



Decoding the dark sides of family business: a synthesis, and future research agenda

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Abstract

Numerous contributions to family business recognize its positive impact on economic and social development. However, literature often overlooks the harmful aspects. To fill this void, we conduct a multidisciplinary systematic literature review to analyze the current state of the different dimensions of the dark sides of family business (FB) literature and synthesize the findings into a holistic framework. Our study employs a qualitative synthesis approach to propose a new unified definition of the dark side of FB, identify the antecedents, and analyze the consequences. Subsequently, we identify areas that require greater attention and outline a promising future agenda for advancing the literature on dark side of FB.

Keywords Family business · Ethics · Dark side · Family ethics · Unethical family firms · Scandal

JEL Classification L2 · D1 · D2

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1 Introduction

Family businesses have long been seen as essential contributors to employment and societal well-being, frequently praised for their commitment to economic and non-economic goals (Montiel Mendez & Soto Maciel 2021). These non-economic goals often include hiring family members, preserving family ownership, maintaining harmony within the family and workplace, and upholding the family's social status (Gómez-Mejía et al. 2007; González et al. 2013; Hiebl 2014). Beyond their financial influence, family businesses are often perceived as embodying moral and social values (Burton et al. 2022), earning them a reputation as stabilizers of economies (Sørensen 2008).

However, this favourable narrative has few exceptions. Some family businesses have engaged in unethical or illegal practices, such as those seen in the Satyam Computer Scam, the Trump Organization Tax Fraud, the Gucci family's public disputes, and the Koch brothers' controversies. Family firms, driven by socioemotional wealth (SEW) motivations, may prioritize family control and legacy over organizational transparency (See Arduino et al. 2024). This can inadvertently foster dark behaviors such as nepotism, cronyism, and unethical governance practices (Kellermanns et al. 2012; Ghalke et al. 2023). SEW theory posits that family firms are frequently more inclined to preserve socioemotional wealth—a congruence of emotional attachment, control, and family legacy—over financial goals, leading to behaviors that prioritize family interests over fairness or transparency. These negative examples form what is commonly referred to in the literature as "the dark side of family business" (Montiel Mendez & Soto Maciel 2021).

While the dark side of family businesses has been acknowledged in various studies (Montiel Mendez & Soto Maciel 2021), the existing research still needs to be more cohesive, with significant gaps in both theoretical coherence and practical application. Previous studies have examined specific phenomena such as nepotism, wealth expropriation, and dysfunctional conservatism (Breton-Miller & Miller 2016; Montiel Mendez & Soto Maciel 2021), alongside broader issues like corruption, cronyism and clannism (Medioli et al. 2023; Dobrowolski et al. 2022; Nilakantan et al. 2021). However, these investigations are often isolated, focusing on individual issues without integrating them into a comprehensive framework. Thus, it is observed that it is challenging to develop unified theories to guide academic inquiry and practical solutions. We applied a process-based, structured literature review approach to systematically examine the literature on the dark side of family businesses (see Kraus et al. 2024; Sauer and Seuring 2023). This approach interprets literature as a sequence of stages, encompassing motives, antecedents, steps, influencing variables, and outcomes. By organizing the findings and developing a unified and comprehensive model, we not only integrate various insights but also bridge these research gaps, reveal the interconnections between them, and provide a foundation for future studies to better address the complexities and challenges inherent in family business governance. Moreover, while the literature has concentrated mainly on the positive aspects of family business for several decades, there is a critical need to examine the negative aspects for policymakers, stakeholders, investors, and academics (Pütz &

Werner 2024). Ignoring the adverse effects of the family business may undermine the field's validity and increase the likelihood that literature will remain divided.

Given that FB is widely dispersed and encompasses a variety of disciplines and contexts, we intend to summarize and organize the dark side of FB research and outline a research agenda. Thus, following established guidelines to perform reviews (Rawhouser et al. 2017; Woschank et al. 2020) and to present rigorous (Bacq et al. 2021), transparent, replicable, and reproducible research (Aguinis et al. 2020; Templier & Pare 2018), we conduct a Systematic Literature Review (SLR) (Boell & Cecez-Kecmanovic 2015) of the FB research. Following Kraus et al. (2022), we consider this review as an independent academic study aiming to synthesize the literature comprehensively. We synthesize the literature into an integrative thematic framework by taking stock of it and following a qualitative coding process.

This study makes several contributions by (1) categorizing various dark dimensions associated with and discussed in the FB literature, (2) identifying and elucidating various antecedents that drive FB into the dark side by theorizing across the individual level, managerial level, family level, ownership level, institutional level, and organizational level, (3) exploring the consequences/outcomes of the dark side of FB at individual, organizational and ownership levels, (4) proposing an integrated framework to inspire and inform future research scholars on the gaps identified in the dark side of FB, and (5) concluding by offering implications that help move forward the debate surrounding the dark side of FB by complementing this with existing studies (see Kidwell et al. 2024; Le Berton Miller & Miller 2024).

2 Methodology

2.1 Definition and scope of the review

Our review's focus encompasses the convergence of terminology used to describe the dark-side behavior in FBs as described in the literature, such as 1) "the dark side of the family business," "scandals in the family business," "corruption in the family business," "nepotism in the family business," "bribery in the family business," etc. 2) Following a peer recommendation (Chabowski et al. 2013) and keyword reading across FB articles, we identified the following keywords to be included, which represent the dark-side behaviors such as "narcissistic," "fraud," "Machiavellianism," "toxic," "destructive," "corrupt," "deceptive," "rebel," "sociopath," etc. 3) A combination of synonym was also used following suggestions by Anand et al. (2021), such as "tyranny," "incompetent," "antoinational," "scamster," "insincere," "fake," "dangerous," "lethal," "cheater," "immoral," "Ponzi," "cruel," "exploitative," among others, which may have been used interchangeably with some of the dark-side terminologies. (See Appendix 1 for detailed notes on the rationale for keyword selection.)

2.2 Criteria for inclusion and exclusion of data

Following the established settings to perform reviews (Tranfield et al. 2003), the SLR process will comprehensively document, evaluate, and synthesize all relevant

research on a specific subject and synthesize the previous work in developing an integrated framework (Scheaf & Wood 2021; Tranfield et al. 2003; Fries et al., 2021; Rana 2021).

The first step consisted of our data search and collection. We selected Elsevier's Scopus database to retrieve publications from various peer-reviewed indexed journals. Compared to other databases like Web of Science (WoS) and Google Scholar, Scopus is a convenient, widely used, and robust database (e.g., Thürer et al. 2018). Moreover, a review of Scopus and WoS (Web of Science) journal coverage found that the number of journals indexed exclusively in WoS is deficient, and approximately 97 percent of WoS journals are also included in Scopus. Thus, Scopus is now well-established in conducting literature reviews (e.g., Anand et al. 2021). Second, a keyword search string was developed using an iteration of synonyms and peer suggestions. We searched in the Title, Abstract, and Keywords section of the Scopus database in June 2023 and chose all the subject areas¹ (business, humanities, economics, psychology, criminology, and others). The search process identified 171 publications. Subsequently, we excluded non-English publications, conference proceedings, books, and book chapters (Anand et al. 2021). This process yielded 124 publications. Our second inclusion and exclusion criteria were defined as follows: First, from the 124 publications obtained, we assessed each paper to determine its relevance to the scope of our review. The scope included articles that focused specifically on the family business (FB) dimension, its antecedents, implications, or discussions around ethical misconduct by entrepreneurs. Articles that mentioned relevant keywords only in passing, without directly addressing the FB context, were excluded. This process resulted in a total of 81 articles (see Fig. 1).

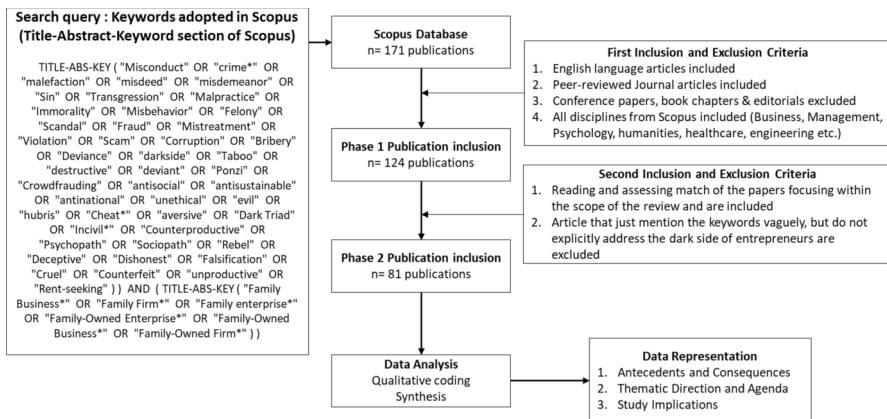


Fig. 1 Summary of methodology
(Source: Authors own)

¹ Scholars are recommended to engage with ideas from disciplines other than their core ones to avoid limiting their ability to detect trends, breakthroughs, and prospective knowledge gaps, draw conclusions, and provide well-grounded recommendations for future research (Jones & Gatrell 2014; Ott & Michailova 2016).

2.3 Data processing and analysis

To understand the patterns in the literature, we adopted the qualitative synthesis procedure (see Anand et al. 2021). Qualitative synthesis allows researchers to go beyond the original research by producing an interpretation of a phenomenon that is more than just a summary of the original study (Bosma et al. 2019). Furthermore, qualitative synthesis facilitates the categorization of literature and offers a more conceptual awareness of a phenomenon (Bosma et al. 2019). Following the protocols for reviewing the literature data (Scheaf & Wood 2021; Snyder 2019), we then identified and categorized themes based on the suggestions followed by Anand et al. (2021), Kraus et al. (2024), Buek et al. (2021), and Gioia et al. (2013). This approach required readings of both articles' raw data and deriving concepts through synthesis and interpretations. In selecting a framework, we aimed for a flexible, process-oriented structure rather than anchoring the review in a single theory. Due to the diverse theoretical approaches within family business research, which lacks a unifying framework, our process-based structure allows us to integrate perspectives across studies while providing a holistic view of the dark-side phenomenon.

We independently read the 81 articles and generated a diverse list of codes (see Fries et al., 2021). To ensure consistency, two authors coded the literature using the framework consistent with Anand et al. (2021), and we applied both internal and external reliability checks (internal reliability among authors and external reliability by checking with family business experts). The coding framework followed the creation of a table matrix in Excel, including columns of authors, theories (adopted and proposed), the research question of the study, the methodology adopted, the dark dimension studied (unproductive, illegal, criminal, etc.), the study perspective/focus (individual, firm, society), the motive (why family firms engage in the dark side), antecedents (causal factors), outcomes (effects of the dark side), level of analysis (study analysis on the individual, manager, owner, stakeholder, society, customers, etc.), study contribution (theory, practice, academic), definition, disciplinary focus (criminology, healthcare, etc.), and other observation (concepts that are not recurring, novel, unique from the search protocols).

Our analysis reveals that the *Journal of Business Ethics* leads with 15 articles on the dark side of family businesses, followed by *Family Business Review* with five articles and *Entrepreneurship: Theory and Practice* with four articles (see Table 1).

Table 1 Academic journals with more than one paper on the Dark Sides of Family Business (Source: Authors Own)

Journal	Number of articles
Journal of business ethics	15
Family business review	5
Entrepreneurship: theory and practice	4
Corporate governance: an international review	2
Journal of family business management	2
Journal of family business strategy	2
Journal of management studies	2
Management decision	2
Sustainability	2

This expanding body of literature demonstrates increasing scholarly interest in unethical behaviors within family businesses, especially in recent years (Table 2). The cross-disciplinary nature of this research, spanning 54 academic journals, reflects the growing academic focus on governance, entrepreneurship, and ethical issues in family business contexts. Highly cited authors such as Eddleston, Kellermanns, and Prencipe focus on family business conflicts, earnings management practices, and tax avoidance (Chen et al. 2010; Eddleston & Kellermanns 2007; Prencipe et al. 2008). Others, such as Großmann and Schlippe (2015), explore the fertile environment for conflicts in family businesses, while Yamanoi and Asaba (2018) examine the impact of corruption on foreign investment.

Figure 1 illustrates our step-by-step methodology for selecting and categorizing the literature on the dark side of family businesses. The aspects presented in the figure align with the detailed description in the Methodology section, reflecting our inclusion/exclusion criteria and the applied multi-level analysis framework.

3 Findings

3.1 Definition and characteristics of the dark side of FB

Table 3 presents a comprehensive overview of the definitions and descriptions of the dark dimensions discussed in the FB literature. The analysis that examined the facets of FB within a particular institutional setting (such as countries) revealed few shared characteristics and considerable discrepancies. The definitions provided in Table 3 encompass a variety of actions that can arise as a result of specific institutional contexts (e.g., the United States, Norway, Colombia, China, etc.), individual traits (e.g., personality), institutional factors (e.g., political affiliations), or deliberate/opportunistic motivations (e.g., greed, deviance, and Fredo effects). This emphasizes the interdisciplinary nature of FB. Nevertheless, in instances where multiple authors employ distinct characteristics to exemplify the identical terminology, such as in the case of FB, conceptual incongruities may arise (Mone & McKinley 1993; Scheaf & Wood 2021).

Moreover, more clarity in research findings is needed to discern the fundamental insights and limitations of FB. In this discourse, we posit that the term ‘dark side’ pertains to the inherent trade-offs and conflicts that emerge within the context of family businesses and impede the attainment of success. From the SEW perspective, these trade-offs stem from the need to maintain family control, legacy, and emotional attachment, often resulting in detrimental behaviors when family interests undermine organizational efficiency and transparency. Therefore, the current definition and liter-

Table 2 Distribution of publications over the years
(Source: Authors Own)

Year	1998	2002	2005	2007	2008	2009	2010	2012	2013	
Number of publications	1	1	1	2	1	1	1	4	3	
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of publications	2	6	3	6	6	8	8	9	13	5

Table 3 Definition of various dark dimensions that exist in the family business literature (Source Authors own)

Dark side category	Dark dimension(s) in family business	Author	Definition/Description	Characteristics	Study context
Individual and managerial characteristics	Hubris leader	Agni-hotri—Bhat-tacharya (2022, p. 220)	Hubris, a personality trait, results in an aggrandized belief about the executive's capabilities that is deviant from reality (Hayward & Hambrick 1997). Hubristic executives are affected by heightened levels of self-confidence and self-worthiness (Hribar & Yang 2016; Li & Tang 2010)	Leader hubris impact on FBs' internationalization	India
	Abusive Supervision	Arasli et al. (2021, p. 1)	Abusive supervision is the subordinates' subjective perception of the display of sustained hostile aggression by their supervisor, which can include belittlement, exclusion, and open rebuke—any abusive behavior short of actual physical contact. (Tepper et al. 2011)	Abusive supervision impact on employee organizational identification	Turkey
	Favoritism	Akuffo—Kivipõld (2019, p. 371)	Arasli and Tumer (2008, p. 1239) defined favoritism as "the provision of special privilege to friends, colleagues, and acquaintances, in areas of employment, career and personnel decisions."	Managers' competences impact on favoritism	Ghana
	Deviant Behaviours	Cooper et al. (2013, p. 458)	'Deviant' behavior refers to actions that differ or deviate from a norm or accepted societal standards	Family dynamics impact on employee deviance cycle	NA
	Destructive leader	Robinson et al. (2009, p. 228)	The destructive leader—i.e., striving for personal gains over collective organizational interests and/or focusing on short-term gains over long-term organizational goals	Destructive leadership impact on succession	NA
	Greed	Haynes et al. (2015, p. 480)	Greed—the 'desire for an active pursuit of extraordinary material wealth' (Haynes et al. 2017, p. 557)	Greed's impact on entrepreneurial leaders	NA

Table 3 (continued)

Dark side category	Dark dimension(s) in family business	Author	Definition/Description	Characteristics	Study context
Family characteristics	Nepotism	Dobrowolski et al. (2022, p. 238)	Nepotism is the perceived preference one family member gives to another (Jones and Gatrell 2014)	Nepotism's profit boundaries	Poland & Albania
	Cronyism	Dobrowolski et al. (2022, p. 238)	Cronyism is the mutual support of people related by intimacy or belonging to a specific group. Cronyism is otherwise known as protection, based on informal connections	Cronyism's profit boundaries	Poland & Albania
	Clannism	Nilakanthan et al. (2021, p. 792)	Clannism—is sometimes defined as “an informal organization comprised of a network of individuals linked by immediate and distant kinship and by fictive kin identities” (Minbaeva & Muratbekova-Touron 2013, p. 110)	Clannism impact on microfinance-backed small businesses	India
	‘Inherited ethical dilemma’	Litz-Turner (2013, p. 299)	‘Inherited ethical dilemma’ (hereafter designated as IED) is defined as a difficult moral quandary that a decisionmaker(s) finds themselves in because of choices made or behaviors enacted by an elder generational actor to whom they are related—specifically a parent	Successor confronts an inherited ethical dilemma	NA
	Fredo Effect	Kidwell et al. (2012, p. 503)	Fredo effect is defined as where a family member's incompetence, opportunistic behaviors, and/or ethically dubious actions can impede the firm's success, potentially resulting in a scandal that could lead to the firm's demise and a negative economic impact on employees, customers, and other stakeholders	Fredo effect impact on FB	USA
Organizational Intricacies	Financial misconduct	Shi et al. (2022, p. 808)	Financial misconduct occurs when managers take actions designed to deceive shareholders or other key stakeholders (Connelly et al. 2017; Shi et al. 2016)	Control rights prevent financial misconduct	China

Table 3 (continued)

Dark side category	Dark dimension(s) in family business	Author	Definition/Description	Characteristics	Study context
	Entrenchment	Agni-hotri—Bhattacharya (2022, p. 222)	Entrenchment is “the extent to which managers fail to experience discipline from the full range of corporate governance and control mechanisms, including monitoring by the board.” (Berger et al. 1997, p. 1411)	Chairperson's entrenchment effect on monitoring	India
	Internal Control	Chen et al. (2020, p. 247)	Internal control is the internal mechanism that directly detects and deters value-destroying entrenchment activities, such as asset expropriation and earnings manipulation (PCAOB Auditing Standard AS 5, PCAOB 2007) /internal control material weaknesses (ICMWs)/	Owners' exploitation of internal control weaknesses for entrenchment	USA
	Conservative financial reporting	Chi et al. (2019, p. 1)	Conservative financial reporting is defined as the imposition of stricter verification standards for recording good news as gains than for recording bad news as losses	Political ties influence FB's conservative financial reporting	Taiwan
	Psychological contract violation	Arasli et al. (2019, p. 198)	Psychological contract violation (PCV) refers to an employee's feeling of anger and betrayal when they believe that the organization has failed to keep its promises' (Suazo 2009, p. 142)	Contract violation's impact on turnover	Turkey

Table 3 (continued)

Dark side category	Dark dimension(s) in family business	Author	Definition/Description	Characteristics	Study context
	Earnings management	Pren- cipe et al. (2008, p. 72)	Earnings management is a “purposeful intervention in the external financial reporting process to obtain some private gain” (Schipper 1989, p. 92). In a generally accepted perspective, earnings management occurs “when managers use judgment in financial reporting and in structuring transactions to alter financial reports to either mislead some stakeholders about the underlying economic performance of the company or to influence contractual outcomes that depend on reported accounting	Motivations for earnings management	Italy
	Control concentration	Ed- dleston— Keller- manns (2007, p. 551)	Control concentration is defined as the level of power held by family firm members (Gersick et al. 1997)	Control concentra- tion influences rela- tionship conflict & participative strategy process	USA
	Organi- zational Wrongdoing	Smulow- itz et al. (2023, p. 1234)	Organizational wrongdoing is defined as firm behavior that a social-control agent (e.g., the government) judges as transgressing a line separating right from wrong	Wrongdoing in CSR	USA
Institutional & Stakeholder Influence	Corruption	Medioli et al. (2023, p. 2)	Public corruption involves abusing power for personal gain (Aguilera & Vadera 2008; Collins et al. 2009; Luiz & Stewart 2014). The impact of bribery is relevant and generalized; corruption is detrimental to economic growth (Mauro 1995; Mo 2001) and reduces investments, innovation, and performance (Yang 2017)	Corruption impact on FB	Italy, France & Germany

Table 3 (continued)

Dark side category	Dark dimension(s) in family business	Author	Definition/Description	Characteristics	Study context
		Bas-setti et al. (2015, p. 220)	Corruption: the abuse of public power for private benefit (J. P. Choi & Thum 2004; Tanzi 1998). Here, business corruption is of interest; we focus on informal payments, that is, payments made outside official channels to public officials to influence or accelerate a governmental outcome or decision (Shleifer & Vishny 1993)	Corruption's impact on exporting	Eastern European countries
	Anomie	Mafrolla et al. (2023, pp. 439–440)	“Anomie, in a general sense, refers to weaknesses in the normative order of a society” (Messer & Rosenfeld 2009, p. 210)... In contemporary societies, anomie results from cultural values that overemphasize economic goals while ignoring the moral adequacy of the means adopted to achieve these goals	Anomie impact on accounting misbehavior	18 European countries, Australia, Hong Kong, the Philippines, Singapore, South Africa

ature reviews encompass a wide range of behaviors associated with abusive managers in family enterprises, deviant behaviors, and violations of the psychological contract in family firms. However, it is essential to note that the notion of the 'dark side' lacks a precise definition regarding specific behaviors, practices, and acts. Instead, it serves as a broad term encompassing several negative inclinations commonly connected with the literature on family business.

Furthermore, when reviewing definitional perspectives in our context, it is crucial to consider the quality of the acts and the individuals who committed or related to them. A shared characteristic of family owners and managers is their propensity for exhibiting toxic behaviors, often justified as necessary to preserve socioemotional wealth, even when these actions harm the business or its external stakeholders. For example, these individuals cause significant negative consequences through their various activities, such as corruption (Breton-Miller & Miller 2024; Luechapattaporn & Wongsurawat 2021), anomie (Mafrolla et al. 2023), nepotism (Dobrowolski et al. 2022), conservative financial reporting (Chi et al. 2019), and wrongdoing (Smulowitz et al. 2023). Additionally, their actions, such as abusive supervision, deviant behaviors, and breaches, contribute to the harm inflicted (Arasli et al. 2021). Dysfunctional personality traits, such as narcissism and destructive leadership, also play a role in perpetuating these adverse outcomes (Montiel Mendez & Soto Maciel

2021; Pelster et al. 2023), exacerbated by SEW, as family members prioritize their socioemotional wealth over effective governance and transparency.

While we identify several of the dark dimensions in FB literature, it is important to recognize the substantial contribution of Montiel Mendez and Soto Maciel (2021), who were pioneers in the conceptualization of the "dark side of family businesses" (DSFB) as a multidimensional construct. A synthesis of diverse dimensions of family firm dysfunction, including entrepreneurial personality traits, governance challenges, and contextual factors, is provided by their framework. Building upon this foundation, through the use of more comprehensive approach and resolving the inconsistencies in terminology and definitions that continue to exist within the field—we aim to refer to the “dark side” of the family business as *the intentional or unintended actions of the owner(s) or managers of a family business in a formal or informal setting that may be perceived as having an destructive or moral effect in a specific institutional environment*. As a result, this conduct fosters a lack of confidence among individuals or groups with a vested interest and negatively affects societal, financial, and organizational principles. This working definition of the dark side of FB also provides a conceptual umbrella to encompass specific dark behaviors of family business in a particular institutional context.² (e.g., corruption, bribery, etc.). Table 3 provides a comprehensive overview of various dark dimensions in the family business literature. Each dimension is aligned with the definitions and descriptions presented in the preceding sections and categorized according to their relevance to family business-specific contexts. This table frames the dark behaviors discussed in the literature, connecting them to critical characteristics and study contexts.

3.2 Antecedents of dark side of FB

In line with our process-based framework, the following part of the findings section outlines elements of the process (antecedents, motives, contributions, and outcomes), positioning them as integral stages in the dark-side phenomenon of family businesses. Following this structured process, we highlight how various elements build upon and influence each other, presenting a coherent narrative.

The coding analysis revealed a variety of attributes that subsequently lead to and contribute to FB (see Table 4). We identified the antecedents and categorized them into a thematic analysis to account for the conceptual and empirical findings. As a result, studies on the antecedents of FB were divided into the following broad categories: individual-level, family-level, institutional- and stakeholder-level, and organizational-level.

Table 4 presents the identified antecedents of dark behaviors in family businesses. Each antecedent is linked to the thematic categories outlined in the text, which span individual, family, organizational, and societal levels of analysis. The table follows the same structure as the text, ensuring that every discussed antecedent is represented.

² Corruption and a lack of proper resources frequently impede institutional effectiveness, which can lead to negative consequences (Valente & Crane 2010) and as a result, entrepreneurship might have negative consequences (Bowen & De Clercq 2008; Smallbone & Welter 2001) or drive entrepreneurs to rely on deviant means. Regardless of their unique attributes, entrepreneurs might be seen of as victims of a hostile institutional environment.

Table 4 Antecedents of the Dark Side of FB
(Source Authors own)

Individual level	Categories	Antecedents	Exemplar
	(Dark) personality traits	Overconfidence in abilities, egocentrism, Machiavellianism, narcissism, psychopathy, greed and hubris, heightened sensation seeking in engaging in risky activities. Narcissistic identification with the organization, role conflict, and ambiguity on separation of home and work responsibilities	Pereira et al. (2021), Montiel Mendez—Soto Maciel (2021), Agnihotri—Bhattacharya (2022), Pelster et al. (2023), Richards (2023), Robinson et al. (2009), Zheng et al. (2017) Gottschalk—Astring (2020), Cooper et al. (2013)
	Biological sex	Female family directors mitigate the impacts of adverse interaction and effectively reduce instances of company infringements	Richards (2023), O'Brien et al. (2018), Liao et al. (2021)
	Family managers' age and education	There's an association between a manager's age, education, and religious beliefs and the occurrence of unethical behaviors	Akuffo—Kivipold (2019), Gallo (1998), Kavas et al. (2020)
	Interpersonal social influences	Level of friendship between non-family employees and individuals from other social groups	Marler and Stanley (2018)
	Abusive supervision and favoritism	Abusive supervision and favoritism from family leaders; fairness views and role ambiguity among family members; workplace deviance, asymmetric altruism, and patriarchy	Arasli et al. (2019), Arasli et al. (2021), Wu et al. (2022), Kidwell et al. (2012), Löhde et al. (2021)
Family level	Categories	Antecedents	Exemplar
	Genetical relation	Genetical relation to the owner had a greater propensity to engage in larceny and diminished perception of the severity of potential penalties	O'Brien et al. (2018)
	Protection of SEW	The desire to protect the SEW of the family may lead to engaging in unethical behavior; however, a potential negative impact on reputation may also serve as a deterrent from illicit behaviors	Ding-Wu (2014), Haynes et al. (2015), Smulowitz et al. (2023), Gaaya et al. (2017), Tsao et al. (2019), Principe et al. (2008), Amore—Marzano (2022), Gayana et al. (Gavana et al. 2019), Guttman—Yacouel (2007), Kellermanns et al., (2012)
	Relationship quality of family members	Intrafamily conflicts may serve as a catalyst for dark side behavior; positive familial relationships can contribute to a participative strategy development process	Rondi et al. (2023), Eddleston—Kidwell (2012), Eddleston—Kellermanns (2007), Gottschalk and Astring (2020)
	Psychological functioning of the successor	Psychological well-being, the imposter phenomenon, psychological entitlement	Shanine et al. (2023), Litz—Turner (2013)

Table 4 (continued)

Individual level	Categories	Antecedents	Exemplar
	Number of family generations	Founder firms are less likely to indulge in earning management; after the death of a charismatic leader, family proprietors are more inclined to uphold family values and thus engage in opportunistic behavior	Martin et al. (2016), Yu–Kwan (2013)
	Family values and norms	Promotion of loyalty; parental benevolence, nepotism; norms of maintaining family harmony; the presence of the founding family's name in a family business	Dobrowolski et al. (2022), Kidwell et al. (2012), Eddleston–Kidwell (2012); Pereira et al. (2021); Kashmiri–Mahajan (2014)
	Reputation	The emphasis placed on a company's reputation reduces the likelihood that it will engage in profit manipulation and earnings management. Families with greater public prominence have a lower propensity to engage in financial impropriety	Gavana et al. (2019), Guttman-Yacouel (2007), Shi et al. (2022)
	Nepotism, conflicts, and ambiguities	Role conflict and ambiguity. This, in turn, can contribute to an organization-wide cycle of deviant behavior. Parental benevolence, nepotism, conflict, and family dynamics can have an additional impact on deviant behavior	Cooper et al. (2013), (Eddleston et al. 2020), Pereira et al. (2021), Kashmiri and Mahajan (2014), Mendez–Maciel (2021), Eddleston and Kidwell (2012)
	Incentives	Certain extrinsic factors may serve as incentives for family-owned enterprises to partake in illicit practices, such as bribery or management fraud	Eddleston et al. (2020), Yacoub et al. (2022)
Ownership level	Categories	Antecedents	Exemplar
	Family/owner control	An increase in issues pertaining to ownership and control within a family firm is positively associated with the emergence of its dark side; owners assuming managerial roles often engage in dishonest practices. Tight control by family owners increases the likelihood of rent collection at the detriment of minority stakeholders; the equal inheritance of ownership rights within a family can also lead to rent-seeking behavior among family members	Montiel Mendez–Soto Maciel (2021), Gallo (1998), Da Silva–Mourao Graminho (2006), Yamanoi–Asaba (2018), Ramirez-Orellana et al. (2017), Torres et al. (2017), Chi et al. (2019)
	Owners' personality traits	The predecessor's personality traits may contribute to the emergence of detrimental leadership and misconduct within the organization	Richards (2023), Robison et al. (2009), Zheng et al. (2017), (Pereira et al. 2021; Trippe & Baumol 2015; Großmann & Schlippe 2015)
Organizational level	Categories	Antecedents	Exemplar

Table 4 (continued)

Individual level	Categories	Antecedents	Exemplar
	Family owner-managers with political affiliations	Family firms led by a founder or family CEO possessing political affiliations are more prone to participating in rent-seeking behavior and exhibit a reduced inclination toward implementing conservative financial reporting practices	Chi et al. (2019)
	Lack of corporate governance	The quality of internal control and the adoption of poor corporate governance measures may also serve as a catalyst for becoming involved in illicit activities	Chen et al. (2020), Da Silva–Mourao Graminho (2006), Dela Rama (2012), Chi et al. (2019)
	Organizational culture	Informal governance practices may develop a sense of entitlement towards engaging in embezzlement; internal organizational variables (poor management practices, ineffective human resource policies, and operational inefficiencies) may result in the adoption of questionable practices in the implementation of organizational processes	Zheng et al. (2017), Yacoub et al. (2022), Gottschalk–Asting (2020), Wu et al. (2020), Kashmiri–Mahajan (2014)
Institutional level	Categories	Antecedents	Exemplar
	Quality of public governance and level of corruption	The presence of regional corruption and the quality of public governance can serve as a catalyst for family enterprises to participate in unlawful businesses	Medioli et al. (2023), Mafrolla et al. (2023), Joni et al. (2020), Ullah et al. (2021), S. Jiang–Min (2023), Hammad (2019), Bassetti et al. (2015)
	The context of emerging economies	Limited institutional development tends to support the prevalence of oligarchic family-controlled enterprises; family businesses accepting bribery as a norm can contribute to the establishment and perpetuation of an unethical climate	Soleimanof et al. (2018), Eddleston et al. (2020)
	Economic development	With the advancement of industrialization and economic development, the importance of individualized corrupt connections is likely to diminish	Khan (2022)
	National culture and tradition	National culture and tradition provide interpretative frames for evaluating specific techniques (gift giving, guanxi, etc.) as unethical	Sison et al. (2020), Luechapattanaorn and Wongsurawat (2021)
	Lack of financial institution regulation and investor protection	Actors and stakeholders within the market exhibit diverse responses when facing potential misconduct within a family-owned enterprise which can have an influence on the realization of unethical practices in family firms	Rahman et al. (2016), Stacchini and Degasperis (2015), Krishnan–Peytcheva (2019), Jia (2017), Wu et al. (2020), Asthana (2012)
	Underdeveloped financial markets	The presence of underdeveloped financial markets and inadequate institutional safeguards for minority investors may contribute to family firm owners engaging in illicit activities	Gaaya et al. (2017), Krishnan–Peytcheva (2019), H. Choi et al. (2018)

3.3 Antecedents at the individual level

Based on the review, it has been observed that individuals within a family unit exhibit a higher propensity to partake in negative behaviors due to their traits. For instance, individuals with *dark personality traits* often display overconfidence in their abilities (Pereira et al. 2021). Furthermore, *egocentrism* is another characteristic commonly associated with dark personality traits, as highlighted by Pereira et al. (2021) and Montiel Mendez-Soto Maciel (2021). The dark side triad, which encompasses Machiavellianism, narcissism, and psychopathy, is also linked to unethical behaviors (Montiel Mendez & Soto Maciel 2021). *Greed and hubris* have been identified as additional manifestations of dark personality traits (see Montiel Mendez-Soto Maciel (2021) and Agnihotri-Bhattacharya (2022)). SEW motives can exacerbate traits such as overconfidence and greed as individuals seek to protect family interests over business efficiency.

Cooper et al. (2013) posit that the failure of family employees to effectively separate their home and work responsibilities and their inclination towards disregarding role boundaries leads to role conflict and role ambiguity. These factors contribute to a vicious cycle of deviant behaviors within the organization. Moreover, it has been observed that individuals with dark personality traits exhibit a tendency towards engaging in unethical behaviors—encompassing heightened sensation seeking and a propensity for engaging in risky activities (Pelster et al. 2023).

While specific antecedents, such as biological sex, manager's age, education, or friendship, are not inherently harmful, their impact on family business dynamics can lead to unfavorable outcomes under specific conditions (e.g., failures in governance, power imbalances, or unethical behavior). Additionally, there is contention that *biological sex* may exert an influence on the degree to which individuals within a family partake in acts of organizational misconduct. Although the presence of women in leadership positions can be a neutral factor, gender dynamics may influence governance and behavior in certain situations. For instance, Richards (2023) emphasized that the presence of female family directors mitigates the adverse interaction impact associated with the non-financial objective of power exertion. Similarly, O'Brien and colleagues (2018) propose that females exhibit a decreased propensity to report theft intents when they anticipate more severe fines or a more significant probability of whistleblowing than their male counterparts. Liao et al. (2021) highlight that female controlling shareholders can effectively reduce instances of company infringement.

The literature emphasizes the association between *managers' age* (Akuffo & Kivipöld 2019) and *education* (Akuffo & Kivipöld 2019; Gallo 1998) and the occurrence of unethical behaviors such as nepotism, favoritism, and cronyism by family members of the firm. Furthermore, Marler and Stanley (2018) highlight that *friendships* between non-family employees and individuals from other social groups can significantly impact their organizational citizenship behavior, decreasing levels and increasing deviant behavior. Conversely, *abusive supervision* and *favoritism* inside a workplace can result in the breaking of psychological contracts, thereby impacting organizational identity (Arasli et al. 2019, 2021).

3.4 Antecedents at the level of family

Family dynamics may also influence the negative characteristics observed in family businesses. O'Brien et al. (2018) found that individuals who believed they were genetically related to the owner had a greater propensity to engage in larceny and a diminished perception of the severity of potential penalties and the likelihood of being reported. The desire to protect the *socioemotional wealth* of the family may lead family members to engage in unethical behaviors such as avarice and hubris (Ding & Wu 2014; Haynes et al. 2015; Smulowitz et al. 2023). The proprietorship family has a significant stake in maintaining its reputation (*socioemotional wealth*), influencing the propensity to engage in organizational wrongdoing. According to Gaaya et al. (2017), the potential negative impact on one's reputation, in the event of discovery, may serve as a deterrent for family proprietors engaging in tax fraud.

Destructive relationships and organizational misbehavior, such as food safety violations, sabotage, blocking, and exclusion, can be influenced by several factors, including a negative relationship with other family members, family conflicts in the workplace, and the emergence of conflict-driven communication patterns (Pereira et al. 2021; Trippe & Baumol 2015; Großmann & Schlippe 2015). Similarly, Gottschalk and Asting (2020) contend that narcissistic identification with the organization leads managers to perceive no clear differentiation between their finances and the financial resources of the company. Rondi et al. (2023) theorized that intrafamily conflicts within the context of company operations may catalyze individuals to engage in illicit behavior, such as controversies resulting from feuds, deception, or the presence of black sheep and bad eggs.

There is a contention that the *psychological functioning* of the successor, including factors like psychological well-being, the imposter phenomenon, and psychological entitlement, has the potential to result in the engagement of dark side practices (Litz & Turner 2013; Shanine et al. 2023). When the subsequent generation is confronted with unethical behavior stemming from the previous generation, the reactions of the successors are influenced by their normative obligations, commitment, and managerial discretion (Litz & Turner 2013).

As demonstrated by the research of Gavana et al. (2019) and Guttman-Yacouel (2007), the emphasis placed on a company's reputation reduces the likelihood that it will engage in profit manipulation and earnings management. Due to a combination of economic objectives and non-economic strategic decisions, family businesses are less likely to engage in earnings management practices intended to increase income. According to Martin et al. (2016), founder firms are less likely to indulge in income-increasing earnings management than later generations. In contrast, Shi et al. (2022) assert that families with greater public prominence have a lower propensity to engage in financial impropriety. Dobrowolski et al. (2022) argue that promoting loyalty as a familial norm, exemplified by the expectation of silence regarding the misdeeds of other family members, may foster criminal cultures.

Montiel Mendez and Soto Maciel (2021) investigated the influence of family and corporate values and norms on unethical behavior. In contrast, Kidwell et al. (2012) contend that there is a negative correlation between family harmony norms and fam-

ily impediments. Hence, family dynamics can also impact deviant behavior through parental benevolence, nepotism, and conflict.

Kellermanns et al. (2012) suggest that the emotional attachment of family members and the desire to protect socioemotional wealth (SEW) can act as antecedents for dark behaviors, particularly when family control and influence are threatened, leading to actions such as rent-seeking and manipulation of governance structures.

Cooper et al. (2013) state that the inability of family employees to effectively divide their home and professional responsibilities can result in negative emotions due to role conflict and ambiguity. Eddleston et al. found (2020) that family businesses may face more significant bribery-related challenges than non-family businesses. This is because family business proprietors tend to perceive the prevalent business environment through the lens of their family. According to Pereira et al. (2021), nepotism may foster a climate of informality, resulting in diminished risk perceptions and an increased likelihood of food safety violations. Kashmiri and Mahajan (2014) contend that the presence of the founding family's name in a family business may affect the firm's propensity to introduce products with superior quality and safety standards and their commitment to ethical market practices. This includes avoiding product-related controversies, including misleading advertising, price fixation, collusion, and predatory pricing.

According to Montiel Mendez and Soto Maciel (2021), succession and generational transitions can impact family businesses, causing them to engage in unscrupulous or morally dubious practices. Yu and Kwan (2013) observed that after the death of the company's founder, charismatic leadership ceases to exist within the organization, causing family proprietors to be more inclined to uphold traditional Chinese family values. Therefore, opportunistic behavior is more likely, such as rent-seeking, rent-squandering, and deception. In contrast, it has been hypothesized (Nilakantan et al. 2021) that the household size and the family's dependency ratio may act as catalysts for family businesses to engage in illegal activities.

While certain extrinsic factors may incentivize family-owned enterprises to partake in illicit practices, it is essential to acknowledge that these businesses can also contribute to establishing and perpetuating an unethical climate. Eddleston et al. (2020) examine the phenomenon known as the bribery paradox. Family enterprises may employ corrupt practices such as bribery to eliminate obstacles and secure an unjust temporary edge over competitors. However, this behavior establishes a lasting corporate atmosphere characterized by numerous institutional impediments. According to Yacoub et al. (2022), owners and managers have challenges learning from and rectifying their errors, such as management fraud. These difficulties can be attributed to unfavorable macroenvironmental conditions, including a protracted history of conflicts, a weakened economy, national security concerns, and strikes.

3.5 Antecedents at the level of ownership

The predecessor's personality traits may also influence misconduct within the organization. The study by Richards (2023) demonstrates that the non-financial purpose of exercising authority and influence reinforces patriarchal dominance within family units. Similarly, Robinson et al. (2009) postulated that a predecessor's traits can con-

tribute to the emergence of detrimental leadership and related behaviors. According to Zheng et al. (2017), there is a correlation between Machiavellian organizational culture and the Machiavellian characteristics exhibited by the proprietor.

Various antecedents associated with the ownership structure and control concentration of family businesses engaging in unethical practices have been identified in the literature. Although control concentration is not necessarily detrimental, it can moderate the probability of dark behaviors under certain conditions. For instance, when control concentration is coupled with poor governance structures or a lack of transparency, it may increase the possibility of opportunistic behaviors such as nepotism or the expropriation of minority shareholders. These behaviors include violations of ethical standards (Gallo 1998), unethical behavior related to products (Kashmiri & Mahajan 2014), corruption (Carvalho da Silva & Graminho 2006; Yamanoi & Asaba 2018), manipulative earnings management (Teh et al. 2017), and conflicts within relationships (Eddleston & Kellermanns 2007). In their study, Montiel Mendez and Soto Maciel (2021) proposed that an increase in issues related to ownership and control within a family firm is positively associated with the emergence of its dark side.

According to Tsao et al. (2019), family owners will likely violate the debt covenant when prioritizing SEW's "Family Control and Influence" aspect. This is due to the potential risk of jeopardizing their immediate family's power and influence if they fail to address these two concerns. Moreover, with the expansion of family control, there is a tendency for families to retain ownership for an extended duration or transfer it to descendants or other individuals within the family. According to Ramírez-Orellana et al. (2017), owners who simultaneously assume managerial roles and want to optimize their organization's worth often resort to dishonest practices.

The tight control exerted by family owners may increase the likelihood of rent collection to the detriment of minority shareholders. This is because such control may enable family self-dealings to remain unmonitored by other shareholders within the organization (Chi et al. 2019). There is a contention that family firms held by business groups are more prone to engaging in criminal activities related to in-group transactions and self-dealing (H. Choi et al. 2018). Additionally, these firms may exhibit deviant incentives and expropriate non-family shareholders (Torres et al. 2017). H. Choi et al. (2018) discovered a positive correlation between the level of ownership held by controlling shareholders in a distressed affiliate within a chaebol and the frequency of in-group transactions involving the affiliate.

The potential rent-seeking behavior of majority owners is a source of concern for minority shareholders (Chen et al. 2010; Gaaya et al. 2017). According to Yu and Kwan's (2013) study, the equal inheritance of ownership rights within a family can also lead to rent-seeking behavior among family owners. Moreover, due to the prioritization of family control and influence over economic goals, family enterprises with robust systems to enhance control are less inclined to partake in tax evasion practices.

Nevertheless, the prevalence of tax avoidance increases directly with the extent of family ownership and is contingent upon the number of shareholders involved. In contrast, Gavana et al. (2019) claim that family control within a corporation mitigates the impact of non-ethical practices. (The desire to maintain the family's power and influence over the business and the strong interest in the company's reputation reduce the manipulation of profits, which is linked to the third type of agency problem).

3.6 Antecedents at the organizational level

The degree to which a firm engages in unethical acts, such as dark practices, is influenced by various organizational features. These characteristics include the longevity of the family enterprise (Adams et al. 2002) and the company's scale (Kidwell et al. 2012). Further, family firms led by founders or CEOs with political affiliations are more prone to participating in rent-seeking behaviors while exhibiting a reduced inclination toward implementing conservative financial reporting practices (Chi et al. 2019). Chen et al. (2020) emphasized that disclosing internal control quality to the public can mitigate entrenchment. In family firms with strong SEW, family members frequently prioritize control and legacy, resulting in manipulative governance practices, including rent-seeking, financial misreporting, or tax avoidance.

Scholars have posited that the extent of marketization (Song et al. 2021) and the level of corruption within both the industry and the host country are influential factors contributing to the prevalence of illicit practices within family enterprises (Yamanoi & Asaba 2018; dela Rama 2012; Medioli et al. 2023; Song et al. 2021). For example, researchers have found that family managers establish and maintain strong personal or familial connections with key individuals in local government and public sector organizations (Song et al. 2021; Giousmpasoglou 2019). The 'transactions' (e.g., bribes) are executed on behalf of enterprises by local intermediaries who know how to effectively engage with the 'appropriate' individuals (Giousmpasoglou 2019).

Conversely, it has been contended that adopting poor corporate governance measures may also catalyze family-owned enterprises to become involved in illicit activities, such as corruption (Carvalho da Silva & Graminho 2006; dela Rama 2012). Terlaak et al. (2018) have underscored the significance of transparency deficiencies, inadequate corporate governance standards, and the interconnectedness of business group affiliates, which collectively facilitate controlling families' pursuit of personal enrichment through fraudulent activities. Furthermore, when a family-owned company possesses an inadequate internal control system characterized by vulnerabilities, the family proprietors can take advantage of these weaknesses with minimal chances of detection by independent directors or minority shareholders (Chen et al. 2020).

In situations where *informal governance* prevails and there is a shortage of effective social control mechanisms, such as mutual trust, shared attitudes, and common values, certain executives may develop a sense of entitlement towards engaging in embezzlement. Several scholars highlight managerial involvement's significance in organizational wrongdoing within family enterprises. According to Zheng et al. (2017), it is argued that an owner with Machiavellian tendencies can cultivate a *Machiavellian company culture*, which in turn might result in employees engaging in counterproductive work behaviors. In addition, Arasli et al. (2019) posit that a job-insecure climate and authentic leadership in organizations can moderate the association between favoritism and turnover intention.

Yacoub et al. (2022) argue that internal organizational cultural variables, such as poor management practices, ineffective human resource policies, and operational inefficiencies, are more significant in driving business failure. This is because when owners lack control over management, management is more likely to engage in

fraudulent activities. In the context of human resources management, it is plausible that an inappropriate corporate remuneration policy could significantly exacerbate the agency problem. According to Gottschalk and Asting (2020), the presence of inequitable compensation and rewards by organizations may lead individuals to engage in efforts to restore the appearance of fairness. According to Jia (2017), a significant disparity in compensation between the CEO and senior management and the potential for CEO turnover may contribute to financial misbehaviour, including misreporting and financial fraud. On the other hand, elevated executive remuneration may result from managers' manipulation of business results, leading to adverse effects on operations management (Wu et al. 2020).

Montiel Mendez and Soto Maciel (2021) have emphasized that within family enterprises, implementing organizational and entrepreneurial processes may result in adopting questionable practices. More specifically, the operation of the family firm can lead to pollution as well as the firm's branding strategy and product diversification, and its product-related strengths/weaknesses can induce product-related unethical behavior, such as product-related controversy (e.g., deceptive advertising, price fixing, collusion, predatory pricing) (Kashmiri & Mahajan 2014).

3.7 Antecedents at the institutional level

Although family enterprises typically do not have the explicit purpose of participating in illicit or unethical actions, specific external forces can potentially compel them to engage in illegal behavior. For example, *regional corruption* and the quality of public governance can potentially serve as catalysts for family enterprises to participate in unlawful businesses (Medioli et al. 2023). Family businesses driven by SEW may participate in unethical practices like bribery or rent-seeking to protect family influence and reputation in corrupt environments with weak institutional governance. A study conducted by Mafrolla et al. (2023) demonstrated that sociological structures, encompassing legal forces, cultural norms, and social institutions, can potentially serve as catalysts for family enterprises to engage in unethical behaviors.

As an illustration, specific social structures, such as the economy, incentivize individuals to place greater significance on attaining objectives. The amplification of economic power fosters a propensity among individuals to seek these goals, albeit resorting to illicit methods. According to Cullen et al. (2004), families and other social institutions play a role in shielding their members from the influence of the marketplace, placing restrictions on economic pursuits, and prioritizing non-economic purposes. According to Guttman and Yacouel (2007), the expansion of markets and the demise of traditional societal structures have rendered the reputation of family-owned businesses insufficient in sustaining their performance. This is due to the gradual dissemination of information regarding market cheating in larger market contexts.

Family businesses in *emerging economies* encounter various obstacles and operate within unpredictable circumstances. Moreover, governments exercise authority over the allocation of resources, thereby fostering a climate that incentivizes firms to engage in rent-seeking conduct (Joni et al. 2020). Soleimanof et al. (2018) highlight the concept of a development trap, wherein countries may become ensnared due to

the interdependent relationship between institutional growth and the consolidation of power within influential business dynasties. To be more precise, limited institutional development tends to support the prevalence of oligarchic family-controlled enterprises. Subsequently, these families leverage their influence and political connections to engage in rent-seeking activities and corrupt practices, perpetuating the existing state of affairs, impeding competition and innovation, and obstructing economic growth. However, a counterargument suggests that with the advancement of industrialization and *economic development*, the importance of individualized corrupt connections is likely to diminish (Khan 2022).

The significance of *national culture* and tradition in evaluating specific techniques was underscored by Sison et al. (2020). In contrast to Aristotelian society, where nepotism is not considered customary, Confucian culture perceives nepotism as an accepted practice due to prioritizing familial ties above others. Hence, management techniques rooted in the Confucian tradition exhibit a tendency towards paternalism, reverence for seniority and commitment, and a commitment to safeguarding the welfare of employees in return for their compliance with authority. In Aristotelian society, gift-giving is commonly seen unfavorably due to its association with bribery and corruption (Sison et al. 2020).

Conversely, within the Confucian tradition, gift-giving is permissible and considered an integral aspect of *guanxi*, a concept emphasizing social connections and relationships. *Guanxi* is a mutually beneficial practice that forms the fundamental basis for social networks in Chinese society (Sison et al. 2020; Luechapattanaorn & Wongsurawat 2021). Similarly, the study conducted by Luechapattanaorn and Wongsurawat (2021) yielded findings that shed light on the less favorable aspects of Confucian ideals and *guanxi*. Notably, the participants' perceptions did not align with corruption, nepotism, or conflict avoidance as significant concerns. In contrast, Smith (2016) emphasizes the significance of social capital, which allows family business owners to establish themselves as valuable members of society. This positioning enables them to operate discreetly and navigate the intersection between small businesses and criminal organizations (Smith 2024). In addition, the issue of corporate misconduct and lack of trust is often discussed with the perceived greater level of organizational efficiency, trust, and reputation associated with family businesses compared to non-family organizations (Adams et al. 2002).

According to Gaaya et al. (2017), *underdeveloped financial markets* and inadequate institutional safeguards for minority investors may increase firm owners' inclination to engage in illicit activities, including corporation tax avoidance, rent-seeking, entrenchment, and expropriation. Various actors and stakeholders within the market exhibit diverse responses when confronted with potential misconduct within family-owned enterprises. According to Rahman et al. (2016), the presence of institutional investors as shareholder activists can influence the unethical accounting practices of listed family firms. This influence is exerted through the monitoring of opportunistic real earnings management. On the other hand, Stacchini and Degasperi (2015) claim that banks operating in regions with low levels of trust believe that the incentive systems used in family enterprises reduce the likelihood of expropriation risks. In addition, Krishnan and Peytcheva (2019) have posited that auditors perceive

family firms with inadequate audit committees to be most susceptible to fraudulent activities.

According to Wu et al. (2020), institutional investors are prone to engaging in high disclosure violations and elevating the stock price crash risk (SPC). This is attributed to their inclination towards speculative behavior, driven by short-term gains rather than fulfilling their role as market regulators. Additionally, Asthana (2012) noted that implementing a human rights awareness program and training campaign at the societal level can significantly reduce corruption, even if the primary objective is not specifically targeting corruption. Inadequate institutional frameworks and resulting inefficiencies and obstacles in the export process can contribute to corruption, as corruption can enable export activities, such as informal payments in post-Communist nations. This, in turn, can promote the expansion of family companies into world-wide markets (Bassetti et al. 2015).

The legal systems influence the configuration of financial markets and ownership structures. In civil law jurisdictions, there may be hesitancy to impose limitations on illicit activities related to transactions within a specific group or self-interested actions. This reluctance contributes to the observed leniency in enforcing regulations and facilitates the occurrence of minority shareholder expropriation by a small number of controlling shareholders (H. Choi et al. 2018).

3.8 Outcomes/consequences of the dark side of FB

While taking stock of the FB consequences, we identified that the effect varies across different levels. For instance, most of them pertain to the organizational level (65 papers) and the institutional level (32 papers). The quantity of work dedicated to ownership (17 papers) and individual levels (9 papers) is notably less. Surprisingly, a limited number of journal papers, precisely two, have concentrated on examining outcomes at the family level. Given that the organizational outcomes and ownership levels undoubtedly influence family processes, it is imperative to acknowledge that despite the limited research focus on this phenomenon, learning the family's response to deviant and negative behaviors encountered within the company holds significant potential as a future research domain. This observed research gap may suggest that a specific segment of the existing literature has mainly utilized the owner family as a contextual variable within their models, potentially indicating a less direct connection to the subject of family business research. According to SEW theory, the desire to preserve family influence and reputation shapes these outcomes, as families often tolerate or overlook deviant behaviors to protect their non-financial wealth.

The *individual-level outcomes* approach primarily centers on the personal experiences and consequences of deviant behavior. For instance, employer behaviors such as nepotism and cronyism impact the misconduct of individual employees and their familial connections (Dobrowolski et al. 2022). Similarly, a corporate culture rooted in Machiavellianism leads to counterproductive job behavior (Zheng et al. 2017). Moreover, the dark side of misconduct also significantly impacts employee performance in family firms (Kidwell et al. 2012; Eddleston & Kidwell 2012; Litz & Turner 2013). From the SEW perspective, these outcomes occur because dominant families

may prioritize preserving loyalty and power dynamics over employee well-being and performance.

Research at the *organizational level* seeks to investigate the various components that influence and mold the consequences organizations face when their resources are misused. For instance, the top management's influence on organizational misconduct impacts organizational and employee performance (Löhde et al. 2021; Dobrowolski et al. 2022), often motivated by the desire to preserve family control, as SEW motives can prevent corrective measures. Other scholars focus on examining the employees' responses to the organizational environment within a family-owned enterprise, specifically to unethical behavior (Marler & Stanley 2018; Jia 2017). Several researchers have focused their attention on the examination of organizational responses to the environmental context in which aberrant behavior becomes ingrained into societal norms [see Yamanoi & Asaba, (2018); Stacchini & Degasperri, (2015); dela Rama, (2012)].

Research concerning *ownership-level* outcomes examined the influence of organizational-level misconduct on owners and the occurrence and manifestations of deviant behavior among owners. For example, Jiang et al. (2022) showed that at the end of the process of wrongdoing, non-family leadership increases the extent of expropriation of the company by the owner. Moreover, Eddleston et al. (2020) observed that as the frequency of paying bribes increases, the perceived significance of the result of the bribe (unfair competitive advantage) will lessen, and the act of paying a bribe becomes 'the new normal' and a perceived obstacle in market transactions. Therefore, the wrongdoing initiated by the owners falls back on them. It is possible for families who serve as owners to participate in profit manipulation due to two conflicting motivations.

First and foremost, single owners' primary objective may be maximizing firm value, as Ramírez-Orellana et al. (2017) highlighted. Additionally, it has been suggested that they may engage in entrenchment operations (Gaaya et al. 2017). SEW explains these conflicting interests as families try to balance protecting their socio-emotional wealth with maximizing company value, which may lead to deviant ownership practices.

Moreover, it is worth noting that the results obtained from the models might also be associated with the institutional level. In this context, specific sections of the literature have examined instances in which organizational misconduct arises from external factors and is influenced by prevailing societal norms (Luechapattaporn & Wongsurawat 2021; Kavas et al. 2020; Sison et al. 2020). Hammad (2019) noted that scholars have observed the family firm's engagement with the political sphere, wherein they actively create and leverage political ties. This strategic approach serves two primary purposes: securing the company's longevity and preserving the family's political power. Several scholarly articles discuss the scenario in which firms are deemed "too big to fail," even when they engage in socially unacceptable wrongdoing due to its impact on the country's economy (Soleimanof et al. 2018). At the same time, the family firm culture of family businesses affects its moral conduct. Research results from the US show that family-owned firms commit less wrongdoing than non-family-owned firms regardless of whether the compared firms performed above aspirations or showed poor performance (Smulowitz et al. 2023). This cultural factor

frequently results in family-owned companies being dependable partners in open and competitive markets, as well as a more preferable group of companies for the community, as they commit less destructive wrongdoing, thus harming society less than their non-family counterparts. This may reflect the influence of SEW, as family businesses often aim to protect their reputation in their local communities.

4 Setting an agenda for the future

4.1 Towards an integrated framework to advance the FB research

As we approach the culmination of our exploration into the dark sides within family businesses, Fig. 2 presents an integrated framework designed to advance family business research. This framework synthesizes the antecedents, moderators, mediators, outcomes, and contextual variables associated with dark behaviors, examined across individual, family, organizational, ownership, and institutional levels.

Additionally, the framework provides the grounds for investigating the diverse problems associated with FB. To drive this effort, we propose a research agenda for the future to resolve a set of shortcomings and assumptions in the literature (see Table 5). Using theoretical viewpoints (e.g., convenience theory, institutional anomie theory, agency theory, socio-emotional wealth perspective, etc.) and concepts central to the subject of FB can help overcome some of the limitations identified in the research.

Moreover, the proposed moderators may be used to reduce the occurrence of dark behaviors, and the emerging dark dimensions will demand more attention. The framework also allows future scholars to pursue research from a contextual standpoint, thereby delivering a more holistic approach to understanding the heterogeneity of family firms (Chua et al. 2012). We recommend that researchers study different

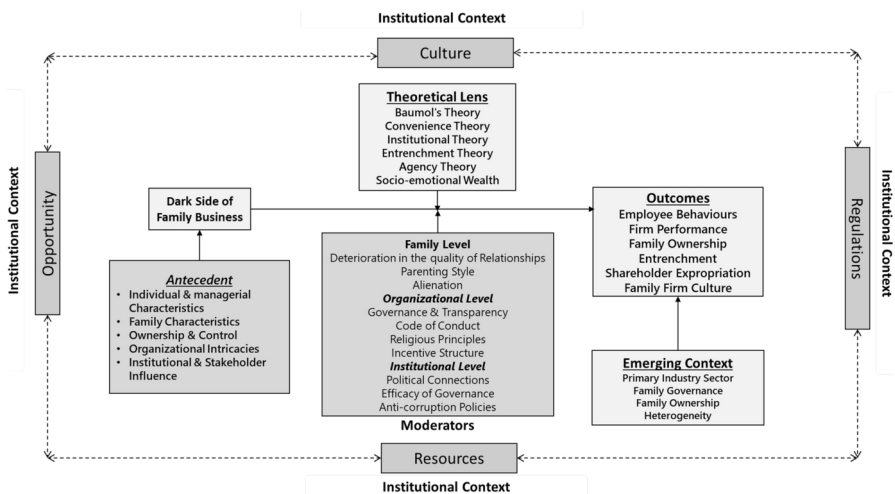


Fig. 2 Integrated Framework to Examine Dark Behavior in Family Businesses

Table 5 Agenda for Future Research

Categories	Theme	Future research question	Suggested references
Emerging theoretical lens to explore FB	Upper echelon theory	What is the association between leadership personality traits (such as dark personality traits), organizational outcomes, and strategies such as internalization? How and why FB might behave differently from their nonfamily counterparts in terms of adhering to formal institutions and family firms' heterogeneity may result in variations in how family firms react to institutional pressures and adopt different approaches (such as considering family reputation) in decision-making	Agnihotri–Bhattacharya (2022) Soleimanof et al. (2018)
	Convenience theory	How can convenience theory assist in exploring the motive, intent, or criteria in analyzing various facets of FB? How do long-term pursuit and achievement of non-economic goals influence the development of dysfunctional behavior in family businesses over time?	Gottschalk—Asting (2020) Ferrari (2023)
	SEW	How do the pursuit of different SEW dimensions (Family Control and Influence, Family Identity) and priorities (such as secrecy concealment and reputation mechanism) pursued by family managers influence their decisions to engage in dark activities? How does the negative valence of SEW dimensions, such as emotional burden and fear of losing family control, moderate the emergence of dark behaviors?	Jiang—Min (2023) Tsao et al. (2019) Kellermanns et al. (2012)
	Parental control theory	How does parental control theory explain how parenting carrying through successors impacts employee behavior? How an imprinting theory (R. E. Kidwell et al., 2018), such as role-modeling (Zhao et al., 2012) and storytelling (Jaskiewicz et al., 2015) can explain the mediating psychological processes through which family business successors, as children, interpret and respond to their parents' actions?	Shanine et al. (2023)
	Family	How does the family react to the deviant and dark side behavior experienced in the FB?	Nilakanthan et al. (2021) Cooper et al. (2013)
Emerging moderators of FB	Family	How does the presence of family impact organizational misconduct at FB? What role does the overlap between entrepreneurship and criminal behavior play in family businesses engaging in acquisitive crime, and how does familial coercion impact these decisions?	Liao et al. (2021) Smith (2024)
	Gender	What potential effects may biological sex have on the degree to which individuals within a family partake in acts of organizational misconduct?	Richards (2023), O'Brien et al. (2018), Liao et al. (2021)

Table 5 (continued)

Categories	Theme	Future research question	Suggested references
Emerging FB concepts	SEW priorities	What potential effects do SEW priorities may have on the degree to which individuals within a family partake in acts of organizational misconduct? How does the interplay between political risk and socio-emotional wealth drive family firms toward protective employment practices, and can this context lead to unethical survival strategies? How do SEW considerations reduce family firm participation in corporate social irresponsibility through tax haven strategies, and how does generational involvement impact this behavior?	Jiang—Min (2023) McLarty—Holt (2019) Gómez-Mejía et al. (2023) Temouri et al. (2022)
	Leadership	What potential effects can the different leadership styles and personal characteristics of the family business leader have on the occurrence of destructive, counterproductive behaviors?	Wu et al. (2022) Jiang et al. (2022) Akuffo—Kivipõld (2019) Arasli et al. (2019) Haynes et al. (2015) Robinson et al. (2009)
	Individual perception	How can individual perception (e.g., low-risk perception, optimistic bias, the illusion of control, and perception of higher organizational efficiency) contribute to FB engaging in inappropriate behavior?	Pereira et al. (2021)
	The constitutive role of religion on business in FB	Religion creates a meaning system within which business actions are formulated: How do processes and mechanisms base on religion-based spirituality shape dark side business activities within FBs in both homogeneous and pluralistic contexts?	Kavas et al. (2020)
	Family business scandals	How do family firms differ in their strategic response to scandals and in the outcomes of adopting different redressive strategies? Adopting an external audience's perspective, how do external stakeholders like consumers play a role in family firms' response to scandals? How does authenticity evolve with rebranding following scandals? What additional dimensions (such as geographical context) may influence a firm's reactions to scandals and consequent redressive strategies?	Rondi et al. (2023)
	Understanding dysfunctional behavior	How do pre-existing family dynamics and external pressures contribute to the development of dysfunctional behaviors in family firms, and how can these dynamics be mitigated across different disciplinary perspectives?	Kidwell et al. (2024)

Table 5 (continued)

Categories	Theme	Future research question	Suggested references
The contextual perspective of FB	A conceptual model for the change in exchange systems (RES/GES) and governance structures (agency—or stewardship-oriented) in FBs	What are the triggers of change in FB exchange systems and governance structures? Besides workplace deviance, asymmetric altruism, patriarchy, pro-organizational behavior, relationship building, and long-term commitment, what other factors can determine managerial behavior and thus characterize the owner's reactions regarding governance mechanisms?	Löhde et al. (2021)
	Leaders' personality and culture	What other personality traits of the leader, and how do they impact employees' counterproductive work behaviors through organizational culture?	Zheng et al. (2017)
	Family embeddedness and corruption	How does family embeddedness contribute to the family firm's engagement in corrupt activities, balancing between economic benefits and long-term non-economic goals like social status?	Godinez et al. (2024)
	Greedy and hubristic behavior of leaders	How does the “dark” side of leadership, like hubris and greed, emerge in family business with significant SEW?	Haynes et al. (2015)
	Family firm deviance	How does deviant behavior develop in FB and their associated families?	Cooper et al. (2013)
	Parent–Child Relationship	How can parent–child relationships and LMX result in deviant behavior in family firms? How do these interactions lead to workplace deviance?	Eddleston-Kidwell (2012)
	Baumoel–Trippe (BT) Extension to the Thomas–Kilmann Model	How do family members choose conflict behavior styles in an asymmetric relationship at FBs?	Trippe—Baumoel (2015)
	Industry	How can family businesses engage in shady, illegal, or unethical practices in the primary sector?	
	Institutional system	Which characteristics or inefficiencies of the institutional system enable or support organizational misconduct at the individual or corporate level?	Wu et al.(2020), Agnihotri-Bhattacharya (2022)
		How do family systems and FBs function, and are they prone to engage in wrongdoing in broader contexts, such as the family firm's ethnic, religious, and traditional background, particularly in families with a collectivist tradition?	Cooper et al. (2013) Sison et al. (2020)

Table 5 (continued)

Categories	Theme	Future research question	Suggested references
	Succession	How does succession as a contextual factor affect family businesses' engagement in organizational misconduct?	Litz-Turner (2013) Yu-Kwan (2013) Eddleston-Kidwell (2012) Robinson et al. (2009)

perspectives of the dark side, for example, the link between institutional context and an emerging dark side, and test which theory or moderators are better suitable in what context.

Figure 2 presents an integrated framework that synthesizes the antecedents, moderators, and outcomes of dark behaviors in family firms across various levels of analysis. This framework follows the structure of the discussion in the Findings section, linking theoretical perspectives with empirical findings and providing a holistic view of how dark-side behaviors manifest and evolve in family firms.

Table 5 outlines the key areas for future research on dark-side behaviors in family firms. The table draws directly from the Discussion section, reflecting the potential moderators, theoretical lenses, and emerging research themes discussed in the text. The narrative elaborates on each research direction to guide future scholarly inquiry.

4.1.1 Emerging theoretical context to explore FB

Other areas where FB research could be extended further are theoretical foundations and contributions. While Baumol's (1967) *theory* is the most popular among studies investigated, the application of Upper Echelon Theory (Gottschalk & Asting 2020; Soleimanof et al. 2018) and novel theories like *convenience theory* (Ferrari 2023; Gottschalk & Asting 2020), *institutional anomie theory* (Messner & Rosenfeld 2009), *entrenchment theory* (Agnihotri & Bhattacharya 2022), *agency theory* may give more promising ways to increase understanding of the problem and study how these theories may help in encouraging or regulating FB. Examining the specific family and institutional context is one approach to doing so. As a result, another possibility for future studies would be to look beyond individual dark behavior and consider the motives of toxic family businesses from a larger ecosystem and institutional viewpoint.

From a theoretical standpoint, based on the findings of our literature review, the 'theory of convenience' should be employed to test the FB. According to convenience theory, crime is appealing when there is a (1) strong economic motive, (2) an organizational opportunity to commit and (3) conceal the crime, and a personal inclination to engage in deviant behavior (Gottschalk 2017). According to Gottschalk (2020), all three elements of convenience orientation are influenced by entrepreneurial activities and human characteristics. Additionally, given the institutional complexity of

many emerging economies and the transparent processes accompanying them, future research may examine whether institutional anomie theory or agency theory could push family businesses to engage in dark behaviors.

Another promising way forward, in theory, is offered by the perspective of *socio-emotional wealth theory (SEW)* (Gómez-Mejía & Herrero 2022). According to this perspective, the family needs to preserve the non-financial and non-economic wealth arising from the ownership of the business. This motivation influences the family's willingness to take risks and, as a result, the family's strategic preferences in the company. Smulowitz et al. (2023) showed that SEW plays a vital role in dark-side behavior by reducing the likelihood of organizational wrongdoing. The SEW perspective thus offers a valuable theoretical framework for researchers to examine how the owner's family strategic preferences affect the emergence of other types of dark side behavior in different organizational characteristics, for various kinds of family participation in leadership and ownership of the company and among different contextual variables (Gómez-Mejía et al. 2023; Temouri et al. 2022).

Future research should explore how the negative valence of SEW dimensions, such as emotional burden and fear of losing family control, moderates the emergence of dark behaviors in family firms (Kellermanns et al. 2012). Examining these moderators in different cultural contexts could provide a more nuanced understanding of how SEW drives and mitigates dark behaviors.

4.1.2 Emerging moderators to explore FB (potential variables that help explain and mitigate the dark side)

Most papers offer the antecedents or motives behind dark-side behaviors but lack mechanisms, actions, and policies to detect and curb them. This study identifies potential family, organizational, and institutional moderators that may help mitigate these negative behaviors.

Family-related dynamics exert a considerable impact on the occurrence of the dark side of family businesses. The *deterioration of the quality of relationships* between family members, the incumbent's *parenting style* towards the next generational leader (Shanine et al. 2023), and *alienation* between family management and family owners (Löhde et al. 2021) are key factors. Any breakdown in these relationships creates tensions, leading individuals to pursue their self-interests, potentially crossing the line into applying dark-side behavior. Family rules, written family agreements, legal institutions, and cultural norms (*codes of ethics*) are crucial in regulating such behaviors.

Scholars have shown that *effective governance and transparency* play a crucial role as essential organizational-level moderators. Governance systems reduce the opportunity for dark-side behavior to arise (Pandey et al. 2023; Shi et al. 2022) and help mitigate their effects. Further research is needed to clarify the exact process by which reducing dark-side behaviors can be mitigated. The presence of effective governance (Giousmpasoglou 2019; Terlaak et al. 2018) and *leadership style* (Yu & Kwan 2013; Haynes et al. 2015; Cesinger et al. 2023) contribute to the prevention of organizational misconduct. Moreover, inadequate family business and corporate governance systems can heighten the likelihood of unethical acts (Hammad 2019).

However, it is not clear how different contingency factors, such as firm size, the form of family presence in leadership and ownership, the proportion of family members in the top management, the presence of family or non-family executives, and non-family owners affect this reducing effect (Luechapattanaporn & Wongsurawat 2021).

Moreover, adherence to *religious principles* shapes ethical behavior. Kavas et al. (2020) suggest that family business owners are more prone to participating in unethical behaviors when they do not adhere to religious principles. Thus, religion is crucial in establishing a value system and economic practices. Additionally, another organizational factor is the *incentive structure*. Jia (2017) discovered that auditors perceive family businesses as less hazardous than non-family enterprises, mainly when strong promotion-based incentive structures are present, reducing the occurrence of unethical acts.

At the institutional level, the presence and significance of *political connections* and the *efficacy of governance* may exert both advantageous and detrimental effects. Dela Rama, (2012) linked formal solid institutions of a country operating without corruption to effective corporate governance in family firms, while a corrupt institutional environment engenders ineffective corporate structures in a predatory business environment. Nevertheless, implementing *anti-corruption investigations* to purge the economy and entice foreign investors can mitigate the consequences of corrupt activities (Hammad 2019; Jiang et al. 2022).

4.1.3 Exploring FB from a contextual perspective

The context that remains a gap is the *primary industry sector* (e.g., agriculture, fishing, mining, etc.). These sectors can give us a new direction to understand how the dark side occurs compared to secondary and tertiary sectors (Krishnan & Peytcheva 2019; Yacoub et al. 2022). Additionally, the *institutional context* can help us better position the dark side of FB literature toward a more nuanced understanding of the antecedents and outcomes. Thus, our framework can become a starting point for scholars to explore the dark side. Our literature review shows that family businesses tend to commit misconduct in a weak *institutional environment*. There would be a need for comparative studies that also examine the behavior of non-family businesses among poorly functioning institutions. The problem is not about which type of company is more characterized by dark side behavior since it will probably appear for survival in both enterprises.

The real question is, instead, what type of dark side behavior is characteristic of family-owned firms as opposed to non-family-owned firms, and how and along which processes dark side behavior occurs in family-owned firms. We know that family firms rather avoid dark-side behavior in a competing market because they know that if their behavior becomes public, the reputational consequences alone may harm their SEW (not to mention the legal and economic implications for the company). However, we do not know whether their rule-following behavior is rooted in functionally operating formal or informal institutions, the cultural norms that make such behavior acceptable.

One of the more exciting avenues for future research is exploring the emergence of dark-side behavior in *family governance*. Furthermore, a possible area of exploration is an overview of how the presence of family members affects the management and operational processes of the company. The fourth such area, which has been addressed by some research from the literature (Eddleston & Kellermanns 2007; Kuo 2022), is related to the *ownership presence of the family* and how it may contribute to the occurrence of organizational misconduct. Another possible research direction relates to a research string that gained momentum only in the last decade: the *heterogeneity* of family firms. Exploring how dark side behavior contributes to the heterogeneity of family companies promises to be a valuable future research direction (F. Jiang et al. 2022).

Our review identifies several key research gaps beyond the questions in Table 5. One underexplored area is the dual role of SEW, particularly its interaction with agency theory. While SEW is traditionally viewed as a protective factor in family businesses, it can also drive unethical activities, depending on specific cultural and institutional contexts. Further research should investigate how these contexts, including cross-cultural and multinational comparisons, shape the prevalence of dark behaviors, especially in emerging markets with weak governance structures. Additionally, studies should explore the specific circumstances under which SEW contributes to unethical behavior versus when it promotes ethical conduct. There is also a need for more cross-level research integrating individual, family, organizational, and institutional dimensions. Future studies should examine how seemingly neutral factors such as biological sex may increase the risk of unethical activities. These elements play a significant but underexplored role in shaping family firm dynamics. Another essential area is succession planning, with limited research on how it contributes to unethical behaviors such as power struggles or favoritism. In line with Baltazar et al. (2023), who emphasize that generational transitions often bring both innovation and conflict, further study is needed to investigate how family businesses can navigate these transitions to harness positive outcomes while minimizing the risk of dark behaviors. Addressing these gaps would deepen our theoretical understanding of how family dynamics interact with dark behaviors, offering practical insights for improving governance and ethical conduct across different contexts.

4.2 Contextual and definitional debate of FB

While expanding on the substantial contributions hitherto offered is essential, a study on FB may benefit from a particular focus on institutional contexts. Family business contexts fluctuate among nations, regions, and individuals, as well as over time. Thus, culture, ecosystem, networks, resources for financing, and government regulations are all essential environmental influences supporting the family business process. Furthermore, emerging and transition economies may result in limited institutional development and diverse obstacles for family businesses. This unpredictable environment fosters a climate incentivizing firms to engage in rent-seeking conduct that may lead to a development trap (Gaaya et al. 2017; Agnihotri & Bhattacharya 2022; Joni et al. 2020; Eddleston et al. 2020).

For instance, Montiel Mendez and Soto Maciel's (2021) model of the dark side of family business recognized the intricate relationship between external influences, family dynamics, organizational practices, and the founder's individual characteristics—our model, however, compliments and goes beyond and acknowledges the necessity of a structured approach to the examination of these dark aspects, which encompass governance concerns, conflicts, and other obstacles within family-owned enterprises. Montiel Mendez and Soto Maciel (2021) draw attention to the two primary dimensions—entrepreneur/founder and family dynamics—through which dark behaviors have manifested. They stress the interplay between personal characteristics, family relationships, and environmental contexts to shape these dynamics. This approach challenges conventional divisions between family and business by adopting a relational perspective.

In contrast, our model introduces a more comprehensive, research-oriented framework that integrates a broader range of analytical factors—including antecedents, mediators, moderators, and outcomes—across multiple levels (individual, family, organizational, etc.). It endeavors to direct future research by addressing voids in the literature and incorporating a variety of theoretical perspectives. Our model is more prescriptive than that of Montiel Mendez and Soto Maciel (2021), which is descriptive. The proposed model in this study establishes a research agenda to systematically investigate and resolve the intricacies of dark behaviors in family businesses.

A deeper insight into the issue and determining whether what constitutes FB in one nation may be seen as less deviant in another could be investigated. For instance, culturally, family businesses expanding to different countries may be inclined to build social relationships in local markets, referred to as 'guanxi' in China, and doing so is a widely accepted business practice in many markets. Therefore, we suggest that examining the unique nature and types of FB in a specific institutional context would enable policymakers to make more informed decisions about tackling FB and better enlighten them about which techniques are suitable and successful in restraining entrepreneurs' destructive actions (Sison et al. 2020; Eddleston et al. 2020).

4.3 Advancing the methodological debate

From a methodological standpoint, nearly 19% of the publications we studied adopted qualitative methods, 63% adopted quantitative methods, 6% used case study methods, and the rest included conceptual, viewpoints, and review papers. To get a more comprehensive understanding of the dark side, we ask for more exploratory studies that may adopt mixed methods, sentiment, and textual analysis of online data published in forums, social media, and news opinions in the future. Furthermore, several studies did not correctly clarify the data collection process or the specific national context in which the data were acquired (these studies mentioned emerging economies or transition economies). Controlled experimental designs can offer information on causal relationships and are considered valuable for their capacity to generate credible and action-oriented understanding.

Future research should provide sufficient information and details on the specific country context and data collection process to better understand toxic entrepreneurs' nature, types, antecedents, and consequences within a specific institutional context

and meaningfully interpret any empirical findings. Those studies that specified the country context in which the data was acquired and processed from secondary sources focused on Brazil, Norway, the United States, and Sweden, among others. While single-country studies help researchers learn more about the nature and forms of dark side conduct, we recommend that future research focus on comparative nation studies to find parallels and differences in dark side behavior.

5 Study contribution

Our multidisciplinary review supports the recent calls for more research into the dark side of family business (Soleimanof et al. 2018; Eddleston et al. 2020). Based on a systematic literature review of 81 academic articles, we identified different definitions of dark behaviors in family firms and proposed a new unified definition that scholars can use. Furthermore, we discussed various antecedents that drive family businesses into the dark side by theorizing across individual, managerial, family, ownership, organizational, and institutional levels.

5.1 Theoretical and practical contribution

Our study advances the theoretical discourse on family business research by offering a unified, comprehensive framework that integrates various fragmented perspectives on the dark side of FB across disciplines and geographic contexts, reflecting a nuanced understanding of the myriad behaviors. This framework, depicted in Fig. 2, meticulously maps out the antecedents, moderators, mediators, and outcomes of dark behaviors, facilitating an in-depth understanding across individual, family, organizational, ownership, and institutional dimensions.

We suggest that SEW theory plays a significant role when examining the dual impact of socioemotional wealth, not only as a deterrent but also as a possible catalyst for dark behaviors, depending on varying cultural, institutional, and industry-specific contexts (Caiazza 2023; Hassinger & Issah 2022; Samara 2021; Sutrisno et al. 2023). This nuanced view of SEW expands on existing literature by highlighting the context-dependent impact on ethical conduct in family firms. In particular, our research proposes that high levels of SEW might lead family firms to engage in unethical actions when such behaviors are perceived as protecting the family's non-economic wealth. Conversely, in environments where ethical conduct is strongly aligned with family and business values, high SEW can fortify defenses against such behaviors.

Additionally, incorporating a variety of theoretical perspectives—ranging from agency theory (Chrisman et al. 2017), socio-emotional wealth (Gómez-Mejía et al. 2007) to institutional anomie theory (Messner & Rosenfeld 2009), and newer frameworks such as convenience theory (Ferrari 2023; Gottschalk & Astring 2020), allows our framework to bridge diverse conceptual domains. This offers a robust mechanism to dissect the nuanced pathways through which dark behaviors manifest and evolve in family firms. Moreover, by synthesizing these disparate theories, our framework provides a unique multi-layered approach, highlighting potential areas

for intervention and further investigation. The broad applicability of this framework encourages a more holistic and contextual analysis of dark behaviors, suggesting that the implications of such behaviors can extend beyond the immediate family firm environment to influence broader industry and institutional practices. This approach fills a critical gap in existing research and sets a comprehensive agenda for future studies to explore the intersection of family dynamics and dark behaviors under various contextual lenses (Chua et al. 2012; Löhde et al. 2021). Additionally, our study contributes and extends to the insights from recent scholarly contributions, including Kidwell et al. (2024).

Our findings have significant practical implications for family business managers, policymakers, and academics. The “dark side” of family enterprises, characterized by favoritism, nepotism, and corruption, can damage the firm's success and endurance. These behaviors emerge from intricate interdependencies, emotional relationships, and contradictions between business and family roles. This perspective allows academics and practitioners to investigate the emotional, interpersonal, and structural aspects contributing to conflict and unproductive conduct on FB. Family firms must recognize and manage the dual nature of SEW motives by adopting effective and transparent governance structures to ensure long-term sustainability and resilience in the face of generational challenges. By exploring the various dark dimensions, our study provides insights that may reduce the adverse consequences on the industry, such as reduced performance, succession difficulties, and potential failure.

Our synthesis also deepens theoretical understanding and provides nuanced insights to formulate targeted governance strategies and interventions. By situating dark behaviors within specific institutional contexts, our framework enhances the applicability of findings, guiding more effective policy-making and management practices in family businesses. Furthermore, our literature review explored an intricate interplay between research on dark-side behavior in family firms and agency theory (Blanco-Mazagatos 2016; Schulze et al. 2001). Both research areas emphasize governance structures and mechanisms to mitigate unethical behaviors in the context of family enterprises. From the point of view of the relationship between owners and managers of the enterprise, the literature on dark side behavior in family firms recommends solutions similar to those suggested by agency theory. Both concentrate on the governance structures and mechanisms designed to control and align the interests of internal and external stakeholders and family and non-family players (Löhde et al. 2021; Teh et al. 2017; S. Wu et al. 2020).

While both concepts underscore the significance of owner monitoring activity, they diverge in their focus, scope, and implications. Dark side behavior research casts a broader net, encompassing various dysfunctional aspects within family firms. At the same time, agency theory focuses more on principal-agent and principal-principal relationships and their associated conflicts. Furthermore, dark-side behavior research primarily seeks to diagnose and address the issues within family firms to improve their overall functioning (Löhde et al. 2021; Torres et al. 2017). In contrast, agency theory offers a more prescriptive approach, suggesting governance mechanisms such as contracts, performance incentives, and board structures to mitigate agency conflicts (Chrisman et al. 2017; Tabor et al. 2018). Agency theory provides a foundational framework for understanding the principal-agent relationship in fam-

ily businesses. Future research should leverage this theory to delve deeper into the causes and consequences of dark-side behavior, especially within the context of family firms. Understanding how agency dynamics intersect with other theoretical perspectives, such as socio-emotional wealth and stewardship theory, can contribute to a more comprehensive understanding of the dark side of family businesses.

Additionally, we recommend adopting integrated policy measures—including advocacy, educational initiatives, and legislative reforms—that specifically address the unique dynamics of family businesses. These measures should target the behaviors and the environmental and cultural contexts that foster such behaviors, thereby mitigating the risks associated with toxic entrepreneurship. Through such targeted interventions, policymakers can better manage the complex interplay of factors that contribute to unethical practices in family businesses, ultimately fostering a more ethical and transparent business environment.

6 Conclusion

Due to the apparent heterogeneity, the existing FB research has been diffused across various disciplines and contexts. This study employed a systematic approach to review the existing and distributed FB literature, and this research identified the various dark side dimensions in FB literature. By identifying these dimensions, we explored the essential antecedents and consequences that impact FB. Furthermore, this review has effectively amalgamated prior research to offer new meaning to the dark side of FB while identifying existing gaps that warrant further investigation. Also, since SEW significantly influences FB dynamics, decision-making processes, and overall performance, this review emphasizes the significance of recognizing and addressing the negative aspects of family businesses for both academicians and practitioners. In summary, this research contributes to the growing progression of knowledge regarding the dark elements of FB. It offers a framework for future researchers to investigate this intricate phenomenon using various theoretical and contextual perspectives. However, although our systematic review provides a comprehensive overview, the focus on specific countries and institutional circumstances may limit the generalizability of our findings.

Appendix 1

1. The literature on organization studies theorizes the dark side as encompassing situations where individuals inflict harm on others, injustices are sustained and enhanced, and the quests for wealth, power, or retaliation drive people to engage in behaviors deemed unethical, illegal, despicable, or reprehensible by others (Griffin & O’Leary-Kelly, (2004), p.xv; see also Griffin & Lopez, (2005). Dark side behaviors are categorized into two broad categories: those that harm others and those that harm the organization. The first category includes behaviors that are injurious to human welfare, such as verbal and psychological abuse, physical

violence, sexual harassment, bullying, incivility, and generally unsafe work practices, as well as self-harming behaviors such as alcohol abuse, smoking, etc. The second category consists of behaviors that are injurious to the organization, some of which have specific and measurable costs (inappropriate absenteeism and turnover, theft or destruction of organization assets or property, and violations of laws, codes, and regulations, counterproductive) while others such as destructive political behaviors, inappropriate impression management behaviors, breach of confidentiality and sustained suboptimal performance, carry with them nonspecific financial costs (Griffin & O’Leary-Kelly (2004) and Linstead et al. (2014)).

2. Keyword selection was done based on extensive reading of literature by the authors and peer recommendations. However, there may be ambiguities related to some keywords that are not used in this study, e.g., rent-seeking, transgression, misrepresentation, false advertising, etc. The aim was to include the main concepts related to the dark side following Griffin & O’Leary-Kelly (2004) and Linstead et al. (2014) and Baumol’s (1996) classification (e.g., deviant, manipulative, destructive, unproductive, illegal, etc.), while organization theorists have used keywords such as workplace violence, aggression, sexual harassment as a dark side (e.g. Linstead et al. (2014)), the notion of what is dark side is still debatable. Hence, the keyword selection included those that the authors considered relevant to move forward the family business to theorize.
3. Sample of articles that had been excluded from the pool of articles to be analyzed: although Kaushal et al. (2021) conducted a systematic review and bibliometric analysis, their interdisciplinary approach to studying nepotism did not relate to our focus on managerial and organizational sciences. Furthermore, the paper by Myeko and Iwu (2019) was found to be irrelevant; although it focuses on the relationship between small businesses and crimes, it investigates how contextual crimes, such as robbery and murder, can majorly obstruct business operations.

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Declarations

Conflict of interest The Authors declare that there is no conflict of Interest and that all authors have contributed equally.

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