furthermore, stakeholder theory proposes that companies that consider the needs of all their stakeholders, including employees, customers, and the community, are more likely to implement social responsibility and decent work policies. This study reinforces this theory by demonstrating that the governance structure, specifically board independence, can play a crucial role in promoting these practices. (Freeman et al., 2004).

The results of this study offer clear guidelines for business leaders and policymakers in emerging markets. For business leaders, it emphasizes the importance of structuring independent and diversified boards of directors that can oversee and promote the implementation of ethical labor practices. For policymakers, it suggests the need to develop regulatory frameworks that incentivize family businesses to adopt decent labor practices, thereby benefiting a broad spectrum of workers and contributing to sustainable economic development.

Finally, this study provides evidence of how the interaction between family ownership and governance structure can facilitate or impede the promotion of decent work, offering a clear path for future research and business practices that aim to improve working conditions in the context of family businesses. Future research could further explore how other aspects of SEW, such as family cohesion and legacy, influence decisions related to decent work, as well as variations in different cultural and economic contexts.

6. Conclusions

This study has explored how family ownership and management influence the implementation of decent work practices in family-owned companies listed in Latin America. Through rigorous empirical analysis, it has been found that a higher concentration of family ownership tends to favor the development of labor practices that respect the principles of decent work, aligned with the preservation of socio-emotional wealth and stakeholder theory. Furthermore, it has been observed that the independence of the board of directors plays a crucial role in the adoption of these practices, suggesting that more independent boards can promote policies that favor all stakeholders, including employees.

The implications of this study are significant for both academia and business practice. From a theoretical perspective, these results add to the understanding of how distinctive features of family firms, such as ownership concentration and board composition, can be used to foster a more ethical and humane work environment. From a practical approach, this work provides evidence that can guide family entrepreneurs and policymakers on how to structure their governance to promote better work practices.

However, this study is not without limitations, which mainly stem from its focus on a specific geographic and economic context. Future research could benefit from comparing these results with family firms in other contexts to explore whether the observed dynamics are universal or region-specific. Furthermore, it would be beneficial to broaden the focus to include how other aspects of management, such as corporate culture and human resource strategies, interact with family ownership and management in shaping employment practices.

In conclusion, this study reinforces the importance of considering the peculiarities of family businesses in research on work practices and offers a promising path for future research seeking to understand more deeply the mechanisms through which family ownership and management can be channeled to improve both business performance and employee well-being. Future lines of research could also include the analysis of smaller family businesses since, although large companies, which employ a larger number of people, have been analyzed, SMEs represent most of the business fabric and, therefore, are of great importance in job creation.

Author contribution statement

The authors contributed equally to the work.

Declaration of conflict of interest

The authors declare that they have no conflicts of interest with regard to the publication of the results of this research, given that the data fused to support the conclusions were obtained from public sources.

Ethical declaration

The authors declare that the ideas, concepts and theoretical contributions of other researchers have been duly referenced and that intellectual property rights have properly been attributed to them.

Statement on the use of generative AI in the writing process

The authors declare that no generative artificial intelligence was used in the preparation of this manuscript.

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Data availability statement

The authors confirm the availability of data used in this study.

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