Spotlight
by CeFEO

What makes later-generation family members choose the family business?

Emotional attachment and family expectations predict commitment far better than financial dependency

ALEXANDRA DAWSON · PRAMODITA SHARMA · P. GREGORY IRVING · JOEL MARCUS · FRANCESCO CHIRICO

Published on May 14, 2015 *https://doi.org/10.68623/spotlight.2025.3c4*

Getting the next generation to join the family business is one challenge. Getting them to stay is another. This study examines which psychological and contextual factors keep later-generation family members engaged—and which types of commitment actually predict long-term retention.

WHAT WE STUDIED

The researchers surveyed **199 later-generation family members currently working in family firms in Canada and Switzerland**. The theoretical framework builds on a three-component model of commitment: **affective commitment** (emotional attachment—staying because you want to), **normative commitment** (obligation—staying because you feel you should), and **continuance commitment** (dependency—staying because the cost of leaving feels too high). For each type, the study tested which antecedents matter most, and then examined which forms of commitment actually predict the intention to stay.

The survey measured identity alignment, career fit, family expectations, financial dependence, and exposure to external careers. Only members already working in the business were included, ensuring the sample reflected active retention decisions.

KEY INSIGHTS

Emotional attachment is the strongest driver of commitment

Members who see the business as a reflection of their own identity—and who hold roles that align with their career interests—develop the deepest commitment. Identity alignment was the most powerful predictor. When a family member feels that the firm represents who they are, not just where they work, their engagement becomes self-sustaining. Career fit matters almost as much: a member who is passionate about marketing but assigned to operations will disengage regardless of how much they love the family. The practical implication is that emotional commitment is not a personality trait. It is a product of design—how well the firm creates conditions for identification and meaningful work.

Obligation-based commitment is real but requires careful management

Normative commitment—staying out of a sense of duty—was predicted primarily by explicit family expectations about participation in the business. General family orientation (valuing family in the abstract) was not enough. The obligation had to be specific: the family expects you to be here. Importantly, normative and affective commitment often coexist. Obligation becomes problematic only when it operates in the absence of emotional engagement.

Staying for lack of alternatives does not predict retention

Continuance commitment—remaining because leaving feels too costly—was driven by perceived financial dependence and limited exposure to outside careers. Members who had never worked elsewhere were more likely to feel locked in. But here is the critical finding: continuance commitment had no significant effect on the intention to stay. Members who remain only because they see no viable alternative are not retained in any meaningful sense. They are present but disengaged.

TAKEAWAYS

Invest in identity alignment

The strongest predictor of lasting commitment is whether the family member sees the business as part of who they are. Families can cultivate this through shared storytelling, involvement in strategic conversations, and deliberate efforts to connect the firm's values to the member's personal narrative.

Design roles around the person, not the vacancy

Career mismatch erodes commitment even when family loyalty is strong. Working with next-generation members to co-create roles that match their skills and aspirations produces deeper engagement than slotting them into whatever position is open.

Encourage outside experience

Members who have worked elsewhere bring broader perspective and, crucially, choose the family business with clarity rather than by default. External experience reduces continuance commitment (the weakest form) and often strengthens affective commitment (the strongest).

Have explicit conversations about expectations

Unspoken assumptions about participation breed resentment. Clear, direct dialogue about what the family expects—and what the member wants—prevents the accumulation of obligation without engagement.

IMPACT

This study provides one of the first empirical tests of the three-component commitment model in a family business context. Its most important contribution is demonstrating that not all commitment is created equal. Emotional and obligation-based commitment predict retention; financial dependency does not. For families focused on generational continuity, the message is that creating conditions for genuine engagement—identity, meaningful work, honest dialogue—matters more than ensuring the next generation has no other options. Trapping people in the business through economic dependence or limited exposure produces compliance, not commitment.

RECOMMENDATIONS

1. **Assess commitment quality, not just presence.** Distinguish between members who stay because they want to, those who stay because they feel they should, and those who stay because they see no alternative. Each group needs different support.
2. **Build identity connections early.** Involve next-generation members in the firm's story, values, and strategic direction before they enter formal roles. Emotional attachment develops through exposure, not assignment.
3. **Co-design career paths.** Work with each family member to create a role that aligns with their professional interests and development goals. Career fit is a retention tool, not a luxury.
4. **Support outside careers without penalty.** Members who choose the family business after experiencing alternatives are more committed than those who never had a choice. Make external experience a feature of the development pathway, not a detour from it.

Spotlight by CeFEO, What makes later-generation family members choose the family business? Emotional attachment and family expectations predict commitment far better than financial dependency. Downloaded on 28 November 2026 from https://doi.org/10.68623/spotlight.2025.3c4

CEFEO AUTHORS



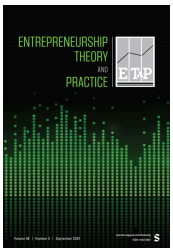
Francesco Chirico

Professor

Jönköping International Business School

francesco.chirico@ju.se

PUBLISHED IN



Dawson, A., Sharma, P., Irving, P. G., Marcus, J., & Chirico, F. (2015). Predictors of later-generation family members' commitment to family enterprises. Entrepreneurship Theory and Practice, 39(3), 545–569.

https://doi.org/10.1111/etap.12052

Spotlight is an online magazine that translates research from the Centre for Family Entrepreneurship and Ownership (CeFEO) at Jönköping International Business School, Jönköping University, into accessible insights for family business owners, practitioners, and policymakers.

Spotlight is supported by the WIFU Foundation. This partnership advances dialogue and education in responsible family entrepreneurship and ownership.

JÖNKÖPING UNIVERSITY
Jönköping International Business School

CeFEO
Centre for Family Entrepreneurship and Ownership

WIFU FOUNDATION