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Family Business Ethics: At the Crossroads of Business Ethics and Family Business

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Abstract In spite of the considerable development of research in the fields of business ethics and family business, a comprehensive review and integration of the area where both disciplines intersect has not been undertaken so far. This paper aims at contributing to the call for more research on family business ethics by answering the following research questions: What is the status of the current research at the intersection of business ethics and family business? Why and how do family firms differ from non-family firms regarding business ethics? And, what are the key directions for further research? To answer these questions, this study combines a systematic approach for the selection of articles, resulting in a sample of 31 articles over 35 years, with a narrative review to analyze the literature. This paper finds that research on family business ethics is scarce but increasing and that family firms are considerably different from non-family firms regarding ethical issues. Particular stakeholders, goals, relationships, and practices are found to be the forces behind the peculiarity of family business ethics. Ultimately, research development on family business ethics is encouraged and future research directions flowing from the key findings and reflections of this review are provided.

Keywords Family business ethics · Family firms · Literature review

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Introduction

In spite of the relevance of the intersection between business ethics and family firms described by extant literature, a considerable lack of research regarding business ethics in the context of family firms has been largely highlighted (Everett 1986; Wortman 1994; Gallo 1998, 2004; Debicki et al. 2009; O'Boyle et al. 2010; Payne et al. 2011; Sharma and Sharma 2011; Litz and Turner 2013).

Exploring business ethics at the specific context of family firms is relevant because of the significant participation of this kind of business in the world economy (Anderson and Reeb 2003; Faccio and Lang 2002; Porta et al. 1999; Neubauer and Lank 1998) and because of the differential characteristics of family firms influencing ethical and social behavior (Gómez-Mejía et al. 2007; Berrone et al. 2010; Van Gils et al. 2014).

While published research around business ethics at family firms has increased over the last 10 years, a comprehensive review and integration of the contributions to the understanding of family business ethics has not been undertaken so far.

This paper aims at contributing to the call for more research on family business ethics by answering the following research questions: What is the status of the current research at the intersection of business ethics and family business? Why and how do family firms differ from non-family firms regarding business ethics? And, what are the key directions for further research?

To answer these questions, this study combines a systematic approach for the selection of articles with a narrative review to analyze the literature. The systematic selection of literature resulted in a sample of 31 articles stemming from key peer-reviewed journals published from 1981 through 2015.

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Examination of the selected literature found that, compared to other issues relevant to the fields of business ethics, such as morality, ethical decision making, or corporate social responsibility (Ma et al. 2012), and to the family business field, such as succession or governance (Debicki et al. 2009; Chrisman et al. 2003), the topic of ethics in the family firm still represents an understudied area. Moreover, the analysis performed evidences a substantial share of articles that do not specify their guiding theoretical frameworks and a highly dispersed theoretical landscape for those works that disclose the theoretical lens guiding their research.

The findings of the review are structured around the three most prominent general research angles identified in the sampled literature: (1) comparative research, meaning the comparison of different types of firms regarding ethical issues, (2) the reasons why business ethics in family firms are different, and (3) the ways in which business ethics are introduced and developed in family firms.

The main contributions of this study to the literature on the fields of business ethics and family business are threefold. First, through the identification, analysis, and integration of the relevant articles, a thorough review of the key issues at the intersection of business ethics and family business is provided. Second, this paper organizes the main findings and discusses the distinctiveness of business ethics in the context of family firms, the scarcity of research on family business ethics so far, and how the particular aspects of the family business will influence ethical issues relevant to various stakeholders of the family business. Finally, this article highlights the relevance of family business ethics both for the fields of business ethics and family business, and suggests various avenues for further research.

The remainder of this article is structured as follows: the methodological section provides the specification of the literature selection and then the sample characteristics are introduced. The subsequent section delivers the key findings of the literature reviewed and, based on that, the following section proposes a discussion on key issues relevant to the area of family business ethics. The study finalizes with conclusions and proposals for future research directions.

Methodology

The literature selection was performed systematically following a process comparable to what was followed by Pukall and Calabrò (2014), Newbert (2007), and David and Han (2004), but with some customization. The eligible literature was selected based on the following criteria:

1. The search was limited to articles published by the 23 key leading peer-reviewed journals of research related to business ethics, family business, and management and business, as detailed below:
   (a) Business ethics most relevant publications (Chan et al. 2010, 2013; Paul 2004), including the Journal of Business Ethics, Business Ethics Quarterly, Business and Society, and Business Ethics: A European Review;
   (b) Family business most appropriate journals (Chrisman et al. 2008, 2010), encompassing Family Business Review, Entrepreneurship Theory and Practice, Journal of Business Venturing, Academy of Management Journal, Academy of Management Review, Strategic Management Journal, Administrative Science Quarterly, Journal of Small Business Management, and Journal of Management Studies; and
   (c) Management and business publications relevant to the topic of interest, considered to be the top publications on the field (Ennas et al. 2014; Linton 2013; Thomson Reuters 2014) and not already present in the selection of top journals of business ethics and family business, which finally included the Academy of Management Annals, Academy of Management Learning and Education, Academy of Management Perspectives, International Journal of Management Reviews, Journal of Management, Journal of Organizational Behaviour, Management Science, Organization, Organization Science, and Organization Studies.
2. The search was limited to the period between 1981 and the end of December of 2015 (35 years).
3. The search was performed in the databases of Business Source Complete (EBSCO), ABI/Inform Pro Quest, and in the search function provided by the publisher of Family Business Review (http://fbr.sagepub.com/search).
4. The search was designed to ensure substantive relevance of the potentially identified articles by looking for the combination of the following keywords in the title or the abstract: ((“family*”) AND (“ethic*”)). The relevance of the articles was ensured through the reading of all abstracts, checking for a discussion related to ethics in family firms.
5. The articles selected by examining their abstracts were read thoroughly in order to control for substantive relevance, checking for a discussion related to ethics in family firms.
6. Whenever necessary, results from different databases were consolidated.

This process, detailed in Table 1, resulted in the selection of 22 articles. Additionally, in order to ensure that no relevant paper was overlooked in the process, a residual search was performed by checking relevance to the topic of interest in literature mentioned in previous reviews focusing on social issues in regard to family business (Van Gils et al. 2014) and on the intellectual structure of business ethics studies (Calabretta et al. 2011; Ma et al. 2012). This residual search yielded 9 additional articles.

The final sample consisted of 31 articles that were all content analyzed based on the following dimensions:

1. theoretical frameworks: theories used to explain issues related to ethics in family business contexts;
2. methodological aspects: theoretical or empirical (and specific types of analysis); sample characteristics (e.g., firm size, geography);
3. family business ethics key research dimensions such as comparative research, stakeholders involved, and so on; and
4. main findings: short summary of key findings derived from the integration of the literature concerning the research dimensions identified.

Sample Characteristics

The field of business ethics gained recognition and legitimacy (Harris et al. 2009) through an increasing scholarly publication (Calabretta et al. 2011). The field of family business was established as a standalone discipline (Moores 2009) and made significant progress that attracted the attention of academic researchers and practitioners (Litz et al. 2011; Sharma et al. 2014), and experienced a proliferation of yearly published research (James et al. 2012). However, academics and practitioners have not reached a conclusive consensus on why and how business ethics dynamics are different in the context of family business, and have not determined the key ethical issues in relation to the family firm that are particularly relevant to its various stakeholders. The following paragraphs present the main findings on the literature sample.

Descriptive Results

Table 2 summarizes the distribution of the articles in the sample by time period and journal of publication, showing that the chronological development of research on the topic can be divided into two groups.

The first group includes the eight articles identified between 1981 and 2005, encompassing more than 70 % of the 35-year period covered, and suggests a practical absence of attention to the intersection of business ethics and family business.

The second group includes the last 10 years of the time period examined and shows a rapid increase of interest regarding business ethics in the context of family firms. While this second group shows 23 published papers, this is equal to an average of 2.3 articles released yearly by the 23 top journals covered in the inquiry and evidences a very scant production. Moreover, this research is mostly focused on fragmented perspectives on the intersection of business ethics and family business such as social exchange structures (Long and Mathews 2011), family values (Koiranen 2002), dividends behaviors (He et al. 2012), and inherited ethical dilemmas (Litz and Turner 2013).

Regarding the key outlets for publication of research regarding business ethics in family firms, the Journal of Business Ethics (14 articles) and the Family Business Review (8 articles) represent 45 and 26 % of the sample, respectively, adding up to over two-thirds of the overall publication on the topic of interest. Three other journals, Business Ethics Quarterly, Entrepreneurship Theory and Practice, and Business Ethics: A European Review, published the remaining 29 % of the sampled articles. It is noteworthy that the sample identified does not include papers by the selected high-impact outlets focusing on management and business.

Table 1 Database search results

	ProQuest®	Business source complete	FBR[a]	Total
After keyword search in title and/or abstract	57	62	7	126
No. of total duplicates				50
After deleting duplicates				76
After reading all the title and abstract				25
After reading the entire articles				22
Number of articles found in the residual research				9
Final sample size				31

[a] Search performed using http://fbr.sagepub.com/search

Table 2 Distribution of articles by time period and journal

	Impact factor	Articles per time period							Total	(%)
		1981–1985	1986–1990	1991–1995	1996–2000	2001–2005	2006–2010	2011–2015		
Journal of Business Ethics	1.326[a]	0	1	0	0	2	3	8	14	45
Family Business Review	5.528[a]	0	0	0	2	2	2	2	8	26
Business Ethics Quarterly	1.927[a]	0	0	0	0	0	0	4	4	13
Entrepreneurship Theory and Practice	3.144[a]	0	0	1	0	0	1	2	4	13
Business Ethics: A European Review	0.541[b]	0	0	0	0	0	1	0	1	3
Total		0	1	1	2	4	7	16	31	

[a] 2014 Thomson Reuters Journal Citation Reports® (Thomson Reuters 2014)

[b] ISI Journal Citation Reports© Ranking: 2014

Compared to other issues relevant to the fields of business ethics, such as morality, ethical decision making, and corporate social responsibility (Ma et al. 2012), and to the family business field, such as succession or governance (Debicki et al. 2009; Chrisman et al. 2003), the topic of ethics in the family firm still represents an understudied area.

Methodologies Engaged

As summarized in Table 3, the analysis of the sampled articles according to the methodological approaches used highlights the predominance of empirical studies, representing 74 % of the total. While quantitative studies were used in 16 papers and account for 70 % of the empirical research identified (52 % of the total sample), 11 of these quantitative studies (35 % of the total sample) based their findings on data collection via surveys, most of which being self-reported data, that are "often hindered with low response rates and perceptual biases" (Sharma and Carney 2012).

Samples of the empirical research works consisted of 39 % of large firms, 35 % of all business sizes, and the remaining 26 % of small and medium enterprises.

Regarding regions under analysis, 39 % of studies covered Europe (e.g., Campopiano and De Massis 2014; Gallo 1998; Koiranen 2002; Duh et al. 2010; Graafland et al. 2003), 35 % USA (e.g., Blodgett et al. 2011; Dyer and Whetten 2006; O'Boyle et al. 2010; Sorenson et al. 2009), 13 % Asia (e.g., He et al. 2012; Wu 2006), 4 % covered companies from several regions (e.g., Feldman 2007), and the remaining 9 % did not specify any region (e.g., Adams et al. 1996).

It is noticeable that 35 % of the articles examined focus on a comparative analysis between family and non-family firms (e.g., Adams et al. 1996; Blodgett et al. 2011; Duh et al. 2010; Dyer and Whetten 2006; Gallo 2004; He et al. 2012).

Definitions Utilized

More than 50 % of the articles reviewed present an explicit definition of the family business. The definition most commonly used is in terms of a majority participation in the ownership and family involvement in the board of directors or top management team through the presence of a family member in such bodies (e.g., Blodgett et al. 2011; Dyer and Whetten 2006; Fassin et al. 2011).

Table 3 Distribution of articles by methodologies employed

			Number of times used	(%)
Theoretical			8	26
Quantitative		16		
Data collection via surveys	11			
Data collection others	5			
Qualitative		7		
Empirical			23	74
Total			31	

Regarding the conceptualization of business ethics, 52 % of the examined articles omit a clearly expressed definition. On the other hand, 19 % of the reviewed works refer more or less explicitly to business ethics as categories that are "difficult to separate" in terms of content (Egels 2005, p. 14), such as corporate social responsibility, corporate citizenship, sustainable development, and corporate social performance (e.g., Bingham et al. 2011; Déniz Déniz and Suárez 2005; McKenny et al. 2011), and 10 % make direct or indirect reference to virtue ethics and ethics of care (e.g., Long and Mathews 2011; O'Boyle et al. 2010; Payne et al. 2011). The remaining articles make generic definitions of business ethics that are not easily connected with broadly used categories. In line with views considering the concept of business ethics as "not adequately defined" by the literature (Lewis 1985, p. 377), subject to "considerable debate" (Joyner and Payne 2002, p. 299), and "very difficult" or even hardly existing (Egels 2005, p. 14), the literature examined generally evidences poor definitional clarity.

Theoretical Frameworks Used

The term theoretical framework is utilized to capture the essence of the theory, its assumptions, constructs, and assertions that shape the way in which the phenomena are experienced by the researcher (Kilduff 2006; Weick 1995; Whetten 1989).

The articles were examined to identify a specific minimum application of a theoretical framework, with strong relevance to their resulting implications and not considering as such the mere one-time reference given to a concept or theory that does not play a central role in the arguments made.

Table 4 provides an outline of the theoretical frameworks utilized in the articles reviewed.

Approximately 72 % of the articles sampled allowed to be referred to specific theoretical frameworks, while the remaining 28 % did not specify their key underlying theoretical basis.

The stakeholder theory (Freeman 1984) is the main theory utilized, being central in approximately 14 % of the papers examined (e.g., Cennamo et al. 2012; Déniz Déniz and Suárez 2005; Mitchell et al. 2011), followed by identity theories, frameworks of ethical climate, institutional theory, and the resource-based view, which are used in at least two papers each. There is also a large group of various theories that were utilized only once in the sample analyzed.

While the multiplicity of theoretical frameworks applied by the literature focusing on social issues in the context of family firms has already been signalized (Van Gils et al. 2014), the examination performed shows a highly undeveloped and dispersed theoretical landscape as 28 % of the articles do not specify a guiding theory and the five most used theories do not reach above 40 % of the articles examined.

It is noteworthy that the socioemotional wealth perspective (Gómez-Mejía et al. 2007; Gomez-Mejia et al. 2011; Berrone et al. 2012), which was first introduced in 2007 and is becoming "the theoretical foundation for most family business research dealing with social issues" (Van Gils et al. 2014, p. 195), appears as theoretical framework in only one of the works reviewed (Cennamo et al. 2012). The socioemotional wealth perspective, that will be presented in more detail in the following sections, is mentioned by many of the sampled articles to explain particular aspects of the goals of family firms.

Research at the Intersection of Business Ethics and Family Business: Where are We Now?

In order to structure the findings, as summarized in Table 5, the focus will be directed to the three most prominent general research angles identified in the literature: (1) comparative research, meaning the comparison among types of firms regarding ethical issues, (2) explanations and insights regarding why business ethics in family firms are different, and (3) how business ethics are introduced and developed in family firms.

Comparative Research

The first focus area identified is about research following a comparative approach since 42 % of the sampled articles focused mainly on inter-firm comparison (35 % of articles compare family with non-family firms and 7 % compare differences among family firms).

Four streams are identified concerning comparative research: (1) one article that finds no distinction between family and non-family firms; (2) two articles finding minor differences of a neutral nature; (3) the largest group of studies showing that family firms and non-family enterprises are considerably different regarding business ethics; and (4) few articles focused on differences among family firms.

The first viewpoint finds no difference regarding the family nature of business but between large and small businesses, with large firms preferring mostly an integrity strategy to foster ethical behavior in the organization and small enterprises preferring a dialog strategy (Graafland et al. 2003).

The second perspective is represented by two articles that identified limited differences or variations that do not indicate a generally positive nor negative situation when

Table 4 Theoretical frameworks used

Theoretical framework	Times used	
None or not specified	10	27.8
Stakeholder theory	5	13.9
Identity theories (organizational, social, orientation, etc.)	3	8.3
Framework of ethical climate	2	5.6
Institutional theory	2	5.6
Resource-based view	2	5.6
Cognitive and constructivist theories	1	2.8
Interactionist perspective	1	2.8
Model of approach to CSR	1	2.8
Self-determination theory	1	2.8
Six dimensions to the study of organizational virtue	1	2.8
Social capital theory	1	2.8
Social exchange theory	1	2.8
Socioemotional wealth framework	1	2.8
Strategic management process framework	1	2.8
Framework of three strategies for organizing ethics	1	2.8
Theory of planned behavior	1	2.8
Typology of generic responses to declining situations	1	2.8

comparing family and non-family firms regarding business ethics. These articles described the neutral or mixed differences found as (1) fewer formal codes of ethics and utilization of informal methods—like exemplary activity—to promote ethical behavior in family firms (Adams et al. 1996), or (2) indications that family businesses are better at carrying out some social responsibilities such as wealth creation, delivery of goods, and protection of the environment, while they are not better at performing other responsibilities such as longevity and development of individual skills (Gallo 2004).

The third research stream regarding comparative research, which is by far the largest group of articles focused on inter-firm discrepancies, found substantial differences and generally described family firms as having higher ethical focus in comparison with non-family firms. These differences are presented as (1) ethical core values, climate, and culture in family and non-family enterprises, with family firms having higher levels of loyalty and connection among co-workers, top management, and employees (Duh et al. 2010); (2) higher frequency of ethical values with more manifestations from family businesses regarding ethics, honesty, and commitment to quality and customers (Blodgett et al. 2011); (3) higher flexibility granted by the market to family-controlled firms based on ethical behavior, corporate social responsibility (CSR), and a long-term relationship with investors and society, roots in the local community, common culture and environment, and philanthropic activities (He et al. 2012); (4) family firms generally exhibiting higher levels of organizational virtue orientation, especially on empathy, warmth, and zeal (Payne et al. 2011); (5) higher avoidance of social concerns and better social performance by family firms (Dyer and Whetten 2006); (6) engagement in significantly more positive community, employee, and social initiatives by family firms (Bingham et al. 2011); (7) higher likelihood of family firms disclosing information on explicit corporate social responsibility but less compliance with corporate social responsibility reporting standards, replacing this with informal communicational exchanges (Campopiano and De Massis 2014); and (8) higher weight of moral content and reciprocity based on generalized exchange through family involvement and influence (Long and Mathews 2011).

Finally, instead of comparing family and non-family firms, two studies engaged in the analysis of differences among family firms and showed that (1) family firms are heterogeneous and biographical characteristics are independent of different approaches to social responsibility (Déniz Déniz and Suárez 2005); and (2) family-named companies with a history of ethical behavior among family firms experienced superior results when introducing new products into the market (Kashmiri and Mahajan 2014).

The comparative research described showed a generally positive differential for family firms in contrast to non-family firms regarding business ethics. Besides the question of whether family firms were more ethical than non-family firms, the theoretical approach by Long and Mathews (2011) proposes to also focus on the question of why and how family firms and non-family firms are different.

Table 5 Main research angles and key findings

Themes	Key findings	Examples
1. Comparative research	(a) No difference between family and non-family firms	Graafland et al. (2003)
	(b) Difference between family and non-family firms (neutral or mixed outcomes)	Adams et al. (1996) and Gallo (2004)
	(c) Difference between family and non-family firms (positive outcomes by family firms)	Duh et al. (2010), Blodgett et al. (2011), He et al. (2012), Payne et al. (2011), Dyer and Whetten (2006), Bingham et al. (2011), Campopiano and De Massis (2014) and Long and Mathews (2011)
	(d) Difference among family firms	Déniz Déniz and Suárez (2005) and Kashmiri and Mahajan (2014)
	(e) From outcomes to underlying dynamics	Long and Mathews (2011)
2. Why are business ethics at family firms different?	(a) Particular stakeholders	
	(1) The family itself (family involvement)	Sharma and Sharma (2011), Long and Mathews (2011), Mitchell et al. (2011), O'Boyle et al. (2010), Sorenson et al. (2009), Bingham et al. (2011), Déniz Déniz and Suárez (2005), Cennamo et al. (2012) and Duh et al. (2010)
	(2) The founder	Hoy and Verser (1994), Adams et al. (1996), Dyer and Whetten (2006), Gallo (2004), Perrini and Minoja (2008), Duh et al. (2010) and McMullen and Warnick (2015)
	(3) The successors	McMullen and Warnick (2015) and O'Boyle et al. (2010)
	(b) Values and goals	
	(1) Family business values	Blodgett et al. (2011), Kidwell et al. (2012), Koiranen (2002), Duh et al. (2010), Everett (1986) and Sharma and Sharma (2011)
	(2) Image and reputation	O'Boyle et al. (2010), Adams et al. (1996), Kashmiri and Mahajan (2014), He et al. (2012), Payne et al. (2011), Dyer and Whetten (2006) and Campopiano and De Massis (2014)
	(3) Socioemotional wealth	Sharma and Sharma (2011), Mitchell et al. (2011), Cennamo et al. (2012), Bingham et al. (2011) and McMullen and Warnick (2015)
	(4) Family agendas and power	Duh et al. (2010) and Gallo (2004)
	(5) Other non-financial goals	Fassin et al. (2011), McKenny et al. (2011) and Long and Mathews (2011)
	(c) Characteristic social Interactions	Long and Mathews (2011), Mitchell et al. (2011), Kidwell et al. (2012), Bingham et al. (2011), Fassin et al. (2011), Payne et al. (2011), Sharma and Sharma (2011), Cennamo et al. (2012)
3. How are business ethics introduced and developed at family business?	(a) Formal ethical formulation, communication, and enforcement	
	(1) General (codes of ethics, mission statement, strategic planning, CSR reporting, foundations, managerial procedures, etc.)	Adams et al. (1996), Gallo (1998), Blodgett et al. (2011) and Perrini and Minoja (2008)
	(2) Exclusive of family firms (family charters and protocols, family council)	Hoy and Verser (1994), Gallo (1998), Perrini and Minoja (2008) and Sorenson et al. (2009)
	(b) Informal practices for ethical formulation, communication, and enforcement	
	(1) Culture	Hoy and Verser (1994), Adams et al. (1996), Feldman (2007) and Long and Mathews (2011)
	(2) Interpersonal relationships and communications	Hoy and Verser (1994), Wu (2006), O'Boyle et al. (2010), Sorenson et al. (2009), Sharma and Sharma (2011), Campopiano and De Massis (2014), Long and Mathews (2011) and Gallo (1998)

Why are Business Ethics in Family Businesses Different?

The questions of why "family businesses are different from non-family businesses and different from each other" have already been encouraged (Van Gils et al. 2014, p. 201). The differences of business ethics dynamics in family and non-family firms, due to several underlying causes, are mentioned in over 80 % of the literature examined.

The main underlying reasons for the particular ethical dynamics in family firms indicated by the articles reviewed are (1) the peculiar salient stakeholders revealed by the family involvement; (2) the characteristic values and goals, expressed by the inclination to socioemotional wealth; and (3) the distinctive kind of social interactions.

Stakeholders Particular to Family Firms

Besides the usual set of stakeholders related to non-family business, 48 % of the reviewed articles refer to specific stakeholder categories with substantial influence on family businesses and their ethics dynamics.

The involvement of the family, as a particular and specific stakeholder of family firms, was already recognized as linking family characteristics and social outcomes of the family business (Van Gils et al. 2014), and is discussed largely by the literature reviewed. While only one paper suggests that reduced involvement due to the separation of ownership and management leads towards CSR and also increases the ability to understand and the willingness to respond to expectations of non-family stakeholders (Perrini and Minoja 2008), most articles remain neutral or positive when relating family involvement and business ethics. These articles, representing approximately 30 % of the total sample, describe the family as (1) influencing the human and material resources of the business through personalized control and long-term orientation, with relative freedom from internal bureaucracy and external pressures, and with the intention to pursue its vision for the firm across generations (Sharma and Sharma 2011); (2) characterized by a morality based on its founding relationships, particularly those within the dominant coalition (Long and Mathews 2011); (3) originating a different and more complex dual-identity organization through interaction with the business and generating its stakeholder salience based on normative power, hereditary legitimacy, and urgency linking temporality and criticality because of family ties and family-centered non-economic goals (Mitchell et al. 2011); (4) characterized by behaviors of stewardship consistent with a high ethical focus (O'Boyle et al. 2010); (5) drawing a point of view based on its moral beliefs to address occurring business problems through dialog (Sorenson et al. 2009); (6) carrying a collectivistic stakeholder identity orientation with greater concerns for the collective welfare (Bingham et al. 2011); (7) significantly influenced by the relationships of its members and specially influenced by trust and emotions (Déniz Déniz and Suárez 2005); (8) driving to preserve and augment socioemotional wealth through internal organizational processes but also through relations with external stakeholders (Cennamo et al. 2012); and (9) exerting an important influence on the ethical climate and culture of the business system through family core values (Duh et al. 2010).

Besides the family as an institution per se, the sampled literature covered other family stakeholders that are very relevant to family firms. As the "legacy-based legitimacy creates a stakeholder constituency of individuals who may not be currently involved in the business, even those who are no longer living or have yet to be born" (Mitchell et al. 2011, p. 245), founders and successors have been specially mentioned. While the results of one article did not support the argument that founder involvement was related to social initiatives "raising the question as to whether founder involvement is actually a key source of a family firm's collectivistic identity orientation" (Bingham et al. 2011, p. 580), most of the literature reviewed, representing 23 % of the sample, highlighted the role of the founder as important and described it as (1) impregnating the organization with his personal value system, thus influencing internal and external stakeholders (Hoy and Verser 1994); (2) being a key factor in the shaping of the business ethical standards and climate since his temperament and values strongly influence the business culture (Adams et al. 1996); (3) having a vision to pass on a legacy and identity-based reasons to consider the business as a means for contributing to society (Dyer and Whetten 2006); (4) influencing the business through his personal characteristics, either directly or indirectly, through the tradition carried on by his successors (Gallo 2004); (5) playing a central role in shaping a responsible corporate strategy through his value systems and past experiences (Perrini and Minoja 2008); (6) exerting important influence on the culture and values of the firm during and beyond his tenure (Duh et al. 2010); and (7) expressing his purpose for creating the family firm through the non-financial goals he establishes for it (McMullen and Warnick 2015).

Not as extensively as with the founders, the analyzed works also discuss successors as particularly relevant stakeholders for family firms by (1) raising ethical questions regarding the appropriateness and influencing conditions of a parent willing his child to be successor of the family firm (McMullen and Warnick 2015); and (2) claiming that trans-generational continuation of the family business with high participation of family members will likely result in a more ethically focused family business (O'Boyle et al. 2010).

Only one article specifically mentioned non-shareholder family members, especially spouses, as relevant stakeholders holding substantial power and influence in family firms (Mitchell et al. 2011).

The literature examined is characterized by major agreement on the key influence of family involvement in business ethics in the family firm and the special role played by a specific stakeholder, namely the founder. Other key family stakeholders such as successors, spouses, and in-laws have not received the same kind of attention of research so far.

Family Business Values and Goals

Family values and goals are a key element of family and business culture and have already been suggested to be important factors driving behavior in family business (Dyer 2003).

"Family business values are explicit or implicit conceptions of the desirable in both family and business life" (Koiranen 2002, p. 177) and the existence of values specific to family firms has been mentioned in almost 20 % of the articles examined. Values of the family firm have been described as (1) pervasive across cultures and dominated by trust (Blodgett et al. 2011); (2) influencing trust levels, goals, and other elements of organizational behavior (Kidwell et al. 2012); (3) formed both rationally and emotionally but necessary to be agreed and shared in order to increase commitment and to create a common ground for dealing with conflicts of interest between business and family goals (Koiranen 2002); (4) serving as guidelines in setting the vision, mission, and goals of the family firm and enabling ethical business behavior (Duh et al. 2010); (5) observed as "typical patterns," such as parental care, identification of family and business interests, and preference for stability (Everett 1986, p. 321); and (6) recognized by their typical long-term orientation, the ability to pursue multiple goals, and the influence of the dominant coalition, altogether impacting attitudes "towards using the family firm as a vehicle for an environmental strategy" (Sharma and Sharma 2011, p. 318). Values of family firms have been strongly linked to the individual-level beliefs, values, and attitudes of the family members, a connection that could be made even stronger by significant ties extending across generations (Sharma and Sharma 2011). Moreover, it has been proposed that, due to their stronger culture, "the level of adoption and acceptation of the values and norms is higher" in family firms (Duh et al. 2010, pp. 485–486) and that "influence of individual or familial values and beliefs on organizational level attitudes is much less likely in non-family firms" (Sharma and Sharma 2011, p. 325).

Citing various existent research works on the goals of the family business (e.g., Westhead and Howorth 2006; Carney 2005; Gómez-Mejía et al. 2007; Berrone et al. 2010), 55 % of the literature reviewed highlighted the particularities of the goals of family firms as (1) focusing on non-financial objectives for protecting family agendas (Westhead and Howorth 2006; Duh et al. 2010); (2) substituting rational and economic wealth maximization objectives for objectives that help accumulate socioemotional wealth (Carney 2005; Gómez-Mejía et al. 2007; Berrone et al. 2010; Sharma and Sharma 2011); (3) operating at the intersection of two institutional logics and a combined pursuit of economic and non-economic goals (Berrone et al. 2010; Mitchell et al. 2011); (4) normatively and instrumentally motivated, having the creation and preservation of socioemotional wealth as a key reason for their stakeholders' welfare and related career-oriented activities (Gómez-Mejía et al. 2007; Berrone et al. 2010; Cennamo et al. 2012); (5) directed not only to stock price but also to value included in other considerations such as tradition, power, and job opportunities for family members (Gallo 2004); (6) influenced by social and cultural dimensions "where non-economic rationales are considered in a long-term approach" (Fassin et al. 2011, p. 444); (7) "not based solely on the desire to maximize profits, but also on building socioemotional wealth and endorsing a fundamental set of moral principles established and perpetuated by family members" (Gómez-Mejía et al. 2007; Bingham et al. 2011, p. 570); (8) comprising family-related goals in addition to business-related goals, and hoping to perform well in both dimensions (Basco and Rodríguez 2009; McKenny et al. 2011); (9) having the family and other group members as an end in themselves "in a Kantian sense," with immediate economic goals mixed with intentions for trans-generational sustainability, non-economic goals, and strong interpersonal ties as "direct result of the cohesion building processes engaged in by coalition members" (Long and Mathews 2011, pp. 294–296); (10) influenced by non-financial considerations considered to be "on par or even more important than the creation of financial value" (Gómez-Mejía et al. 2007; Berrone et al. 2010; McMullen and Warnick 2015); (11) aiming to reputational impact for multiple generations, which is associated to ethical focus (O'Boyle et al. 2010); (12) avoiding "to be perceived by others as behaving unethically or against the best interests of the community" in order to maintain and improve the family and the business reputation (Adams et al. 1996, p. 161); (13) emphasizing the preservation of the firm reputation in order to maintain the family reputation "by ensuring that their firms' new products have good quality and safety standards and that in marketing these products the firm avoids controversies" (Kashmiri and Mahajan 2014, p. 84); (14) linked to the concern of the family regarding reputation and position within society by trying its "best to avoid damaging them through any irresponsible activities" (He et al. 2012, p. 99); (15) affected by family members' identities "so closely tied to the firm, they will go to great lengths to protect the family name and firm reputation" (Dyer and Whetten 2006; Payne et al. 2011, p. 262); (16) aiming to protect the image and reputation through "a tradition of socially responsible business practices" and to avoid "harmful practices that can besmirch the image of the firm" (Dyer and Whetten 2006, p. 791); and (17) reflecting the importance attached to actions that affect the external reputation and dialog with external stakeholders (Campopiano and De Massis 2014).

55 % of the sampled literature made reference to goals other than profit maximization as having high relevance in the context of family firms. While these non-financial goals are described in different ways, more than 50 % of the examined literature refers to the framework of socioemotional wealth (Gómez-Mejía et al. 2007; Berrone et al. 2010, 2012). The references are either explicit (Sharma and Sharma 2011; Mitchell et al. 2011; Cennamo et al. 2012; Bingham et al. 2011; McMullen and Warnick 2015) or through allusions paying high attention to image and reputation (O'Boyle et al. 2010; Adams et al. 1996; Kashmiri and Mahajan 2014; He et al. 2012; Payne et al. 2011; Dyer and Whetten 2006; Campopiano and De Massis 2014), directly related to the identification of family members with the firm and one of the dimensions composing the overreaching concept of socioemotional wealth. Additionally, references to power or control (Gallo 2004) are also implicit in one dimension of the socioemotional wealth.

The socioemotional wealth model was created as a general extension of the behavioral agency theory (Wiseman and Gomez-Mejia 1998) which integrates elements of prospect theory, behavioral theory of the firm, and agency theory. It is based on the notion that firms make choices depending on the reference point of the firm's dominant principals whose usual emphasis is on the preservation of its affective endowment. The socioemotional wealth perspective defies what was previously understood as economically logical decisions, since choices will also be driven by the aim to preserve and increase affective endowments and not only financial wealth. The socioemotional wealth is a reference point which does not focus on financial logic (Zellweger et al. 2012) but works with an economical logic of choice for the greater benefit or satisfaction, given expected outcomes and risk scenarios whose values may be rationally assigned differently by family and non-family firms (Gómez-Mejía et al. 2007). The recognition of the same economically rational logic for financial and non-financial goals of the family firm by the socioemotional wealth framework allows to understand that actions which seem to go against financial logic may not be a deviation from rationality but a behavior particularly common in family firms that have creation and preservation of socioemotional wealth as a high-priority preference.

The perspective that family firm owners, and hence family firms, are motivated not only by financial but also by non-financial incentives to behave in a social responsible way "is a theme that consistently emerges throughout the recent surge of research on the social practices of family enterprises" (Van Gils et al. 2014, p. 195) and is represented widely in the sampled literature. While the analysis of the theoretical frameworks utilized in the articles reviewed shows a very disperse landscape, the perspective of socioemotional wealth "has seemingly become the theoretical foundation for most family business research dealing with social issues" (Van Gils et al. 2014, p. 195) and is directly or indirectly utilized to explain the particular goals of family firms by most of the articles covered in the present study.

Family Business Social Interactions

Over 25 % of the articles examined identified particular social interactions as a subjacent mechanism influencing business ethics in the family business. Characteristics of particular social interactions in the family business have been described as (1) generalized exchange giving basis to a distinctive ethical frame of reference due to the frequent personal (rather than formal) interactions among family members and within the dominant coalition (Long and Mathews 2011); (2) unique institutional logics resulting from the intersection of two sometimes conflicting institutions that expand sets of goals and create "a cascade effect that changes the nature of power, legitimacy, and urgency in those organizations" (Mitchell et al. 2011, p. 250); (3) increasing complexity due to role ambiguity since "family members occupy multiple roles related to the family and business domains simultaneously" (Kidwell et al. 2012, p. 513); (4) oriented relationally and committed to the success of stakeholders, leading to "manage their internal and external stakeholder relationships similarly, based on a consistent set of goals, standards, and accepted codes of conduct for all stakeholders whose welfare the firm seeks to improve" (Bingham et al. 2011, p. 569); (5) focused on relational identity and oriented towards approaching community relationships as partnerships, attempting as well to manage consumers by providing a greater emotional connection (Fassin et al. 2011); (6) highly aligned, reducing opportunistic behaviors and the need for formal controls while increasing the importance of trust and long-term investment in key personnel (Payne et al. 2011); (7) deploying "organizational capabilities that are socially complex and require group interaction," such as higher-order learning, cross-functional integration, and continuous innovation (Sharma and Sharma 2011, p. 324); (8) transcending the firm's boundaries and affecting relations with external stakeholders because of the drive to keep and increase socioemotional wealth (Cennamo et al. 2012); and (9) influenced by the level of family harmony norms, which are positively correlated to achievement of both family and business goals and "help to focus the efforts of family members on the success of the firm, reinforcing the idea of a team-based ethical climate in which family members cooperate with one another" (Kidwell et al. 2012, p. 507).

The reviewed literature approaches social interactions in family firms from different angles and explains how social elements and relationships particular to the family business appear to be "an important component of the ability to create conditions conducive to ethical behavior" (Kidwell et al. 2012, p. 507).

How are Business Ethics Introduced and Developed in Family Business?

Besides comparative research and subjacent reasons for particular business ethics in family firms, more than 40 % of the sampled articles discussed extensively the ways in which business ethics are implicitly or explicitly introduced and promoted in the family business.

The relevance regarding how family businesses "communicate expectations about ethical behavior and exert control over moral decisions made by individuals" is crucial in order to "better understand the dynamics in family-owned businesses which have an impact on ethical behavior" (Adams et al. 1996, p. 167). The literature reviewed identifies two distinctive mechanisms for ethical formulation, communication, and enforcement which are introduced below.

Formal Ethical Formulation, Communication, and Enforcement

The literature examined makes explicit reference to formal formulation, communication, and enforcement regarding business ethics in family firms and describes elements such as (1) codes of ethics, which are more likely to be found in larger firms and relate positively to perceived ethical climate and decision making (Adams et al. 1996); (2) mission statements expressing unchanging values that shape the business vision and guide the process of decision making (Blodgett et al. 2011); (3) CSR reporting, establishment of foundations, and website content (Campopiano and De Massis 2014); (4) family charters or protocols, needed to be created by all family members to define the relationship between family and business and "should specifically address values and ethics" (Hoy and Verser 1994, p. 15); (5) documents for committing to the use of power, such as "explicit strategic plan, succession and crisis policies, rules and regulations for boards of directors, codes of conduct, family protocols, and the like" (Gallo 1998, p. 333), (6) written agreements signed by all family members specifying rules concerning the relationship between the family and the firm as well as the corporate social responsibility strategy "codified into specific managerial procedures" (Perrini and Minoja 2008, p. 47), and (7) family meetings and councils (Sorenson et al. 2009).

While some artifacts such as family charters and councils are exclusive of family firms, most of the presented elements for formal ethical enforcement and communications such as codes of ethics, mission statements, strategic plans, succession plans, and corporate social responsibility reporting are common to family and non-family enterprises.

Informal Practices for Ethical Formulation, Communication, and Enforcement

Family businesses have been generally described as having a "less formal mode of operating" and "fewer formal policies, rules and codes which govern employee behavior making use of less formal elements in regard to business ethics" (Adams et al. 1996, p. 166). These informal ways of formulating, communicating, and enforcing ethical considerations have been discussed extensively in almost 30 % of the articles reviewed.

This informal ethical framework has been described as (1) internalization of values, ethics, and organizational cultural values by family members throughout life-long and frequent interaction with parents (Hoy and Verser 1994); (2) reliance on role modeling to encourage ethical behavior based on cultures with perception of common values and trust (Adams et al. 1996); (3) exemplary attitudes and behaviors of business owners and leaders, critical for the communication of ethical values (Wu 2006); (4) establishment, protection, development, and transmission of moral traditions through trans-generational continuity of the family, long tenures of non-family managers, and "management systems such as selection, training, promotion, and compensation" (Feldman 2007, p. 406); (5) ethical dialog and discussion of ethical focus in family firms denoting organization-wide ethical disposition and ethical focus (O'Boyle et al. 2010); (6) collaborative dialog and private reflection leading participants to "clarify moral beliefs" and form a shared point of view (Sorenson et al. 2009, p. 241); (7) decision making "via informal interactions as compared to formal meetings with recorded minutes in non-family firms" (Sharma and Sharma 2011, p. 324); (8) less formal reporting and less requirements for formal communication, disseminating values informally

(Campopiano and De Massis 2014); and (9) arising from the influence of the family social capital and morality on the business social capital and morality, which in turn affect the practices of human resources "that encourage extended tenures and thus longer-term relationships" (Long and Mathews 2011, p. 293).

The lack and omission of communication were also indicated as possible practices affecting business ethics since "sometimes, those who have the power don't communicate the reasons behind many of their actions," which may cause speculation and originate perception of these actions as unethical (Gallo 1998, p. 333).

Interestingly, while various research works among the sampled literature discuss the influence of the family on the business regarding ethical matters, the implications of business matters in reference to family and individual ethics were mentioned scarcely but made a compelling call by suggesting that the family business generates several ethical issues for the family and individuals "that can become a trigger for collaborative dialogue" and gives the family the opportunity to challenge and to clarify its moral beliefs and assumptions and to create social capital in the form of stronger interconnections and communicational competences for handling ethical problems (Sorenson et al. 2009, p. 241).

Generally speaking, the reviewed literature presents an overreaching agreement on the crucial relevance of informal practices as ethical processes emphasizing the role of the familial culture and interpersonal relationships.

Discussion

Three key aspects highlighted in this review are (1) the building of consensus regarding the distinctiveness of business ethics in the context of family firms compared to non-family firms, (2) the worrying scarcity of research on this intersection, and (3) some explanations regarding why and how business ethics dynamics are different at the intersection with family firms. In the following passages, each of these aspects will be discussed.

Distinctiveness of Business Ethics in the Context of Family Firms

At different times and in various contexts, many studies have already illustrated the relevance of the family enterprise as a key social and economic institution and, while there may exist a misconception of associating family firms with small businesses in emerging economies, family control extends to 44 % of publicly listed firms in Europe (Faccio and Lang 2002) and to 33 % of the S&P 500 in the US (Anderson and Reeb 2003).

Adams et al. (1996) introduced their exploratory research approach by presenting conceptual arguments for three competing positions about the nature of ethics in family business, namely: are family businesses less ethical, more ethical, or just as ethical as non-family businesses? If family businesses and non-family businesses were similar regarding business ethics, there might not be a compelling reason to study such firms as separate categories concerning their ethical behavior. However, all but one of the articles that examined performing comparative research based on identifying differences in ethical behavior between family firms and non-family businesses suggest that business ethics in family businesses are different. This provides solid arguments for studying the particularities of business ethics in the context of family firms because the overlap of business and family systems in a family business will create a "unique set of ethics-related interactions" that are not common in any other business setting (Litz and Turner 2013).

If family firms are an important part of businesses worldwide, and if they have a different ethical behavior towards their stakeholders compared to non-family firms, approaches on the dynamics of business ethics need to consider the particularities of the special context of family businesses. Without a theoretical lens that takes into account the special attributes of family firms influencing business ethics dynamics, we run the risk to overlook key phenomena explaining and predicting ethical behavior in family businesses, as well as to hinder our understanding about the sources of heterogeneity in family firms.

Scarcity of Research at the Intersection of Business Ethics and Family Business

The scant attention of research on the intersection of business ethics and family business shown in the few articles identified by this study is also evidenced in review studies of the specific fields.

On the one hand, while the field of business ethics has gained recognition over the last 30 years and has been legitimized as a rigorous and important field of study (Harris et al. 2009), studies about the intellectual structure of the field by Calabretta et al. (2011) and by Ma et al. (2012) do not identify articles with a focus on family firms.

The study of Ma et al. (2012) identified the research paradigm and the intellectual structure of the research agenda of the field through examination and analysis of most cited published literature on business ethics in the period comprised between 2001 and 2008, but no direct reference to family enterprises was found in the title of articles reviewed. The cluster of publications regarding stakeholder theory, which represented a 3.8 % factor loading, is assessed as the closest reference to an indirect recognition of the owning family of a family business as a stakeholder (Zellweger and Nason 2008) who can affect and is affected by the firm (Freeman 1984).

The analysis performed by Calabretta et al. (2011) regarding the research goals and topics from the articles published in the Journal of Business Ethics from 1982 until 2008 evidences that no title among the most frequently cited works shows reference to family firms.

Because family firms are so relevant in the worldwide business and social landscapes (Porta et al. 1999; Neubauer and Lank 1998), and since the uniqueness of family firms resides in the role of the family as a key stakeholder (Zellweger and Nason 2008), the absence of specific research on this area by the business ethics field as identified by the aforementioned reviewed works (Calabretta et al. 2011; Ma et al. 2012) is noteworthy.

On the other hand, and while the field of family business has made significant progress and has attracted the attention of academic researchers and practitioners during the past decades (Litz et al. 2011; Sharma et al. 2014; James et al. 2012), scarce research of the intersection with business ethics is observable in the works published on this field (Sharma and Sharma 2011; Litz and Turner 2013). A very recent review of the literature within family business research shows an important increase of articles concerning social issues (Van Gils et al. 2014). However, only ten articles with focal topic on ethics were identified for the period between 1996 and 2014, with the interesting finding that nine out of ten articles were published during the period between 2003 and 2013 (Van Gils et al. 2014). Other evidence supporting the observation about the low attention paid by the family business research community towards business ethics is the analysis of the primary topics covered by the family business literature between 2001 and 2007, showing that only 2.7 % of the overall articles are categorized to be on the topic of "stakeholders, ethics, and social responsibility" (Debicki et al. 2009).

Research of business ethics in the context of family firms was already mentioned to be underdeveloped and in its initial stages (Duh et al. 2010; Sharma and Sharma 2011; Van Gils et al. 2014; Debicki et al. 2009; Payne et al. 2011). The scarce results of the structured search undertaken by this study arriving to a consolidated inventory of only 31 academic papers within a 35-year period are a call for reflection and emphasize the need of research developments regarding family business ethics.

Why and How is Business Ethics Different in Family Businesses?

An analysis of the literature shows that particular characteristics of ethical behavior in family firms are due to three key particular aspects: (1) the involvement of the owning family, (2) inclination to socioemotional wealth, and (3) characteristic social interactions. These aspects converge in the informal formulation, communication, and enforcement of ethical dynamics characteristic of family firms and also influence ethical issues relevant to various stakeholders of the family business. For example, these issues have been described as the influence of the owning family on the ethical behavior of family members who will then impact the business through their involvement (e.g., Everett 1986; Duh et al. 2010), the influence of the family business context and ethical climate on organizational members (e.g., Adams et al. 1996; Sharma and Sharma 2011), the translation of family involvement and ethical focus into social support and financial results (e.g., Sorenson et al. 2009; O'Boyle et al. 2010; He et al. 2012), and the prevalence of pro-social behaviors and ethical values in the context of family firms (e.g., Sharma and Sharma 2011; Cennamo et al. 2012). In this fashion, the following passages will elaborate on (1) the moral development of family members, (2) the ethical climate in the family firm, (3) the moral development and ethical behavior of the firm's members, and (4) the ethical considerations towards external stakeholders.

Moral Development in the Family

If Aristotle would have found unthinkable the idea of separating personal from professional life (Solomon 1994), it is also difficult to think about separating the owning family from the family firm in aspects such as moral development and ethical behavior.

Ethics, as the principles defining right and wrong (Sims 1994), are learned in daily life from early ages through the creation of habits with support from other people (Argandoña 1994) and following a process of moral development: a culturally universal sequential transformation occurring in a person regarding his structure of moral judgment (Kohlberg and Hersh 1977). A "primary relationship between morality and family life" and the consideration of the family as "the first institution of moral indoctrination and education" have been suggested (Feldman 2007, p. 407). Human relationships, and particularly relationships with parents, play a key role in normative development and moral understanding (Dunn 2006).

Beyond moral development in early life, also family dialog, behavior of senior family members, family legends, and younger generation members with external knowledge can "guide the beliefs and values of the next generation of family members" (Sharma and Sharma 2011, p. 318). Moreover, the business will pose ethical challenges to the family, such as environmental and social considerations, which normally would not be experienced by families who do not own a business. This will give the family the chance to enter a dialog process for "developing a family's common moral consciousness" and "discerning the family's moral beliefs" (Sorenson et al. 2009).

Ethics from Family to Business

While the human family is a "natural" society, a business is an "artificial" society situated between families and individuals, on the one hand, and the community and society on the other hand (Sison and Fontrodona 2012). When family and business intersect, two fundamental institutions of human existence are brought together linking expressions of positive sentiments and goal-directed activities (Nicholson 2013). A family owning a business will somehow and to some extent transfer its beliefs and norms to the firm so that the family social structure would often impregnate the formal organizational structure and the organizational culture of the family firm (Sorenson et al. 2009).

The salience of the family and some of its members and the fact that the family firm is under the influence of core values and decisions of few family members (Fassin et al. 2011; Cennamo et al. 2012), who usually perform multiple roles as shareholders, directors, and managers (Déniz Déniz and Suárez 2005), explain the transfer of the family moral infrastructure and ethical norms to the business "defining how family members relate to one another and to stakeholders inside and outside the firm" (Sorenson et al. 2009, p. 242). Besides the general positive relationship between family involvement and firm ethical focus, the family will also expose the business to specific, typical, and sometimes problematic family issues, such as placing family members in the firm and intra-family succession.

Family Business Ethics Influencing Organizational Members

While individuals act according to their moral development, their behavior when making business decisions at work will be highly influenced by aspects of the organizational context such as norms of conformity, business goals, as well as rewards and punishments (Adams et al. 1996). The influence of the ethical climate promoted in family businesses by involved owning families will impregnate the organizational culture and the three basic types of institutional influences, coercive, mimetic, and normative (DiMaggio and Powell 1983; Scott 1987), are expected to influence the tacit beliefs and behaviors of all members of the organization. Therefore, it is possible to assume that a higher ethical focus of an organization is likely to contribute to the ethical behavior of its individual members.

While there is debate in the business ethics literature regarding "the role that organizational forms have on either promoting or hindering ethical values," solid arguments affirming that organizational forms affect organizational virtuousness and the suggestion that "family involvement can motivate an orientation towards organizational virtue because of a family's influence" (Payne et al. 2011, pp. 261–262) have been proposed.

The Family, the Family Business, and the External Stakeholders

Research illustrating that "family firms' social behavior toward their stakeholders differs from that of nonfamily firms" and that family businesses are significant creators of social benefits has already been introduced in previous review of social issues in the family firm (Van Gils et al. 2014, p. 27). The relational approach of most family firms includes involvement in the local community and considers particularly the interactions with employees, consumers, and communities (Bingham et al. 2011). The perception of family ownership and control and its orientation toward socioemotional goals have been described as enabling managers to "adopt a strong social and stakeholder orientation posture" (Cennamo et al. 2012, p. 1157). Furthermore, ethical norms arising from the family as part of its social capital "are translated into obligations and expectations for firm transactions" whose accomplishment generates a favorable reputation, the construction of enduring network relationships, and will elicit social support (Sorenson et al. 2009, p. 242). When salient stakeholders of the family firm are embedded in a community, the firm adopts pro-community norms of behavior and strategies such as environmental preservation (Sharma and Sharma 2011). External stakeholders are a source of both pressure and support, and this will vary according to the social perception of ethical behavior at the family and the family business levels.

Conclusion and Further Research

What is the status of the current research at the intersection of business ethics and family business? Why and how do family firms differ from non-family firms regarding business ethics? And, what are the key directions for further research?

This paper aims at answering these questions to contribute to the call for more research on business ethics in the context of family firms. For this purpose, it reviews 31 articles stemming from peer-reviewed journals published from 1981 through 2015, combining a systematic approach for the selection of articles and a narrative review to analyze the literature.

Research at the intersection of the fields of business ethics and family business has been very scarce although it has fortunately been increasing during the last 10 years. The review of the main theoretical frameworks utilized shows an important opportunity for theory building in this young area of study. Additionally, also a general consensus has been reached regarding the distinctiveness of business ethics in the context of family firms compared to non-family firms.

The particular characteristics of ethical behavior in family firms derive from three key aspects: involvement of the owning family, inclination to socioemotional wealth, and typical social interactions. These aspects converge in a peculiar informal formulation, communication, and enforcement of ethical dynamics and also influence ethical issues relevant to various stakeholders of the family business, such as the moral development of the family members, the ethical climate at the family firm, the moral development and ethical behavior of the firm's members, and the ethical considerations towards external stakeholders.

The comparison of the high worldwide relevance of the family firm with the scarce research and theoretical underdevelopment regarding its intersection with business ethics indicates a significant need for research efforts focused on family business ethics. The development of research in the area of family business ethics is expected to contribute both to the field of business ethics and to that of family business, increasing the understanding of two phenomena as deeply connected as ethics and family, and its translation into business.

Further Research

Based on the review performed, some areas into which devoting more energy and resources would advance the understanding of family business ethics are highlighted below.

Family Ethics Dynamics, Family Driven Ethical Dilemmas, and Business Ethical Challenges

Calls were already made for comprehending the ways of interaction within the family in regard to moral and ethical reflection, education, development and dialog (Everett 1986; Sorenson et al. 2009); investigating the impact of the family ethical structure on the relationships with internal and external stakeholders (Long and Mathews 2011); knowing the reasons of goals aiming at socioemotional wealth behind the impact on ethical standards and more socially responsible actions (Mitchell et al. 2011); and for understanding the transfer of the founder's values to other family members and the influence of these values on the people who work at the firm (Hoy and Verser 1994; Adams et al. 1996).

This study supports the view that a very promising research area is at the family level and the understanding of its dynamics in regard to business ethics issues. Specifically, research aiming to explain and predict results of different kinds of ethics dynamics in business-owning families may provide family members and advisors important guidelines for pursuing desired states.

The description of the particular ethical dilemmas that usually arise within business-owning families and substantially affect the business, as well as the explanation of the business issues that may normally challenge the family ethical infrastructure, will allow displaying the landscape of typical ethical issues at the confluence of family and business. These issues may be then analyzed specifically from an ethical and business perspective providing families and family firms with road maps and scenarios in order to make them aware of usual challenges and their implications.

Furthermore, understanding the mechanisms used by business-owning families to make ethical decisions regarding the family business will allow for the identification of ways in which family business ethics are negotiated, formulated, implemented, and formalized. This may uncover the characteristics of dialog and reflection that predict better outcomes both for the family and the business, and may also provide guidance for improving the moral development and dialog within the family. Moreover, this can also be very relevant for observing how the next generations are being prepared for their future ethical challenges.

Transfer Mechanisms of Family Ethics to the Business

Some researchers already signalized the importance of knowing more about the relationships between the inclination towards socioemotional wealth preservation and the values of pro-social behavior at the family level, as well as about how these are transformed into organizational outcomes (Van Gils et al. 2014), suggesting the need of a proactive management of the family firm ethical climate (Kidwell et al. 2012). Clear detailed descriptions about the transmission mechanisms of family ethics to business are still to be explored. Understanding the various factors around family involvement, inclinations towards the creation and preservation of socioemotional wealth, and the different characteristics of the various particular practices based on a relational approach will help to better understand the mechanics through which family ethics are transferred to the family business.

Another very interesting research avenue is regarding the incorporation of the family ethical behavior into the business beyond family involvement. Looking for answers regarding questions as to how can business-owning families incorporate their family values and ethical behavior into the governance of the family business when family involvement is low, and how do family business ethics evolve along the family business cycle, will provide important knowledge for business-owning families willing to preserve their ethical legacy even when family members are not deeply involved in management and do not maintain regular extensive contact with the organization.

Family Business Ethical Climate and Behavior

Specific matters, such as the relationship between ethical frames and business constructs like form of governance or strategy (Long and Mathews 2011), or "the relative importance of individual moral development versus contextual factors within the family-owned business" (Adams et al. 1996, p. 167) have already been identified as areas where research needs to be conducted at the business level. The dynamics of the influence of the family business ethical climate on the moral development and ethical behavior of the individuals acting in the business, and the effect produced by the individuals' ethical frameworks on the business and the family, are areas which have received practically no attention so far and which may help to partly explain typical organizational dynamics of family businesses.

While the relationship between ethical behavior and firm performance is an area where some research has already been conducted, increased understanding about how and under which conditions ethical behavior becomes a competitive advantage in family firms will be very relevant to enable the design and implementation of specific strategies aligned with the owning family values and ethical behavior.

External Stakeholders and Family Business Ethics

Last but not least, the incorporation of other stakeholders into the research focus of family business ethics will open the possibility of knowing more about the impact of business ethical behavior on the moral development and ethical behavior of its internal and external stakeholders, as well as on the ways in which the ethical behavior of the business is influenced by stakeholders other than the owning family.

Inquiring into already indicated areas, such as the nature of social standards and expectations regarding family firms (Van Gils et al. 2014), as well as research on possible cultural differences originating different ethical approaches on families and businesses embedded in specific communities and cultures, may help understand how specific stakeholders outside the family contribute to shape the family business ethics.

Definitional Considerations

The fact that 45 % of the articles reviewed did not explicitly define the family business and that 52 % did not include a clearly expressed definition of business ethics, plus the diverse meanings attributed to these two concepts by the articles addressing expressly their definitions, shows that specific attention has to be paid to the definitional subject in future research. It is important for researchers to increase definitional clarity and avoid confusion of terms such as business ethics, corporate social sustainability, corporate social performance, etc.

Limitations

Common to any research approach, the investigation performed experiences some limitations.

The first limitation acknowledged is about the sample of articles chosen. While the structured search for relevant literature covers what I believe to be the most relevant publications, there may be relevant articles published by other outlets that were not considered in the chosen sample.

Additionally, as the research was performed identifying articles with keywords in titles or abstracts of articles, published works approaching the intersection of business ethics and family business that do not expressly indicate such overlap by the words utilized in the paper title or abstract may have been overlooked and not considered in the present analysis.

Furthermore, residual article search was performed by checking relevance to the topic of interest in literature mentioned in previous reviews focused on social issues in regard to family business (Van Gils et al. 2014) and on the intellectual structure of business ethics studies (Calabretta et al. 2011; Ma et al. 2012). While these studies are considered as comprehensive and actual, residual search was limited to the articles included in them.

Having presented the limitations surrounding the sampling, the observation of cross-referencing, the examination of bibliography referenced, and the contrast with previous literature reviews mentioned did not signalize that the sample was overlooking any major study.

The second limitation is about the three key research angles identified (comparative research, explanations and insights regarding why business ethics in family firms are different, and how business ethics are installed in family firms) since there is probably a fourth dimension that called the attention of a considerable number of the articles reviewed. This dimension is about ethical dilemmas or situations that specifically and typically tend to originate from family firms, and also ethical issues that originate at the business but represent a challenge to the family ethical infrastructure. While this dimension is assessed as relevant and interesting, the large dispersion and variety of the presented ethical issues make it necessary to approach this specific area in a separate study.

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