Essays on Family Firms and Firm Growth Barriers

av

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Abstract

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This thesis concerns the implications of family ownership and perceived growth barriers for firm decision-making and performance. The *first* article examines the inclusion of family business in economics doctoral programs in the United States and Sweden, as well as the views of professors and textbook authors and research on family business. It is found that family business is not included in the examined curricula. Furthermore, professors and authors do not publish research on family business and generally do not see a need to incorporate it into economic theory. The article concludes by discussing the causes of this omission, as well as strategies to overcome them in order to further our understanding of economic action. The *second* article presents a novel strategy for identifying domiciled family firms using total population data. By applying this strategy to Swedish data, family firms are found to contribute to one-third of Swedish employment and gross domestic product, and a significant share of Sweden's largest firms are family-owned. In general, family firms are found to be smaller than their non-family equivalents, although they are more profitable. Meanwhile, differences between family firms and non-family firms are found to diminish with firm size. The *third* article examines whether family firms have a comparative employment growth advantage over non-family firms in regions with relatively low population density. As a group, family firms are found to be the main source of job creation in rural regions, largely as a result of their large numbers. Nevertheless, the average family firm is found to grow more slowly than the average non-family firm. Meanwhile, in line with the study's conjecture, this difference is found to decrease across the urban-rural context, i.e., across metropolitan, urban and rural regions. The *fourth* paper examines the representation of women in top management teams[1] in family firms and non-family firms. Moreover, the share of women in a firm's top management team is found to be positively associated with the additional appointment of female managers. Lastly, kinship bonds between the owning families and prospective managers are found to be positively associated with the appointment of women on top management teams. The *fifth* paper aims to capture the relationship between perceived growth barriers and firm size, which is achieved by developing a novel data-driven strategy for identifying firm size groups. It is found that smaller firms typically face accessibility constraints on equity financing, whereas larger firms generally face barriers related to competition and accessibility to qualified staff. These results are benchmarked against those using prevailing strategies for measuring firm size, whereby it is suggested that there may be a need for methodological rethinking in the field regarding its treatment of firm size.

Keywords: entrepreneurship; family firm; family ownership; firm growth; institutions; perceived growth barriers

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[1] The top management team is defined as a firm's chief executive officer (CEO) and members of its executive board.