Spotlight
by CeFEO

Who wants to work for a family business?

How to attract senior managers to a family business?

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Published on September 23, 2024 *https://doi.org/10.68623/spotlight.2024.2k4*

For family businesses, attracting and retaining talented employees—especially at senior management levels—is a significant challenge. Family-owned companies often struggle to compete with non-family firms in the job market, making it tough to hire and retain top talent, particularly candidates who will align well with the family business environment. This study delves into the types of C-suite executives drawn to family-owned firms and offers strategies to enhance recruitment and ensure successful hiring.

WHAT WE STUDIED

We argue that different types of executives would be drawn to family businesses for unique reasons and that their motivations would differ from those seeking roles in non-family companies. Specifically, we anticipated that candidates interested in family businesses would prioritize fulfillment, stability, and company culture, rather than just high pay or career advancement opportunities commonly associated with non-family firms.

To understand why executives choose family-owned firms, we surveyed 756 senior-level job seekers in Switzerland. We used established metrics to measure their motivations, focusing on five main factors: high pay, additional perks, admiration of superiors, praise, and pride in work.

Our study also highlighted the unique qualities of family businesses—such as a sense of community, stability, and values-driven culture—that are attractive to job seekers who value meaningful work and a strong alignment with company values.

WHAT WE FOUND

Our research shows that senior-level job seekers interested in family-owned firms have distinct motivations compared to those leaning toward non-family firms:

1. Fulfillment Seekers: Recognition and Accomplishment Matter Most

Fulfillment Seekers prioritize personal recognition and feeling accomplished. They are less motivated by high pay or status and instead value the personal, supportive environment often associated with family businesses. These candidates seek roles where they can see their contributions recognized by leadership and make a tangible impact.

2. Reward Seekers: Balancing Recognition with Economic Incentives

Reward Seekers are motivated by both recognition and tangible rewards, like competitive pay and perks. Despite common perceptions that family businesses offer lower salaries, these candidates still value the stable, supportive culture and are drawn to environments where they feel secure and appreciated.

3. Hero Followers: Admiration for Leaders

Hero Followers are more attracted to non-family firms. They seek status and career progression by working for high-profile leaders, showing preference for structured career paths and the potential for high-status positions.

Additionally, our findings suggest that these candidate profiles respond differently to job advertisements and interactions with recruiters. Family firms can leverage this knowledge to better match their recruitment messaging to appeal to candidates who are likely to thrive within their unique company culture.

TAKEAWAYS

Family-owned businesses can use these insights to refine their recruitment strategies and better communicate their unique value to potential employees. Here's what we recommend:

1. Highlight Recognition and Accomplishment

Both Fulfillment and Reward Seekers are motivated by acknowledgment of their efforts. Family businesses should emphasize their unique environment where employee contributions are genuinely valued and recognized, especially by owners or board members, to form strong connections and enhance retention. This approach is particularly effective in family firms where the sense of community and close working relationships can make recognition more meaningful.

2. Offer Competitive and Well-Rounded Incentive

While it may not always be feasible to match the pay of larger non-family firms, family businesses can offer a mix of financial and non-financial incentives. Consider bonuses, unique benefits like additional vacation days, and values-driven perks such as community engagement opportunities that reflect the supportive culture of family firms. Family-owned businesses can also benefit from regularly benchmarking their incentive packages against competitors to ensure they remain appealing to top talent.

3. Craft Job Ads That Reflect Family Business Values

Use job listings to convey family-oriented values like community, stability, and appreciation. Include clear messages about the family business's commitment to employees, its long-term stability, and how its values influence daily work culture. When interviewing, align your questions with the candidates' motivations to ensure a good fit and reduce turnover from mismatches.

4. Leverage the Family Business's Unique Culture

One advantage family businesses have is their distinct culture, often emphasizing loyalty, stability, and trust. Highlight these qualities in interviews, describing how employees can build long-term careers with growth based on performance and contributions rather than traditional corporate ladder expectations. For example, you might share stories of employees who have grown alongside the company, showcasing your commitment to employee success and development.

5. Emphasize Long-Term Vision Over Immediate Gains

Family businesses are typically values-driven and have a long-term outlook, which can be very attractive to job seekers who value purpose and stability. Consider discussing the company's legacy, values, and vision during the recruitment process. This can be a powerful differentiator, appealing to Fulfillment Seekers and Reward Seekers who are looking for more than just financial compensation and who align with the family firm's goals and values.

CONCLUSION

Recruiting for senior-level positions is costly and requires careful planning. By understanding what drives candidates, family businesses can attract and retain the right people who will thrive in their unique environments. Emphasizing recognition, purpose, and a supportive culture can help family-owned firms stand out to candidates who prioritize meaningful work and are likely to succeed in family-driven environments.

Furthermore, knowing the key motivators of different candidate types enables family businesses to target their recruitment efforts effectively. By aligning job roles and organizational values with candidate expectations, family firms can reduce turnover, strengthen team cohesion, and build a workforce that is both engaged and aligned with the family's vision for the future.

Spotlight by CeFEO, Who wants to work for a family business? How to attract senior managers to a family business? Downloaded on 10 November 2026 from https://doi.org/10.68623/spotlight.2024.2k4

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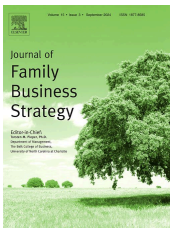
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PUBLISHED IN



Ehlers, A., Rumble, R., Binz-Astrachan, C., & Baù, M. (2024). Fulfillment or status: Job seekers' reward expectations towards family and non-family employers. Journal of Family Business Strategy, 15(4), 100634 (open access).

https://doi.org/10.1016/j.jfbs.2024.100634

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.

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