

# Financial Behavior of Family Businesses: A Bibliometric and Systematic Literature Review

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## Abstract

The aim of this paper is to identify some holistic insights and to assess the evolution of the “financial behavior of family businesses” as a field of research. Authors performed an objective, and comprehensive analysis using a bibliometric and systematic review. Thus, three major databases (Scopus, Web of Science, and EBSCO host) were queried and 256 retrieved publications were analyzed. Findings showed an increasing dynamic of the number of publications from 1990 to 2020. The text mining of retrieved publications enables a thematic analysis of the intellectual streams and key concepts underpinning financial policies within family businesses. From a managerial perspective, a review of literature on financial behavior can help raise awareness among family members, managers, and policymakers about family business’ peculiarities that make the financial decisions complex. Finally, this paper reveals trends but also some knowledge gaps to consider in future research about the study of financial decisions within the context of family businesses.

**Keywords:** family firm, financial policy, investment, capital structure, dividend

## 1. Introduction

Over the last decade, literature has paid increased attention to the psychological and sociological dimensions within the framework of a new field called behavioral finance. Thus far, financial decisions became increasingly complicated in the presence of psycho-social factors and relationship issues. The case of family businesses is relevant to illustrate that statement. There is no question that family businesses are recognized as the oldest and most predominant form of business worldwide. It reflects two-thirds of the world's economic structure (Michelli, 2014). Besides, more than 60% of companies in Europe and the United States of America are owned by families (Ernst & Young, 2013). In the Middle East also, this category of business represents 90% of firms (Moussa & Elgiziry, 2019). Not surprisingly, the prevalence of family firms makes them a leading type of business (Sharma Chrisman & Gersick, 2012) and a cornerstone of overall socio-economic development (Poutziouris, 2006). In concrete terms, family businesses participate considerably in investment promotion and job creation, which make them a key pillar of the economy, social development, growth, and competitiveness.

For its part, the literature on financial behavior is large but, paradoxically not conclusive. There are mainly three financial decisions that can influence the firm value which are investment decisions, financing decisions, and dividend decisions (Chaleeda, Islam, Ahmad & Ghazalat, 2019). Besides, financial decision-making is a priority concern for any form of business. It is one of the management challenges that affect the growth and survival of the firm (Van Auken, Ascigil, & Carraher, 2017). The process becomes more challenging in the presence of behavioral variables (Auken, 2005).

The main purpose of our research is to help identify trends and directions in the literature related to the financial behavior of family businesses through a systematic review of previous research. We limit ourselves to the description and synthesis of the existing literature and the identification of new research avenues about this topic. In this regard, the remainder of this paper is structured as follows: section two contains conceptual boundaries and background. Section three presents methods that have been applied to select data and to carry out the bibliometric and the systematic analysis. Section four reports results and the final section include discussion, directions for future research,

and conclusion.

## 2. Literature Review

Previous studies on the financial policies and the financial behavior of family businesses provide the context for this review. The following sections clarify the conceptual boundaries and develop a framework for three major terms: family business (1.1), financial behavior (1.2), and financial policies (1.3).

### 2.1 *The Family Business: A Controversial Definition*

There is no universal or commonly accepted definition of the family business. However, we can assert that it is a business controlled and governed by a dominant coalition of family members with the purpose to maintain sustainability across generations and to defend a long term vision (Arregle, Hitt, Sirmon & Very, 2007). Scholars generally agree that it is the family's involvement in the business that makes it a family business with the intention of family members to retain ownership (Schulze, Lubatkin, Dino & Buchholtz 2001). Therefore, the attribute of "Familianness" is a key criterion in defining a family business (Chua, Chrisman & Sharma., 1999). Besides, preserving family control and transgenerational succession is of paramount importance to develop a family business (Gottardo & Moisello, 2019; Berrada El Azizi & Habba, 2018).

Broadly, family businesses are different from non-family ones (Moussa & Elgiziry, 2019) since family ties reflect a socio-economic background, culture, and value system, which impact the decision-making process (Seaman, Bent & Silva, 2019). By reference to the nature of purposes, it can be argued that family businesses tend to be challenging because, in addition to managing common business needs and opportunities, they must take into account the needs and desires of the owning family. Beyond financial performance, family businesses aim for continuity and growth (Brenes Madrigal & Requena, 2011) in addition to socio-emotional wealth (Gomez-Mejia, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). Consequently, the dual dimension (family & business) legitimizes and gives family business decisive special features.

### 2.2 *Financial Behavior*

Traditional finance has treated financial policies without regard to the ownership structure of the firm. Indeed, there is no specific theoretical framework for the financial decisions within family businesses. Consequently, a specific framework is more legitimate and necessary than ever, since the particularity of family businesses has been demonstrated in several previous studies.

Interesting is the fact of studying financial behavior because, when dealing with family businesses, one cannot deny the weight and strong presence of behavioral, cultural, and attitudinal variables even when it comes to exploring or sketching out rational decisions like financial decisions. In this perspective, Chua et al. (1999) introduced the definition of family businesses by behavior. The authors argued that what differentiates a family firm is not the presence and involvement of the family, but more importantly, how this involvement establishes a vision that guides the business. More concretely, the family's vision sets the context and guides the firm's policies and functional decisions.

In the same vein, Costa, Carvalho, and Moreira (2019) pointed out that human behavior has been the subject of much discussion because it influences the decision-making process. In this respect, psychological and behavioral variables need to be incorporated into this process even when it comes to financial decisions in financial markets (Shefrin, 2010). In the particular case of family businesses, the incorporation of behavioral variables is much more legitimate. This may be justified by the presence of family ties reflecting a socio-economic background, culture, and value system that may influence the decision-making process (Seaman et al., 2019).

### 2.3 *Financial Policies*

Financial policies within family businesses can be delineated into three financial decisions. These are the investment, the capital structure choices, and the dividend distribution policy. Firstly, the investment decision is subcategorized into long-term investment decisions related to fixed and intangible assets and short-term investment decisions related to current assets. Secondly, the capital structure concerns the combination of funding sources. It is one of the key decisions affecting the value of the business (Nurlala, Sulastri & Hanafi, 2019). Understanding financing decisions is of great importance for family businesses because of their "peculiar financial logic" (Michiels & Molly, 2017). Finally, dividends are a mean of redistributing a company's profits to its shareholders and are one of the main sources of return on investment (Hult n, 2020). It is also a strategic policy that boards of directors face (Gyapong, Ahmed, Ntim, & Nadeem, 2019). Besides, many questions about dividends in family firms remain unanswered (Michiels, Uhlaner & Dekker, 2017).

It is crucial to consider the joint impact of the three decisions. We assert that the financial behavior of family businesses cannot be explored by limiting oneself to one decision to the detriment of others. On the contrary, financial behavior must be approached from a holistic perspective because the three decisions are interdependent and are determined simultaneously (Kirch & Terra, 2019). The traditional disconnect between these financial choices as supported by Modigliani and Miller (1958) is no longer defensible. To illustrate this point, it is asserted that investment decisions relate to the acquisition of assets, while financing decisions relate to how these assets can be financed. Dividends policy occurs when companies begin to generate profits and decides whether the firm should distribute some or all of the retained earnings to shareholders or reinvest them to seize investment opportunities.

### 3. Method

This section is dedicated to outlining methods and scientific tools applied in our study. To run a systematic review, a rigorous, and reproducible process has been carried out to collect, refine, and analyze the evolution of the literature on the financial behavior of family businesses. A systematic literature review is a synthesis of the scientific literature in response to a specific question. It uses explicit methods for searching, selecting, and analyzing data. A systematic review is, therefore, a scientific research method, and should not be confused with a “narrative” review in which the literature search is generally not exhaustive and is more representative of the opinion of authors.

Additionally, we conducted a bibliometric analysis since it is a statistical tool to assess the quantity and quality of publications, as well as the extent of success and achievements accomplished on our topic (Ellegaard & Wallin, 2015). In this respect, we applied the methodology proposed by Tranfield, Denyer, and Smart (2003), which can be summarized in three main steps: planning the review, conducting the review, and then reporting results.

The focus of our bibliometric analysis lies at the intersection of the literature on family business and the literature on financial policy. While recognizing the complexity of the task, we conducted a preliminary literature review, known as a “scope” review (Tranfield et al., 2003), to delineate the area of investigation and determine some keywords. In a first step, we extracted some publications on financial decisions in family businesses. They are all written in English and reflect the three financial policies in the family business context. They helped to better explore the topic and identify keywords. Afterward, the search strings were performed using the Boolean operators OR and AND (Table 1).

Table 1. Core elements of bibliometric analysis

Keywords	“ family business”, “ family enterprise”, “family firm”, “financial behavior”, “financial choice”, “financial policy”, “Investment”, “risk-taking”, “financing”, “funding”, “debt”, “capital structure”, “financial structure”, “dividend”, “payout”.
Search strings	(“family business*” OR “family enterprise*” OR “family firm”) AND (“financ*” OR “Invest*” OR “capital structure” OR “financial structure” OR “dividend” OR “pay out”)
Scanned Items	Article title, Abstract, Keywords.
Sources/ Digital libraries	Scopus Web of Science EBSCO host

Source: Authors’ own

To ensure the richness of the data, we made sure that a wide range of databases was queried (Scopus, Web of Science, EBSCOhost). It is not a random selection, the three databases allow greater exhaustiveness and wide coverage of references from all corners of the world. Besides, these databases were used by many other published bibliometric studies (e.g. Coronado et al. (2011); Fetscherin and Heinrich (2015).

In a second step, initial search results revealed that many records are irrelevant to our topic of interest and had been included in our database. Thus, we decided on some eligibility criteria. The inclusion criteria concern: 1) documents from the following disciplines: Finance, Business, Management, or Accounting. 2) Documents that focus on corporate finance in family firms; 3) Documents written in English; 4) Peer-reviewed literature. Indeed, we have focused on the scientific literature published and evaluated by peers. To minimize the risk of bias, grey literature was

rejected because it is not considered to be of scientific value.

Finally, the exclusion criteria concern 1) Documents that investigate financial policies within financial firms, public or nonprofit organizations; 2) Documents that use keywords in an economic context; 3) Case studies used in teaching.

These criteria were used to conduct a strict selection process (Figure 1) in order to purify and, above all, refine the search results. In addition, we did our best to validate the data by manual review and tried to give a close overall assessment by reading the full abstracts to understand the research purpose. This allowed us to confirm or deny the relevance of the retrieved documents. In order to have a comprehensive overview of our research topic, no period for analysis was predefined. This finally leads to a usable database reporting the metrics of 256 documents covering the period (1990- March 2020).

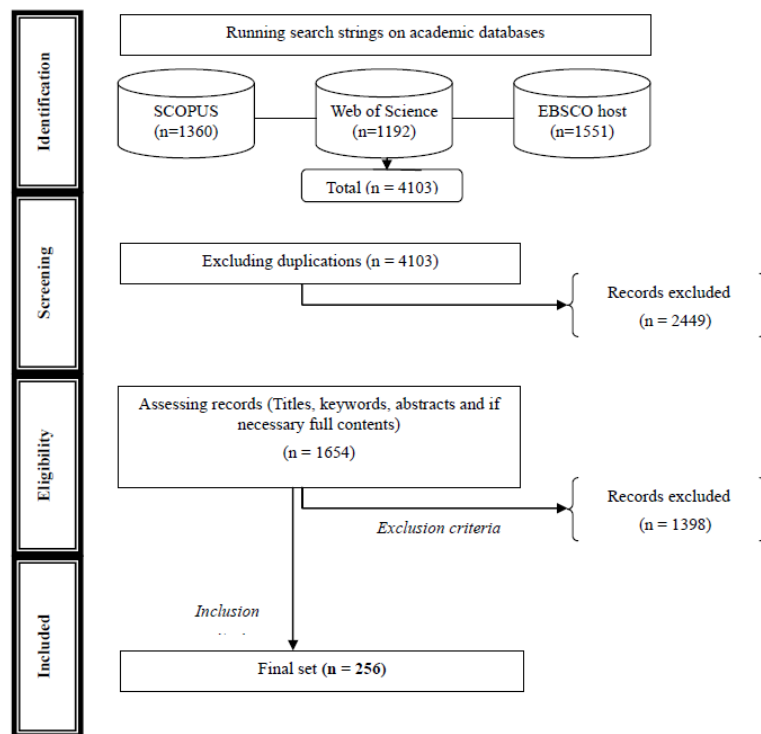


Figure 1. Flowchart of data selection

Afterward, we exported data into a Bibtex file. Some Excel processing was then performed. Finally, we used the Bibliometrix package which is the latest open-source software developed in the R environment to carry out systematic scientific-literature mapping (Aria & Cuccurullo, 2017). The results of this analysis are reported in the following section.

## 4. Results

### 4.1 Annual Scientific Production

The evolution of the number of publications per year is an indicator of the interest that the scientific community attaches to a topic. According to the results presented in figure 2, there is a fluctuating but overall increasing trend since 1990. This shows that interest has increased over the years of studying the financial behavior of family businesses.

Moreover, it should be noted that 85% of the references were published over the last 10 years (2010 to 2020), 57% were published in the last 5 years. The number of publications is growing at an annual rate of 7.25%.

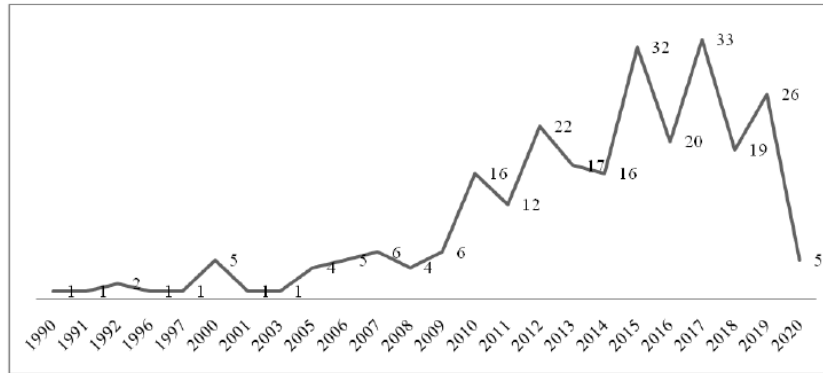


Figure 2. Annual scientific production

The 256 references take several forms: article, book chapter, proceeding, conference, review, eratum, note... However, the main mode of diffusion is the scientific article with 193 references, namely, 75% of total references.

4.2 Sources

The 256 references were retrieved from 151 sources (mainly journals and reviews). The top twenty sources bring together 101 references, i.e. 40% of the total scientific production. In addition, two journals that stand out by far as the most relevant which are “Family Business Review” with 22 articles (8% of the references) and “the journal of Family Business Strategy” with 13 articles, i.e. 5% of the references. These two journals alone account for 13% of all sources.

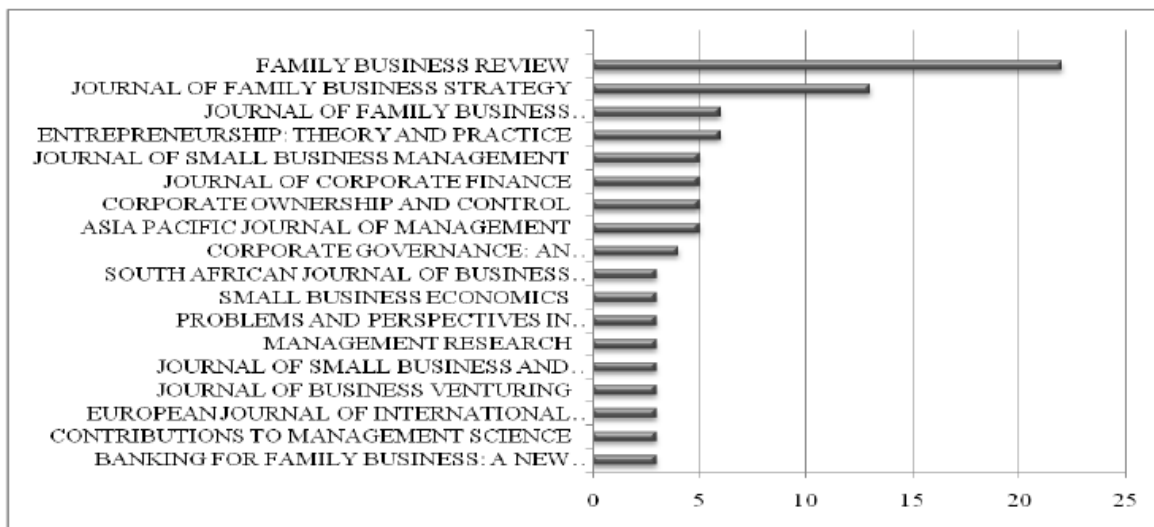


Figure 3. Most relevant sources

4.3 Authors

It is difficult to directly assess the quality of publications. However, the total number of citations received, the average number of citations per article, Hirsch-index (h-index), and the percentage of highly cited articles can be used as an indirect measure of publication impact or quality (Sweileh, & al., 2016). As shown in Table 2, the 256 references were produced by 532 authors, some of whom appear several times, i.e. 2.08 authors per reference. The figure below shows the 20 most prolific authors.

Table 2. Most relevant authors

Author	h_index	Total citations	Year_start
GOTTARDO P	3	35	2014
MOLLY V	3	160	2008
DANES SM	3	195	2000
GRICHNIK D	3	97	2013
KELLERMANNNS FW	3	76	2014
KOROPP C	3	97	2013
PATEL PC	3	218	2014
PINDADO J	3	84	2012
TAM OK	3	24	2013
ACHLEITNER AK	2	67	2012
DAWSON A	2	68	2011
JORISSEN A	2	46	2008
LAVEREN E	2	150	2008
LUTZ E	2	4	2012
MICHIELS A	2	32	2015
MOISELLO AM	2	13	2015
CASELLI S	1	24	2005
CHEN J	1	7	2010
DE QUEVEDO PUENTE E	1	7	2009
TIAN Y	1	3	2012

Source: Authors' own

#### 4.4 Country Affiliation

Scientific production on financial behavior in the family business context emerges from almost all the continents of the world, especially from 48 countries. The United States of America enjoy the greatest share of publications. Indeed, they account for 32% of the world's production with 82 references. However, we note that Africa and the Middle East are almost absent in the list, except for few countries that contribute, but slightly, to the clarification of this research topic, namely South Africa, Morocco, and Tunisia (figure 4).

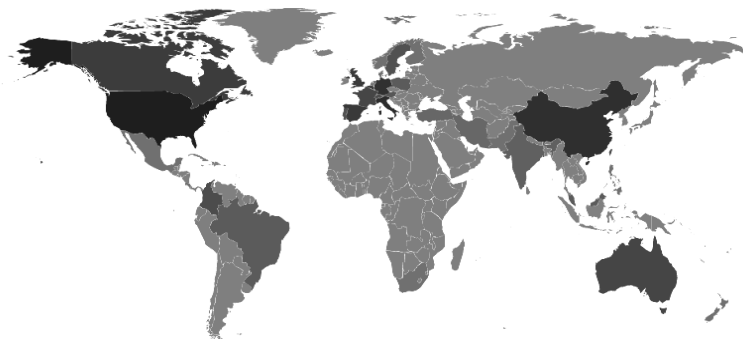


Figure 4. Dynamics of scientific production in the world

Note: Dark grey: high scientific production; light grey: low scientific production

If we stratify countries by the number of citations per article, we assert that the USA and Australia ranked first with a total citation of 1410 with an average citation per article of 32.79 and 91.80 respectively (Table 3). The top 20 list includes 11 countries from northern and western Europe. Also, the Asian continent is present among the most prolific countries in terms of scientific production (mainly, China (162 citations), Malaysia (22), India (18), Hong Kong (16)).

Table 3. Citations per country

Country	Total Citations	Average Article Citations
USA	951	32.79
AUSTRALIA	459	91.80
SPAIN	344	31.27
ITALY	257	13.53
BELGIUM	194	19.40
CHINA	162	5.59
SWEDEN	142	47.33
GERMANY	141	10.85
UNITED KINGDOM	132	10.15
COLOMBIA	91	18.20
DENMARK	42	42.00
PORTUGAL	39	9.75
NETHERLANDS	33	33.00
AUSTRIA	30	10.00
FRANCE	27	3.86
MEXICO	27	6.75
SWITZERLAND	23	11.50
MALAYSIA	22	3.67
INDIA	18	9.00
HONG KONG	16	8.00

Source: Authors' own

In terms of collaboration, there are two indicators: single country publications (SCP) which report the number of articles published by authors belonging to the same country and multiple country publications (MCP) in which authors belong to different countries. Documents produced without international collaboration (SCP) are 82 articles, i.e 32%. While international collaboration (MCP) represents 51% with 131 articles. The remaining references had no country affiliation. Figure 5 show that China had the greatest extent of international collaboration. More than 61 % of the references had co-authors from other countries.

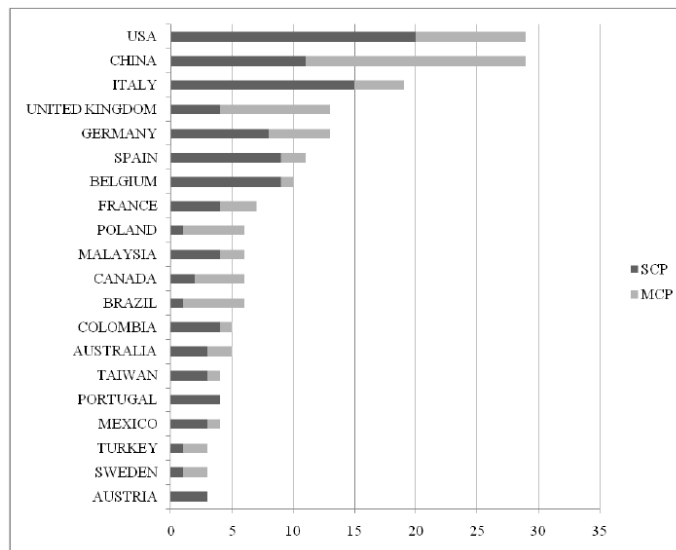


Figure 5. Inter and Intra- country collaboration

Note: Single country publications (SCP); multiple country publications (MCP)

#### 4.5 Top Cited Articles

Top 20 cited articles on the financial behavior of family businesses are shown in Table 4. The article which obtained the highest number of citations is titled “Capital structure decision making: A model for family business” and published in 2001 by Romano, Tanewski & Smyrniotis in Journal of business venturing. It received 274 citations at the time of data analysis (March 24, 2020). In addition, seven articles from the top 20 cited articles were published in “Family Business Review”.

Table 4. Top cited articles

Paper	Title	Total Citations	TC per Year
ROMANO et al., 2001,	Capital structure decision making: a model for family business	274	13.7
DANES et al., 2009,	Family capital of family firms: bridging human, social, and financial capital	170	14.1667
PATEL & CHRISMAN 2014,	Risk abatement as a strategy for R&D investments in family firms	150	21.4286
MASULIS et al., 2011,	Family business groups around the world: financing advantages, control motivations, and organizational choices	144	14.4
GOMEZ-MEJIA et al., 2014,	Socioemotional wealth as a mixed gamble: revisiting family firm r&d investments with the behavioral agency model	144	20.5714
CHIRICO et al., 2011,	Resource orchestration in family firms: investigating how entrepreneurial orientation, generational involvement, and participative strategy affect performance	137	13.7
GALLO & VILASECA 1996,	Finance in family business	121	4.84
MOLLY et al., 2010,	Family business succession and its impact on financial structure and performance	112	10.1818
DREUX, 1990,	Financing family business: alternatives to	109	3.5161



		selling out or going public		
MAZZI, 2011,		Family business and financial performance: current state of knowledge and future research challenges	106	10.6
BLANCO-MAZAGATOS et al., , 2007,	et	The trade-off between financial resources and agency costs in the family business: an exploratory study	96	6.8571
LPEZ-GRACIA & NCHEZ-ANDJAR, 2007,	S	Financial structure of the family business: evidence from a group of small spanish firms	76	5.4286
VAN AUKEN HE, 2006,		An investigation of the determinants of estate and retirement planning in intergenerational family businesses	70	4.6667
XU N et al., 2013,		Political connections, financing friction, and corporate investment: evidence from chinese listed family firms	70	8.75
DAWSON, 2011,		Private equity investment decisions in family firms: the role of human resources and agency costs	63	6.3
GOMEZ-MEJIA et al., 2018,		In the horns of the dilemma: socio emotional wealth, financial wealth, and acquisitions in family firms	62	20.6667
WAGNER et al.,, 2015,		A meta-analysis of the financial performance of family firms: another attempt	61	10.1667
KOROPP et al., 2014,		Financial decision making in family firms: an adaptation of the theory of planned behavior	57	8.1429
ELLUL et al., 2010,		Inheritance law and investment in family firms	57	5.1818
GONZLEZ et al., 2013,		Family firms and debt: risk aversion versus risk of losing control	55	6.875

Source: Authors' own

The retrieved articles discussed various issues related to financial policies within family businesses that cannot be reported here in detail. However, it is worth presenting some key points of 10 top-cited articles (Table 5).

Table 5. Main findings of 10 top cited articles

Authors	Purpose and aims	Country	Methodology	Sample	Variables	Key finding
ROMANO et al. (2001)	To investigate the capital structure of SMEs and the factors that influence SME owner-managers' financing decisions.	Australia	Structural equations	5000 business owners	-debt, -family loans, -capital and retained profits, -equity -Company size, -firm age, -industry, -family control, -age of CEO, -business planning,	- Dynamic interplay between multiple social, family, and financial factors is intricate; - utilizing theories enable researchers to explain behavioral factors that influence financial structure decision-making processes

						-business objectives	
DANES et al. (2009)	to introduce a family capital typology based on Sustainable Family Business Theory II and to document its relative effect to short-term firm goals and long-term sustainability	United States	survey panel data	311 family firms	Dependent variables: -Gross business revenue -Perceived success The independent variables -Input controls -Family structure -Process controls -Social capital -Forms of family capital -Financial capital	family capital has impacts on financial and nonfinancial family firm success	
PATEL & CHRISMAN (2014)	To explain why and how family firms might make different R&D investments than nonfamily firms	United States	Generalized least squares fixed effects regression	847 firms	Dependent variable: sales The independent variables relate to inputs in: - the production function (yearly natural logs of R&D investments, capital investments, advertising investment, total number of employees) - risk abatement function (family ownership, the natural log of R&D investments, and the interaction of the R&D and family ownership)	When performance is above (below) aspiration levels, the R&D investments of family firms lead to more (fewer) exploitative patents and fewer (more) explorative patents than in nonfamily firm	
MASULIS et al. (2011)	To investigate the motivations for family-governed business groups.	45 countries	Multivariate regression	28 635 firms	-Country-Level variables -- Firm-level variables	- particular group structures emerge not only to perpetuate control but also to alleviate financing constraints at the country and firm-level; - investment intensity is greater for firms held in pyramidal rather than in horizontal struct	
GOMEZ-MEJIA et al. (2014)	To investigate the socioemotional trade-offs that R&D represents for the family firm.	United States, Canada	Panel data Tobit Random-Effect Regression	2353 firms; 142 family firm, 401 founder firm and nonfami	Dependent Variable R&D Investments. Independent and Moderator Variables -Family Firm -Institutional Ownership -Related	Family owners are affected by the potential for SEW gains when making R&D investments.	

					ly-controlled firms	Diversification -Performance Hazard.	
CHIRICO et al., (2011)	To investigate factors that increase performance through entrepreneurship in family firms.	Switzerland	Regression analysis	199 family firms	Dependent variable Performance (net profit, sales growth, cash flow, and growth of net worth) Independent variables - Entrepreneurial orientation (product innovation, proactiveness, and risk taking) - generational involvement - Participative strategy	entrepreneurial orientation, generational involvement, and participative strategy affect entrepreneurship performance in family firms	
GALLO & VILASECA (1996)	To examine the characteristics of financial issues faced by family businesses and their relationship with performance.	Spain	Linear regression	104 family businesses	-Debt level -Industry -Market share -Generation -Company age -Return on sales -ROE -Ln sales -Ln assets -Ln employees -Number of financial institutions the FB is related to -number of different financial products purchased by the FB -Dividends -Asset turnover -Sales/employees -Investment risk	Family firms have low debt/equity levels especially those with important market share positions in their respective industry.	
MOLLY et al., (2010)	To study the effects of family business succession on debt and growth rate.	Belgium	Panel data	152 firms	Dependent variables: -leverage -performance -profitability Independent variables: -Tangibility, -age, -size -operating return on assets -gross return on assets -Transfer 1 <sup>st</sup> to 2 <sup>nd</sup> generation -Transfer between later	Succession from the first to the second generation negatively affects the debt rate of the company and, the effect is reversed in the transfer between later generations.	



decision about the capital structure (debt, private equity, financing, leverage...). Interest in this financial policy lasted over the past decade. Regarding the investment decision, it has gained some attention in 2013 with the emergence of the keyword “financial constraints”. In addition, we assert that the dividend policy has been significantly ignored and little explored by researchers.

Other keywords are involved in the topic such as performance and financial performance. Accordingly, some keywords enhance the behavioral dimension, such as “agency costs”, “socioemotional wealth”, “Ownership structure”, “expropriation”, “family management”, “family control”... Consequently, the interest in these behavioral and social issues leads to an increased interest in corporate governance, which is the most frequent expression in our database (22 occurrences).

Recently, the focus has also been on internationalization strategy, due to market opening and globalization that have refurbished the global economy. In addition, “SME” is another frequent keyword on the list because some studies tried to categorize family businesses by firm size. This can be justified by the heterogeneity that characterized that type of business.

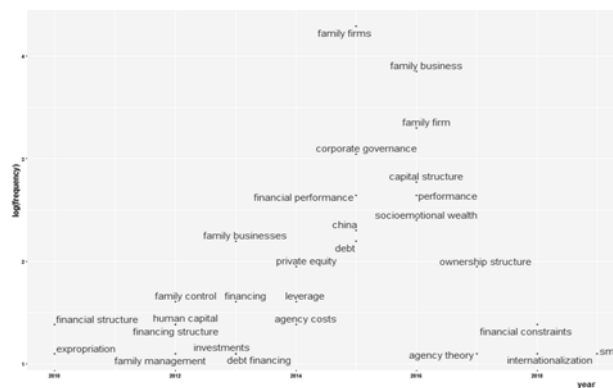


Figure 7. Topic evolution

## 5. Discussion

In this section, we intend to discuss and interpret the results of our review. Then, we will figure out some theoretical gaps leading to identify some future research avenues that may be of interest to scholars.

### 5.1 General Trends

Interestingly, research on family businesses has increased over years and this is supported by many previous works. Between 1977 and 1986, only 53 articles were devoted to the study of the family business (Allouche & Amann, 2000), compared to 291 works between 2001 and 2007 (Debicki, Matherne III, Kellermanns & Chrisman, 2009). In addition to that, bibliometric results have shown that financial decision making within family businesses is a growing field of research. That trend was reported by other works (Michiels, & Molly, 2017; Lozano, 2015).

It can be argued, with discretion, that literature on the financial behavior of family businesses has been developed in the United States, Europe, Asia, and very modestly in Africa and the Middle East. As an emerging body of knowledge, the financial behavior of family businesses ranked in top productive and developed countries such as the United States of America and China. This is consistent with some works stating that researchers focus predominantly on family firms in developed economies (Bird, Welsch, Astrachan, & Pistrui, 2002; Motylska-Kuzma, A. 2017). One explanation for this is that family businesses' preponderance in the economic system of these countries goes back decades or even centuries.

It is also worth noting that more than half of publications from all over the world came through international research collaboration. The latter becomes essential to broaden thinking in an era of globalization. Even more, this topic is of global concern, and research collaboration in this field is highly needed as stated by Bird et al. (2002).

### 5.2 Theoretical Perspectives

With regard to theories, the reviewed articles draw on a variety of approaches. This is consistent with the finding of

other reviews on family businesses (Kubiček & Machek, 2020). The dominant and common theoretical framework for the capital structure decision includes two traditional theories “the trade-off theory” and “the pecking order theory”. This was also reported by Fama and French (2002) and Frank and Goyal (2003). As for investment and dividend policies, they involve theories from various disciplinary fields, such as “the behavioral agency model” by Patel and Chrisman (2014). In addition, the socioemotional wealth theory (Gomez-Mejia et al., 2007), resource-based view theory (Barney, 1991; Habbershon & Williams, 1999), and the theory of planned behavior (Ajzen, 1991) have also been applied in studying the financial behavior of family businesses. These findings are supported by the works of Nordqvist, Melin, Waldkirch, and Kumeto (2015).

#### Empirical perspectives

The majority of reviewed articles conducted a quantitative approach. This trend was revealed by the works of Micelotta, Glaser, and Dorian (2020). In addition, capital structure is the policy that has gained a lot of empirical interest over years. This is consistent with the results of systematic reviews on financial decisions within family businesses, conducted by Motylska-Kuzma (2017) and Schickinger, Leitterstorf, and Kammerlander (2018). Research on financing and debt, in particular, has focused on empirical studies to identify the different factors guiding the capital structure choices within family businesses. To illustrate that, we cite the work of Romano et al (2001) that ranked first in reference to the number of citations. The authors highlight the significant impact of the factors attached to the specific nature of this category of firms. This is in line with the theory of planned behavior of Ajzen (1991) asserting that family firms are largely affected by family values, attitudes, perceived behavioral control, and behavioral intentions, which eventually influence decisions and choices (Koropp, Kellermanns, Grichnik & Stanley 2014).

Focusing on the investment decision, the reviewed articles have focused mainly on R&D investment (Patel & Chrisman., 2014; Gomez-Mejia & al., 2014) and on criteria that drive private equity (PE) investors in selecting family firms (Dawson, 2011). This policy was explored differently by Xu, N., Xu, X., and Yuan (2013) that examined the relationship between the political connectedness of family firms and underinvestment issues.

Regarding dividend policy, our results show that research has paid limited attention to dividend policy within family businesses over time. This was also stated by Björn and Eriksson Lantz (2016) that studied the ownership structure’s effect on dividends. Consequently, the understanding of dividend payout antecedents in the context of family businesses is still ambiguous (Michiels et al., 2017).

#### Moving Forward: Future Research Agenda

Similar to other works that reviewed the financial behavior of family businesses (e.g., Motylska-Kuzma, 2017), our review draws up some promising directions for future research since the study of financial decisions in family businesses remains an interesting avenue to explore.

First, the analysis of the reviewed articles highlights the heterogeneity of family businesses and shows that researchers incorporate divergent criteria to define what a family business is. This question of heterogeneity has been confirmed by previous research (e.g. Missonier, & Gundolf, 2017) and limits the accumulation of knowledge on family businesses (Schulze & Gedajlovic, 2010). In this regard, the study of the financial behavior of family firms should begin by clearly defining the family firm. Following the recommendations of Arrègle and Mari (2010), the meaning of each definition criterion used should be precisely defined.

Second, we note that focus was given to the financial decisions, but separately. It may be interesting to expand the investigation and literature by combining the three financial policies at once since they are inseparable, simultaneous, and interactive. Building on these statements and integrating a cross-sectional structure (Smith & Watts 1992) may help researchers to better understand how family businesses make their financial decisions.

Third, research on the financial behavior of family businesses should be holistic and oriented in a way to consider business characteristics, behavioral aspects of business, and financial factors. It should be considered as a co-alignment of multiple factors as stated by Chirico Sirmon, Sciascia, and Mazzola, (2011).

Fourth and methodologically speaking, researchers, through a series of quantitative studies, tried to identify some determinants of the three financial decisions. However, the impact or the explanatory power of these determinants remain attached to a very limited field of investigation and is not unanimously proved among authors. Thus far, this does not help to explore and to deeply understand the genesis of the financial policies within family businesses. In this respect, it will be crucial to shed light on qualitative approaches that offer flexibility and creativity and improve understanding of the complex processes within family businesses (Micelotta et al., 2020).

Fifth, the notable absence or the knowledge gap on dividends policy in the literature represents strategic challenges and opportunities for future research as long as dividends have financial implications and contribute to value creation within the firm.

Sixth, in addition to comparisons between family businesses and non-family counterparts, it will be interesting to compare financial behavior across countries with different institutional settings and cultures. In line with the findings of Chrisman, Chua, and Steier (2002), the cultural context may shape business behavior and then affect financial decision-making.

## 6. Conclusion

The purpose of this paper was to supply a comprehensive overview of the financial behavior with special emphasis on family businesses. By reviewing the literature on the above matter, we conclude that great efforts have been made to explore family businesses and the peculiarities of their financial policies but, these efforts remain insufficient. The findings of this review highlighted that financial choices depend on several factors, both cognitive and emotional and that knowledge on capital structure decisions is still dispersed and inconclusive as reported by (Michiels & Molly, 2017). Additionally, research on investment policy has been limited to the R&D investment and private equity investors while research on dividends policy in family businesses was considerably underestimated.

*As for the implications*, this paper offers a valuable contribution to both family business and financial decisions research. It provides scholars with some insights and emerging gaps in financial policies within the specific case of family businesses and contributes to such a stream of literature by reporting patterns and trends using bibliometric analysis. Additionally, a systematic literature review enabled us to assess high-quality publications and to suggest some directions for future research useful to advance in this field. Our results have also several implications for family owners, managers, creditors, and all stakeholders as long as the success or failure of firms is often the result of financial decisions made by top management (Penney, Vardaman, Marler & Antin-Yates, 2019). Consequently, all involved actors in family businesses must take an interest in the factors that drive and affect the financial decision-making process.

However, *some limitations* are noteworthy. First, an important limitation is related to the heterogeneity of the articles reviewed. Second, the keywords used in this review might not be too relevant or appropriate even if we had driven a scope literature review upstream. Third, limiting the selection process to publications written in English can also be a limitation. This methodological choice may have led to incomplete coverage of articles published on this topic.

*For future developments*, it would be of paramount interest to use more bibliometric tools (e.g., bibliographic coupling, co-citation analysis) in order to analyze in depth each relevant cluster or dimension identified in this review on the financial behavior in family businesses. Another area for further development is to perform the study over a long period using more keywords. All things considered, it is our hope that the insights highlighted in this paper will provide guidance to address gaps and to develop an accurate framework for the study of financial policies within the context of family businesses.

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