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Mastering the Art of Talents in Family Businesses: Approaches for Sustainability in the Digitalization and E-Recruitment Era

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ABSTRACT: This study investigates the methods by which family enterprises acquire and maintain the external expertise critical for their long-term growth, with a particular focus on the role of digitalization and e-recruitment. Additionally, it explores the factors that influence non-family staff, namely managers, to become and remain affiliated with the family company. Through the adoption of digitalization, family businesses can streamline their operations, improve communication, and enhance their strategic management processes. E-recruitment platforms further aid these enterprises by expanding their reach and enabling the efficient identification and onboarding of top talent. The findings of the exploratory study we carried out with a family firm validate the notion that family firms engender expectations and commitments, and that the establishment of a psychological contract between non-family employees and the family firm is crucial for enhancing the appeal of such firms, fostering employee commitment, and reducing attrition intentions. The integration of digital tools and e-recruitment strategies significantly strengthens these psychological contracts by providing a modern, transparent, and engaging recruitment and employment process.

KEYWORDS: attractiveness, psychological contract, retention, family businesses, digitalization, e-recruitment

1. Introduction

Family-owned enterprises are vital to the economy (Levine 2005). Family business researchers have identified certain attributes in these companies, such as agility, which is supported by a long-term perspective ensured by family control, incremental progress, and stability in stakeholder relations (Kraus et al. 2020), contributing to a degree of resilience even during times of crisis. Digitalization can further enhance these attributes by streamlining processes and improving communication across all levels of the enterprise.

However, family-owned enterprises often struggle with appeal. They lack the reputation, career prospects, and wage advantages associated with major corporations, and the excitement of nascent enterprises that attract many recent graduates. Additionally, many of the most appealing corporations are sizable organizations. Family firms are also sometimes perceived negatively due to issues like nepotism, unfairness, knowledge asymmetry, hindrances to advancement for non-family members, and the prioritization of intra-family disputes over company matters.

Determining the mechanisms by which family firms may effectively recruit and maintain the external talent and skills essential for their growth is a significant challenge. Here, digitalization and e-recruitment play crucial roles. E-recruitment platforms can help family firms reach a wider and more diverse talent pool, enhancing their appeal and

competitive edge. These platforms facilitate efficient talent acquisition and can present the family firm's unique attributes in a compelling manner.

The psychological contract (PC) theory offers valuable insights into the expectations that non-family workers and managers have prior to their employment with an organization, as well as the factors that influence their decision to remain. Strong progress has been made in the PC since the study of Huang et al. (2022), and there has been a resurgence of interest in recent years due to the emergence of younger generations of workers who are more particularistic about the PC that links them to the organization (Gosselin et al. 2022).

As defined by Dries (2013), the PC is a one-on-one connection between an employer and an employee that develops inside an organization. While the company may be seen as the one making commitments, reciprocal responsibilities are often established by the person rather than the organization (Gosselin et al. 2022). Multiple studies have shown the influence of the PC on commitment to an organization, intentions to join, and intentions to quit. Digitalization can strengthen these psychological contracts by ensuring transparency and consistent communication, while e-recruitment processes can set clear expectations from the outset, thereby enhancing employee attraction and retention. Consequently, this theoretical framework is suitable for comprehending the challenges that family firms face in terms of employee attraction and retention, particularly in a digital age.

This study thus seeks to investigate, based on the PC's theoretical framework, the factors that influence the decision of non-family personnel (both managers and non-managers) to join and remain with a family firm, incorporating the role of digitalization and e-recruitment in this context. This analysis is guided by many questions: In a family firm, what do non-family members seek? How do digital tools and e-recruitment platforms affect their perceptions and decisions? What elements comprise the PC that they engage into with the firm, and how are these elements influenced by digitalization? What factors incentivize them to remain employed in the family business, and what would compel them to depart, particularly in a digitally evolving workplace?

Following a brief literature review on PC, we will revisit the setting of family enterprises with a focus on how digitalization and e-recruitment are transforming these environments. We will thereafter describe the methodology and findings of our exploratory investigation, which will be summarized at the conclusion of this paper, emphasizing the impact of digital tools and e-recruitment strategies on attracting and retaining non-family personnel.

2. Literature review

Expanding upon the research conducted by Huang et al. (2022) and following a brief review of the concept of PC, our attention will be directed towards its behavioral ramifications, including individuals' intention to remain with the organization in the event of a breach or violation of PC, their commitment to the organization, and their decision to join. The integration of digitalization and e-recruitment into the analysis will provide new insights into these dynamics. For instance, digital tools can enhance transparency and communication, potentially mitigating the negative effects of a PC breach. E-recruitment platforms can set clearer expectations from the outset, thereby influencing commitment levels and decision-making processes.

The case of non-family employees (managers and non-managers) in a family business will be the subject of this literature review, with a particular focus on how digitalization and e-recruitment strategies impact their psychological contracts and subsequent behavior within the organization. By incorporating these modern approaches, we aim to provide a comprehensive understanding of how family firms can leverage technology to attract, engage, and retain top talent in an increasingly digital world.

2.1. Definition of the Psychological Contract with Digitalization and E-Recruitment

Businesses and employees create PCs to facilitate the expression and satisfaction of mutual demands. Digitalization plays a crucial role in this process by providing tools that enhance communication and transparency. Thus, workers will respect the organization's freedom to adapt if they see that their managers value and uphold their rights to progress, expand, and take initiative. E-recruitment platforms further support this by setting clear expectations and ensuring alignment between the organization and potential employees from the outset.

Dries (2013) provides a key definition of PC as an individual's perceptions and convictions about the circumstances and parameters of a reciprocal trade relationship that exists between the subject and another party. The assumption that a promise has been fulfilled and an action has been performed in return, thus obligating the two parties to a set of reciprocal responsibilities, is central to this concept. The author highlights the correlation between PC and an employee's dedication to the business, emphasizing that PC is inherently subjective due to its foundation on experiences. Consequently, she considers the person who utilizes digital tools on behalf of the company.

The study conducted by Dries (2013) demonstrates that the degree to which individuals and organizations see reciprocal interaction influences their views of mutual responsibilities over time. Digitalization can enhance this interaction by providing continuous feedback and clear communication channels. The adjustment process over time that characterizes psychological contracts may be deduced from the way each party responds to the degree of fulfillment of the other party's commitments. According to Gosselin et al. (2022), an individual's perspective evolves gradually through the accumulation of experiences. The psychological contract would impose implicit responsibilities onto a person upon entering the service of an organization; such requirements may be discovered in information sources such as press releases, institutional PR materials, and now, significantly, digital information sources including the Internet, social networks, and corporate rating sites like Glassdoor.

In conclusion, PC may be seen in two ways (Dries 2013). The transactional form is associated with brief cooperation characterized by clearly defined conditions of exchange and little organizational commitment. This structure enables parties to engage into new contracts expeditiously. Furthermore, the relational form embodies contracts that are much more ambiguous in their terms of exchange and place a far greater emphasis on emotive commitment. Digital tools can help clarify these terms and enhance relational contracts by fostering ongoing communication and engagement.

The differentiation between transactional and relational contracts, which represents the final distinction between the two types of PC, could potentially align with pre-existing expectations regarding organizational and employee relations differences between family businesses (characterized by contracts with a relational dimension) and other business entities (contracts with a transactional dimension). Digitalization and e-recruitment strategies can bridge these gaps, making family businesses more attractive by highlighting their relational strengths and providing clarity and transparency typically associated with larger organizations.

2.2. The main mechanisms of the psychological contract can be understood in terms of the promises made between employees and the organization in the era of digitalization

The main mechanisms of the psychological contract (PC) can be understood in terms of the promises made between employees and the organization. Digitalization and e-recruitment play significant roles in facilitating and clarifying these promises. The constituents of PC may be comprehended by examining the commitments established between personnel and the institution. Fournier et al. (2020) note that the Psychological Contract Index (PCI) is the

primary determinant in the PC measuring process. Despite the various techniques available (Kraak et al. 2017), the components of the psychological contract have not been stabilized since then. Our exploratory analysis of the family business case will be grounded in the methodology proposed by Kraak et al. (2017), which includes digital tools to enhance the assessment. The authors propose a thorough assessment of the psychological contract, comprising 26 indicators that gauge the extent to which the employer complies with commitments along nine dimensions. By utilizing digital platforms, this assessment can be more efficiently conducted and analyzed.

Consequences of behavior resulting from the psychological contract include the decision to join the organization, dedication, and desire to leave. Most research examining the behavioral effects of employee-organization PC has concentrated on its effects on commitment, attractiveness, and intention to quit. Digitalization enhances these areas by providing transparency and continuous engagement, while e-recruitment ensures that initial expectations are well-managed.

Numerous studies have examined the influence of PC on attractiveness. According to a study by Dries (2013), employees hold the perception that their employers have made certain promises to entice them. These promises include equitable compensation, appealing benefits, professional growth opportunities, a pleasant work atmosphere, and adequate tools and resources. E-recruitment platforms highlight these promises effectively during the hiring process. Furthermore, there exists a distinction in the hiring commitments of major and minor corporations: while the former prioritizes professional growth and progression in specialized positions, the latter market the chance to acquire a more extensive repertoire of abilities by undertaking various roles and gaining diverse experiences. The findings of a research study involving 151 managers employed by organizations with fewer than 500 workers validate that participants consider their employers to be more satisfactory in fulfilling their intrinsic needs, such as increased responsibilities and opportunities for personal growth, than in meeting their extrinsic needs (performance-related pay and bonuses, benefits). One distinguishing characteristic of small enterprises is that commitments are established informally via dialogues and engagements with their personnel (Renkema et al. 2017). Digitalization can formalize these commitments without losing the personal touch, enhancing clarity and trust.

Renkema et al. (2017) demonstrate that the psychological contract used to recruit people in industries requiring highly qualified individuals, such as telecommunications, is mostly based on freedom and autonomy. In the last two decades, the PC provided by organizations to attract personnel has evolved from a relational to a transactional one. E-recruitment platforms have been instrumental in this evolution, providing detailed and transparent job descriptions that align with candidates' expectations. In contrast, Eicher, Lemos, and Neves (2018) argue that external variables, including family opinion and labor market circumstances, as well as personal factors like professional aspirations and objectives, contribute to the explanation of why an individual decides to join a public sector firm. Gosselin et al. (2022) demonstrate that PC influences emotional and moral organizational commitment in their research comparing a public sector organization and a private sector organization in Quebec, with respect to the effect of PC on commitment. According to Guest's (2017) meta-analysis of the effects of PC in published research, the influence of PC on commitment is most pronounced when emotional commitment is considered. Digital tools can enhance this commitment by providing continuous feedback and engagement opportunities.

In conclusion, work-study students' level of dedication is contingent upon the number of personal computers and digital tools they use throughout their apprenticeships. The psychological contract, which becomes solidified through work-study, serves as a precursor

to individual commitment. Digitalization supports this by providing a consistent and engaging learning environment.

Regarding departure intention, Guest (2017) demonstrates that there is a distinct distinction between departure intention and departure in practice: significantly more influence is exerted by the PC when comparing the desire to depart with the actual departure. While workers may exhibit unfavorable attitudes and express plans to go in response to a psychological contract breach, their actual departure from the firm is not always the case. This ineffectiveness might also be attributed to the expense associated with departing. Thus, the study demonstrates unequivocally that prior employee-organization PC and the employee's decision to join the business, as well as certain organizational behaviors (most notably employee commitment and intention to quit), are inextricably linked. Digital tools and e-recruitment platforms enhance the understanding and management of these links, ensuring better alignment between employee expectations and organizational commitments.

2.3. The psychological contract and family firms linked with digitalization

The well-being of family enterprises is critical for both domestic and global economies, given that they represent a substantial portion of worldwide economic operations. However, these organizations often struggle with attracting and retaining talent due to various factors. Digitalization and e-recruitment can play pivotal roles in addressing these challenges.
Family enterprises frequently encounter a dearth of appeal (Botero et al. 2012) and contend with rivalry from larger corporations, which often offer more alluring compensation packages. Nascent enterprises are also competitors, renowned for their vibrancy and appeal, particularly among recent graduates. Digitalization can help family businesses enhance their appeal by modernizing their operations, improving communication channels, and showcasing their unique value propositions through online platforms. E-recruitment strategies can expand their reach and efficiently identify and attract top talent, overcoming geographical barriers and increasing their visibility among potential candidates. Furthermore, family enterprises may also be accompanied by unfavorable impressions, such as unfairness, nepotism, knowledge asymmetry, and the perception that non-family members struggle to progress (Lubatkin et al. 2005). Digitalization can address some of these concerns by promoting transparency, meritocracy, and equal opportunities within the organization. E-recruitment platforms can ensure fairness in the hiring process and provide clear pathways for career advancement, thereby attracting and retaining diverse talent pools.

Family enterprises face the challenge of both attracting and retaining talent. Understanding the factors that attract and retain non-family personnel within the family company is facilitated by the psychological contract (PC) lens. Digitalization and e-recruitment strategies further illuminate these factors: What characteristics do non-family members seek in a family firm? How can digital tools and online platforms enhance their experience and engagement? What factors incentivize them to remain employed in the family business, and what would compel them to depart?

3. Methodology

We choose to do a case study, an approach specifically designed for investigating phenomena that have received less attention in the literature. The focus of our investigation is a family enterprise that aligns with the most widely accepted definition of a family enterprise with respect to ownership, control, family participation, succession, family purpose to transfer, and self-definition (the family owners define the business as family). With activities worldwide, the organization is a mid-sized pharmaceutical corporation with its headquarters situated in the Atlantic region. The organization is in its second generation

and has a governance system that features a dual structure: a management board comprised of non-family managers and a supervisory board that is mostly owned by the family. As of the period of our research, the organization employed around 3,000 individuals.

Nevertheless, the non-family enterprise operates inside an organizational framework that is profoundly impacted by the family: in a formal capacity, the family has the authority to make critical decisions. In addition, the family's participation at all the organization's pivotal events and effective communication of the family's history and ideals all contribute to the family's significant symbolic influence inside the organization (anniversaries, prize-giving, Christmas parties, etc.). Consequently, the organizational environment is that of a business mostly comprised of non-family members, but profoundly influenced by family identity; this environment is well suited to our research.

We conducted two periods of non-participant observation on-site and conducted forty interviews with non-family personnel from various departments across all hierarchical levels of the organization (top management, management, assistants, technicians, and production operators) (management, research and development, quality control, marketing, human resources, industrial operations, production). We transcribed every piece of data and examined it via a process of iterative construction of categories using the literature as a guide, in accordance with the inductive techniques of data analysis (Glaser and Strauss 1967).

Our analysis commenced by identifying the interview passages in which the participants discussed the conditions surrounding their employment, the factors that influenced their decision to remain with the organization (or leave), and their long-term aspirations regarding their future involvement (or lack thereof) with the organization. The information was thereafter categorized in accordance with the aforementioned-described aspects of the CP contract as established by Kraak et al. (2017). We next examined whether each feature present (and related to recruitment/commitment or desire to remain) was linked to a family-oriented aspect of the organization.

4. Empirical results analysis and discussions

The extent to which non-family personnel associate with the family business is an essential component of the psychological contract (PC). This aspect has a direct impact on both the desire to become a member of the organization and the intention to remain, as well as commitment. Digitalization and e-recruitment strategies can influence this association positively by enhancing communication, promoting transparency, and providing opportunities for engagement. Nevertheless, the degree of influence varies contingent upon the specific element at play and whether the non-family employee in question holds a managerial position or not. Our research, aligned with the findings of Kraak et al. (2017), has identified several key PC components: financial rewards, job stability, work-family balance, internal growth, social environment, and job contentment. Digital tools can facilitate the fulfillment of these components by streamlining processes, providing access to remote work options, fostering a supportive work culture, and offering personalized career development opportunities through online training platforms and mentorship programs. E-recruitment platforms can ensure that these components are effectively communicated during the hiring process, attracting candidates who align with the organization's values and objectives.

4.1. Employment stability and family businesses

The security of employment linked with the family company influences both the desire to join, the intention to remain, and the level of dedication to the firm. In the context of digitalization and e-recruitment, leveraging technology can enhance communication and

transparency around job security, thus strengthening employees' connection to the organization.

- *Stability of employment and appeal inside the family business*: Concerning the desire to join the organization, non-management personnel are most concerned with the job security that the family business embodies. They are drawn to the family business because they see it as a type of assurance that the organization will endure and that they will maintain employment. The family company serves as a security blanket for them, which is especially advantageous in the current challenging economic climate, particularly for occupations that need generic skills. Through digital platforms and e-recruitment channels, the family business can showcase its stability and long-term vision, reassuring potential employees about their future within the organization. While the managers refrain from discussing job security, the data indicates that they see the family firm as a secure haven: the continuity fostered by the long-term outlook is what draws them to these organizations (in projects, in strategy). This notion is more widespread among managers who had prior experience working in non-family organizations, particularly listed ones, where they were subject to the immediate and fluctuating pressures of the stock market to adjust to the left or right (top manager). A member of the board elucidates, "Had we had funds, and the family had a minority stake on the Supervisory Board, we would have expected them to sell their shares one morning and cut heads, or pursue another strategic option overnight. However, in the case of the family, we have faith in them and recognize that we are in this together for the long haul; if a significant crisis arises one day, we will be able to explain it to them and work through it together."
- *Stability on the job, dedication, and a desire to remain in the family business:* Regarding commitment, stability is not a significant factor for those who are not managers. Conversely, present-day managers unequivocally articulate the notion that stability positively influences their level of dedication. The long-term approach significantly influences the dedication of managers, since it enables them to cultivate initiatives in which they have a sustained investment: It is irrelevant if quarter two is greater than quarter one. Our objective is for the firm to be operational and financially stable over the next two decades. We do not want to be fixated on the short term. [We prefer not to be on a short-term [...] [...] We are concerned with growth, market establishment, reputation maintenance, and sustainability." (Prime Minister). Leveraging digital tools can support managers in implementing these long-term initiatives by providing data-driven insights and collaboration platforms for strategic planning.

This has an adverse effect on their willingness to depart from the organization; they want to remain in the adventure. Their desire to remain in the family firm is bolstered by the belief of many non-managers that comparable job stability is not available in other kinds of organizations. Through effective e-recruitment strategies, the family business can communicate these unique aspects of its culture and values, attracting candidates who value stability and long-term commitment.

4.2. Work/family balance in family businesses

As stated by Kraak et al. (2017), work-life balance has three primary components: flexibility in the workplace, regard for personal circumstances, and work-life balance. Leveraging digitalization and e-recruitment strategies can enhance work-life balance initiatives within the family business, thereby increasing its appeal to potential employees.

- *Work-family balance and the family business's appeal:* Regarding the intention to become employees of the organization, there are distinctions between the perspectives of non-managers and managers regarding regard for personal life. While non-managers do not explicitly state it, certain managers articulate their apprehension that joining a family business would compromise the distinction between personal and professional life, potentially compromising the work environment's quality of life. Digitalization can facilitate flexible work arrangements and remote work options, addressing concerns about work-life balance and making the family business a more attractive employer.
- *Work-family balance, ambition to quit the family business, and dedication:* Regarding dedication, our research does not see any correlation between the family business and the three components of life/work balance. Conversely, non-management personnel partially credit work-life balance and flexible hours to the familial aspect, which, in this instance, impacts their propensity to stay with the organization in a favorable way. This is exemplified by specific production operators who claim to have a degree of flexibility when their children require care, are ill, or require other assistance. They attribute a portion of this flexibility to the fact that the organization's leader is a mother, thereby demonstrating that family is a priority for this organization (Operator). Leveraging e-recruitment platforms can highlight these unique aspects of the family business culture, attracting candidates who value work-life balance and familial support.

4.3. Internal development in family businesses

Once again, as stated by Kraak et al. (2017), the internal development aspect of the PI includes promotion, personal growth, and progress inside the business.

- *Attractiveness and internal growth of the family business*: Our outcomes on internal growth are varied. The apparent lack of considerable influence of the family component linked to growth and promotion on non-managers' decision to join the organization is noteworthy. However, leveraging digitalization and e-recruitment strategies can highlight the family business's commitment to personal growth and development, thereby attracting candidates who value supportive and nurturing work environments. Conversely, a number of non-executive members express their expectation that they would get more assistance and attention by affiliating with a family firm as opposed to alternative organizational structures, on the grounds that family enterprises are more humane.
- *Commitment, internal growth, and departure intent from the family business:* Primarily among non-managers, advancement, personal growth, and promotion seem to be sources of commitment and desire to remain. Numerous individuals elucidate that the family aspect of the organization is, in their opinion, linked, on the one hand, with a specific focus from management and, on the other hand, with an element of adaptability that facilitates the internal development of personnel: The process of advancing in my career included a significant hierarchical shift, an extensive travel, and much effort on my part, in conjunction with HR and management. [...] Regarding the human element, I would say that [the family company] pays close attention to everyone. [...] When I experience being listened to and heard, I reciprocate in kind with my team. (Manager).

4.4. Social atmosphere in family businesses

The social ambiance encompasses the workplace environment, constructive interpersonal connections among staff members, and the partnership between employers and employees. Kraak and company (2017).

- *Attractiveness and social climate of the family business:* Our research suggests that one of the appealing aspects of the family company is its social environment. Family businesses promote feelings of closeness and camaraderie among non-managers, which are more appealing than inflexible environments in which individuals are unfamiliar with one another (as in production operator arrangements, for instance). When the managers decided to join the family firm, they saw it as an ideal workplace for the following reasons: (1) They believed that communication among colleagues would be more horizontal and concurrently less contentious than in non-family organizations. (2) Additionally, the questioned managers expressed their desire for the management family to be actively engaged, which would make them more available and responsive, hence facilitating prompt decision-making. I have previously worked with huge groups. [I was used to [...] the political elements, the rituals, and the reality that disagreements with colleagues occurred more often than over files. I can also certify that everything is OK here. And those who grumble do so because they have not seen the situation in other regions. (Prime Minister).
- *The family business's social climate, dedication, and intention:* The quality of interpersonal relationships and cooperation with the employer (the family) are determinants of workplace well-being for both non-executives and managers. Non-management personnel often emphasize conviviality and intimacy. To the degree that some individuals see the expansion of the organization as a decline in the quality of the work environment and a loss of individuality, the firm would diminish in its familial nature. Prior [the family aspect] was being considered. Everything is over. People knew and saw one another more often at work; there was more solidarity. Eventually, it was also gradually gone. (Operator). Managers' interpersonal ties are positively impacted by the fact that the firm is managed by a family in which open intra-family dispute does not exist: the lack of family discord prevents the emergence of political games, as loyalty to one family clan is not required. This creates an environment of trust-based relationships, which enhances the overall mood of the business and promotes productive cooperation. This productive cooperation is enhanced by the availability of family decision-makers, which expedites the decision-making process.
- *Digitalization and e-recruitment:* Family businesses can leverage digitalization and e-recruitment tools to foster and maintain a positive social climate. Digital communication platforms can facilitate horizontal communication among colleagues, promoting camaraderie and reducing contention. Additionally, e-recruitment strategies can attract individuals who value a supportive work environment, enhancing feelings of closeness and cooperation within the family business. Furthermore, digital tools can expedite decision-making processes by providing family decision-makers with timely information, fostering trust-based relationships, and promoting productive cooperation among employees.

4.5. Job content in family businesses

According to Kraak et al. (2017), the job content has two primary components: the use of skills, abilities, autonomy, and responsibility.

- *Attractiveness and job satisfaction in family businesses:* In our research, neither non-executives nor managers seem to have had upstream expectations or worries that are unique to family firms about autonomy and the use of talents and abilities.
- *Job satisfaction, dedication, and the desire to depart from the family enterprise:* Managers express gratitude for the autonomy and proactivity granted to them, attributing this to the family-owned nature of the organization: (1) It is an entrepreneurial family in which initiative is an intrinsic aspect of doing business, resulting in an organizational culture characterized by an entrepreneurial spirit. (2) The family adopts a long-term perspective, prioritizing the establishment of enduring connections rather than engaging in ad hoc witch hunts or immediate punishments; the organization exhibits a forgiving attitude towards errors. And that is critical. [...] This is unlike anything I've ever witnessed: a quest for guilt (top manager). The allowance for errors to occur is a fundamental idea in management. A senior executive reported that a significant incident occurred involving a subsidiary. The behavior of the boss [...] was quite controversial [...]. It generated significant challenges [...]. Despite our separation from the employer, the shareholders never considered removing the head of a board of directors' member from their decision-making process, citing the fact that they had a worldwide obligation. Risk-taking is seen as a fundamental component of the organization's management. (Prime Minister).

To put it simply, it is possible to make errors. Having made mistakes and introduced flawed goods myself, there is one thing that even I have not done; that is to refrain from daring. (Manager).

4.6. Financial rewards in family businesses

The financial incentives component of PI consists of performance-based pay increments, compensation, rewards, and bonuses, as stated by Kraak et al. (2017).

- *The appeal and monetary benefits of family businesses:* In the recruiting process, performance-based compensation hikes and incentives were not considered for non-managerial personnel. Conversely, there were elevated expectations with respect to remuneration and rewards. The family firm is regarded as providing superior compensation and rewards compared to other employment opportunities (production operator). Conversely, several managers said that they entered the family firm with the understanding that their compensation would be lower than that of their rivals. They emphasize that compensation is not the primary concern of managers in the family firm and hence does not serve as a disincentive or obstacle.
- Financial incentives and commitment, as well as the intention to leave the family business: Although non-executives find the compensation and benefits of the family business appealing, they serve as a deterrent for their departure, as they hold the belief that comparable conditions cannot be found elsewhere. We have several advantages that are not currently negligible. Benefits for workers include profit sharing, vacation bonuses, and Christmas gift vouchers. [Our family company] offers a multitude of advantages. [...] We delay uttering the words "we're going somewhere" for whatever reason. (Operator).

The family factor, however, is considered to negatively influence bonuses, compensation, and performance-based pay increases. Certain managers express disapproval with the inadequate remuneration they get for their efforts, emphasize the discrepancy between their performance and compensation, and identify inequities that they directly associate with the familial nature of the organization. For instance, some historical or vulnerable workers' ineffectiveness would be tolerated by the organization, while effective

individuals would not get monetary compensation. This has an adverse impact on the dedication of these managers and engender a desire to depart: Even my salary is not a topic of conversation... This is since wages in these [family] businesses are far lower than those of the largest corporations [...]. A gap exists; we are too preoccupied with social [...]. (Manager).

5. Conclusion and discussion

The interview data indicates a distinct difference between family company managers and non-family managers about the various PC components described by Kraak et al. (2017). With the advent of digitalization, these differences may manifest in how each group perceives the integration of technological advancements within the family business framework. For instance, non-family managers may view digitalization as an opportunity to streamline processes and enhance efficiency, while family managers might emphasize its role in preserving traditional values while adapting to modern business practices.

The promise of employment stability within the family business is interpreted differently by the individuals surveyed, especially in the context of e-recruitment. While non-managers consider it a significant assurance for joining the family business, managers perceive it primarily as a chance to leverage e-recruitment platforms for attracting talent that aligns with the long-term vision of the company. The permanence of the work, which represents the relational form of the PC, seems to be a decisive element in both the attraction of non-family employees and the development of managers' commitment, facilitated by the seamless integration of digital tools in the recruitment process.

Work-family balance seems to be a less influential component of the PC, while managers are concerned about a less distinct boundary between work and personal life, a concern that digitalization and remote work arrangements may exacerbate or alleviate. This underscores the managerial and non-managerial significance that the emotive and moral aspects of the family company have in the digital age.

The family firm's implicit commitment to internal growth (promotion, advancement) is more strongly recognized by non-managerial staff compared to managers, especially as e-recruitment platforms facilitate transparent career progression paths. This finding underscores the importance of the emotional and ethical aspects of PC in the recruitment and retention of non-family staff, wherein e-recruitment strategies can be tailored to highlight opportunities for professional development within the familial organizational structure.

The appeal and retention of non-family employees are significantly influenced by the social environment within the family business, which can now be extended virtually through digital communication channels and remote work platforms. Non-management personnel perceive this environment as promising increased proximity and camaraderie facilitated by digital collaboration tools, whereas management anticipates reduced hierarchical structure, increased autonomy, and responsiveness through the adoption of digital management systems. These PC components align with those identified in research examining PC components in SMEs, with digitalization serving as a catalyst for enhancing interpersonal relations and fostering a conducive work environment.

It seems that job content, which is a component of the PC, has no effect on the family business's appeal to non-family workers, managers, and non-executives, unless it is presented within the context of digitalization and its potential to enrich job roles through technological innovation. On the contrary, managers who place importance on the perceived autonomy and empowerment within the family business are more significantly influenced by PC on commitment and the decision to remain, especially when digital tools enable them to exercise greater control over their work processes and outcomes. This finding supports the conclusions drawn by Renkema et al. (2017) in their investigation of

PC in high-skill firms and Guest (2017) in their analysis of the consequences of PC violations on employee turnover, highlighting the role of digitalization in reshaping traditional employment dynamics.

It should come as no surprise that financial incentives, which are a component of the family firm's PI, have a greater impact on the desirability of non-executives compared to managers, especially when presented through digital platforms that enable easy access to compensation information and benefits packages. This is particularly true for the latter, as they join the family firm in search of opportunities beyond monetary compensation, such as flexible work arrangements and a supportive work culture facilitated by digital HR platforms. However, in both instances, non-family workers place more emphasis on the relationship aspect of the PC rather than its transactional form when it comes to cash benefits, a trend that e-recruitment strategies can capitalize on by emphasizing the familial atmosphere and collaborative ethos of the organization. In regard to the influence of monetary incentives on commitment and retention, the distinction between managers and non-managers is considerably more pronounced in the digital era: while non-managers perceive compensation and benefits as factors influencing their commitment and decision to remain, managers perceive them as potential violations of their personal contracts with the family business due to insufficient recognition and fairness, which may result in their departure, especially in the absence of digitalized performance evaluation and reward systems. These findings validate those of studies investigating the influence of the PC on commitment and intention to depart, highlighting the need for family businesses to leverage digitalization in designing comprehensive HR strategies that cater to the diverse needs and expectations of their workforce.

Presently, there is a resurgence of interest in the family business model, coinciding with the growing discourse surrounding mission-based organizations, the younger generation's growing desire for greater significance, and their gradual aversion to the short-term orientation of conventional listed companies. To establish itself as an appealing model, the family business model must possess the capability to make commitments that both attract and keep non-family personnel, managers, and executives—essential for its continued growth and progress, a feat that can be facilitated by leveraging digitalization to create a compelling employer brand and optimize the employee experience.

As this article attempts to illustrate, the notion of psychological contract (PC) assumes its utmost significance now. In accordance with the influential research of Huang et al. (2022), the family firm may utilize this framework to systematically delineate the commitments it can offer prospective employees, managers, and non-executives to entice them to become and maintain affiliations with the organization, leveraging digital platforms to communicate and reinforce these commitments transparently and effectively. This is a difficulty for the traditionally casual atmosphere of a family company, but it is a critical concern in an era when the employer brand and employee experience are pivotal elements in talent acquisition and retention, necessitating the integration of digitalization and e-recruitment strategies into the organizational culture and HR practices of family businesses.

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