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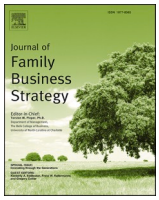
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# Creating psychological contracts in family firms: The role of family membership at organisational entry

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ABSTRACT

This conceptual paper develops a process model of psychological contract formation for family and non-family employees, addressing calls for more dynamic and context-sensitive approaches to understanding employment relationships in family firms. Although the construct of the psychological contract has been widely drawn upon by scholars to examine employment relationships in myriad work contexts, little is known about how these contracts are formed in family-owned firms. Drawing on organisational socialisation and social exchange research, we propose a dual-pathway process model of psychological contract formation that distinguishes how family and non-family employees create psychological contracts during the pre-entry and post-entry stages of socialisation. Consequently, we illustrate the nature of these differences by focusing on the unique architecture of their respective psychological contracts, namely six specific underlying properties or features: tangibility, scope, stability, time frame, exchange symmetry, and contract level. By theorising the mechanisms through which employment expectations are constructed in family firms, this paper advances a psychological contract perspective on family and non-family exchange relationships in family firms.

## 1. Introduction

Psychological contract (PC) theory, rooted in early social exchange research (Blau, 1964; Gouldner, 1960), has become a valuable construct in the analysis of exchange relationships across a wide variety of employment settings (Coyle-Shapiro et al., 2019) over the last 60 years. It conceptualises the employment relationship in terms of individuals' beliefs about reciprocal obligations and has been widely used to explain attitudes and behaviours such as commitment and citizenship (Rousseau, 1989; Zhao et al., 2007). Yet, despite extensive research on how PCs are formed and interpreted in organisations (e.g., De Vos et al., 2003; Rousseau, 2001; Sherman & Morley, 2015; Tomprou & Nikolaou, 2011), the family firm has received limited attention. This is surprising given the dual nature of kinship and organisational roles in family firms (Eddleston et al., 2018; Lansberg, 1983), and the complex relationships that shape how family and non-family employees come to understand obligations, fairness, and reciprocity. Responding to calls for more research on PCs in family businesses (Kraak et al., 2024; Lambrechts & Gnan, 2022), and specifically the experience of family and non-family employees, this conceptual paper focuses on the formation of the PC in family firms.

The PC is an individual-level phenomenon that conceptualises how employees interpret the reciprocal exchange of inducements and contributions in the employment relationship, shaped by perceptions of trust, fairness, and obligation (Blau, 1964; Cropanzano & Mitchell, 2005; Rousseau, 1989; Sherman & Morley, 2015). While family business scholars increasingly explore the nature of employment in family firms, existing work has focused largely on related topics such as nepotism, adverse selection, and jobseeker perceptions (Barnett & Kellermanns, 2006; Basco et al., 2023; Daspit et al., 2018; Davis et al., 2010; Eddleston et al., 2018; Ehlers et al., 2024; Jaskiewicz et al., 2013; Neckebrouck et al., 2018). These and other studies highlight the unequal treatment of family and non-family employees, but they tell us less about how employment expectations begin to form and diverge once individuals enter, or prepare to enter, the firm.

This oversight is problematic as, without insight into the differences in employment exchanges between family and non-family employees, we cannot explain how divergent expectations are seeded or how misunderstandings arise between these two cohorts of employees and the organisation. As McLarty et al. (2019) attest, family and non-family employees "*live different lives*" in family businesses, an overlooked reality that may significantly affect how social exchanges are initiated,

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interpreted, and sustained. Addressing this oversight requires a micro-foundations perspective (De Massis & Foss, 2018; Ellen et al., 2024), such as the PC, to understand how individual-level interactions with the organisation give rise to distinct employment relationships. By focusing on how employees receive, interpret, and internalise PC-relevant cues, we can advance our understanding of the origins of divergence of the PC in family firms.

Despite a growing interest in PC research in family firms (Brundin et al., 2023; Combs et al., 2018; Hoon et al., 2019; Lambrechts & Gnan, 2022; Madden et al., 2017), research has tended to prioritise outcomes such as performance (Madden et al., 2017) and talent management (Mousa et al., 2023), yet they offer limited insight into how PCs form or evolve across employee groups (Lambrechts & Gnan, 2022). We contend that PC formation is not a single event, but a cumulative and interpretive process that unfolds across the pre-entry and post-entry phases of socialisation for family and non-family employees (De Vos et al., 2003; Tomprou & Nikolaou, 2011; Woodrow & Guest, 2017). In family firms, these processes are shaped by informal norms, overlapping relationships, and differential access to organisational information (Bika et al., 2019; Tabor et al., 2018). Accordingly, we conceptualise how family membership shapes the formation and divergence of PCs for family and non-family employees.

By conceptualising how the PC is formed in family firms, we advance our understanding of employment relationships in family firms in several ways. First, drawing on social exchange theory (SET) and organisational socialisation, we propose a two-stage process model of PC formation in family firms that spans the pre-entry and post-entry phases. Second, we show how PC formation unfolds differently for family and non-family employees and how these differences are reflected in distinct PC features at organisational entry. In doing so, we identify family membership as an antecedent of PC formation for family employees that shapes access to PC-relevant cues, the mechanisms through which those cues are conveyed, and how they are interpreted. This paper contributes to the microfoundations research agenda by conceptualising how individual-level interactions and relational contexts can shape employment expectations from the outset, an oft-cited underdeveloped line of enquiry in the literature (McLarty et al., 2025). To conclude, we propose future research directions to encourage and support empirical work on the PC formation in family firms.

## 2. Theoretical foundations: Social exchange and socialisation in family firms

Employment relationships are fundamentally built on social exchange agreements (Cropanzano et al., 2017). When deciding whether to join an organisation, job seekers evaluate the alignment between their personal needs and values and the perceived characteristics of the firm (Hauswald et al., 2016). This assessment informs how they interpret the anticipated value and fairness of the exchange relationship (De Vos et al., 2003). Once the decision is made, employees construct beliefs and perceptions about the mutual obligations between themselves as employees and the organisation, referred to as the PC (Rousseau et al., 2018; Rousseau, 1989). The PC, defined as "*a cognitive schema, or system of beliefs, representing an individual's perceptions of his or her own and another's obligations, defined as the duties or responsibilities one feels bound to perform*" (Rousseau et al., 2018, p. 1), is highly subjective and rooted in individual perceptions that promises have been made and will be fulfilled, thereby tying both parties to reciprocal obligations (Rousseau, 1989; Rousseau, 2001).

Social exchange agreements are structured across three core dimensions: the rules governing the exchange (*e.g. reciprocity, trust, agreement*), the nature of the exchange relationship between exchange partners (*e.g. emotional investment, open-ended vs. transactional ties*), and the types of resources exchanged (*e.g. effort, loyalty, rewards, or recognition*) (Cropanzano & Mitchell, 2005; Virk et al., 2024). Like all social exchange theories (including the PC), social life is a series of sequential transactions among two or more parties (Cropanzano et al., 2017; Mitchell et al., 2012). Over time, repeated interactions enable exchange partners to co-construct mutually understood rules and norms that guide future behaviour and the terms of the agreement (Blau, 1964; Coleman, 1986; Emerson, 1976; Granovetter, 2021). The PC thus reflects the individual level understanding of how employees cognitively interpret and internalise social exchange agreements in the employment relationship.

Through the rules of exchange, social norms, such as reciprocity, emerge to guide how individuals interpret and respond to obligations and fairness in their relationships (Blau, 1964). Reciprocity, a foundational rule in SET, compels individuals to return actions in kind, responding to benefits with benefits and negative treatment with negative responses (Cropanzano et al., 2017). The nature or quality of the exchange relationship also shapes how obligations are felt and acted upon. Low-quality exchanges are typically built on short-term, role--based and often economic transactions (*e.g., wages for work performed*), whereas high-quality exchanges involve longer-term, trust-based relationships characterised by socioemotional investment and generalised reciprocity (Cropanzano & Mitchell, 2005; Virk et al., 2024). The nature of the relationship, whether it is transactional or relational, guides how deeply obligations are felt, prioritised, and acted upon over time (Rousseau, 1989).

Family firms represent a particularly distinctive and unique context for studying employment relationships through the SET lens, as social exchanges often span both the business and the family system. Given the overlap, social exchanges can occur between incumbents and successors, among family members, and across family boundaries (Daspit et al., 2016). Blurred boundaries and dual roles are common (Cooper et al., 2013; Kidwell et al., 2018), meaning the rules of exchange and the nature of relationships become more complex when shaping how employees interpret both formal and informal cues about the employment relationship (Daspit et al., 2016; Waldkirch et al., 2018). Our focus is specifically on family members who are employed within the business, as their membership extends beyond kinship ties to include participation in the organisational system. In this paper, family membership refers to individuals connected to the owning family through generational lineage (*e.g., birth order or generational status*) (Jaskiewicz et al., 2017) or marital ties (*e.g., spouse, in-laws, stepchildren)* (Galbraith, 2003; Jennings et al., 2018; McAdam et al., 2023).

These individuals are embedded both within the family and business system, which shapes how exchange relationships with the firm are initiated and interpreted. While experiences may vary across individuals, family membership introduces unique differences in how these exchange relationships are constructed (Dhaenens et al., 2018). Non-family employees, though later embedded in the business system, will lack access to the inner circle of influence that family members occupy (Barnett & Kellermanns, 2006; Tagiuri & Davis, 1996). How their exchange relationship develops is likely to differ due to their pre- and post-entry organisational socialisation experiences (Tabor et al., 2018), through which expectations and obligations are gradually constructed.

### 2.1. Psychological contract formation through organisational socialisation in family firms

Psychological contracts are created within the process of organisational socialisation (De Vos & Freese, 2011), that is, the multi-layered acquisition of values, norms, and behaviours that help new employees understand how to navigate the organisation and perform within their roles (Feldman, 1976; Feldman, 1981). Organisational socialisation includes the content or *what* newcomers learn (*e.g., roles, norms, and values*) (Chao et al., 1994), while the process acts as the catalyst for contract strengthening by referring to *how* they come to learn it through interactions, experiences, and organisational practices (Ashforth et al., 2007; Bauer & Erdogan, 2011). The PC emerges as a cognitive schema, a

mental map constructed through experience and information derived from both the content and process of organisational socialisation (Kim & Moon, 2021; Rousseau, 2001; Sherman & Morley, 2015; Suazo et al., 2009).

Drawing on Ashforth et al. (2007) the process through which newcomers navigate their entry – whether through institutionalised tactics or proactive information-seeking – shapes the cognitive schema of the PC by reducing uncertainty and signalling the firm's commitment to the individual. For both family and non-family employees, a robust socialisation process does more than just transmit information; it facilitates the development of social capital and trust (Fang et al., 2011), which are essential for a strong and resilient PC. While content ensures the employee knows *what* to do, the process establishes the relational quality of *why* they do it and *how* the organisation will reciprocate.

Both organisational and individual socialisation factors shape the emergence of the PC. Organisationally driven influences include the socialisation tactics used to communicate expectations and support adjustment, such as recruitment practices, onboarding, orientation, and other structured entry processes (Bauer & Erdogan, 2011; Caldwell & Peters, 2018; Fang et al., 2011). Equally important, however, is the role of the individual. Newcomers are not passive recipients of information; they actively engage in information-seeking, interpretation, and sense-making as they try to understand what is expected of them and what they can expect in return (De Vos & Freese, 2011; De Vos et al., 2005; Morrison, 1993; Morrison, 1995; Saks & Ashforth, 2000). Informal interactions with peers, supervisors, and other insiders are especially influential because they often provide access to tacit norms, behavioural expectations, and relational cues that formal channels alone cannot fully convey (Anderson & Thomas, 1996; Bauer & Erdogan, 2011; Fang et al., 2011). Accordingly, the PC is shaped not only by what information is available, but by how employees seek it out, which sources they regard as credible, and how they interpret potentially inconsistent cues over time.

In this paper, we focus on two key socialisation phases for PC formation in family firms. The pre-entry '*anticipatory socialisation*' period encompasses all the learning that occurs before entering an organisation (Feldman, 1976; Woodrow & Guest, 2017; Woodrow & Guest, 2020). In the pre-entry period, expectation-setting during this period unfolds before formal employment, shaped by prior interactions, recruitment messages, and societal norms (Jablin, 1985; Maanen & Schein, 1977). The post-entry '*encounter*' phase begins when the new employee officially joins the business and faces organisational reality (Feldman, 1976). Upon entering the organisation, newcomers require trustworthy information to manage uncertainty, make sense of their new surroundings, and meet performance expectations (Morrison, 1993; Morrison, 1995).

Access to relevant knowledge and resources needed to complete tasks is especially important during the early phase of organisational entry (Morrison, 1993). While informational support from the organisation is key, to become fully socialised members, newcomers need to access and actively draw on social resources, such as information embedded within their relationships with organisational insiders (Fang et al., 2011). This type of support has been shown to enhance newcomer job satisfaction and organisational commitment, while also reducing the likelihood of turnover (Ostroff & Kozlowski, 1992). Yet, how the socialisation process and content shape PC formation for family and non-family employees remains nascent.

Family members' socialisation experience is likely to be both unique and complex. Family members develop social values, roles, and attitudes within the family unit (García-Álvarez et al., 2002), while simultaneously being positioned to engage in organisational socialisation from an early age (Bika et al., 2019). Crucially, the family and business domains are not experienced separately — family members navigate both simultaneously (Chirico & Salvato, 2008; Cooper et al., 2013), encountering parents as both caregivers and leaders, and initiating distinctive social exchanges well before formal employment (Eddleston & Kidwell, 2012). Through these relationships, predecessors function as repositories of tacit and informal knowledge transferred across generations (Cisneros et al., 2022), conveying formative signals to next-generation members as prospective future leaders (Schell et al., 2023).

These early experiences carry consequential and divergent effects. Exposure to the business can shape career intentions (Murphy & Lambrechts, 2015), fostering a desire to join the firm (Birley, 2002), or can generate tensions between personal career aspirations and the weight of family legacy (Achtenhagen et al., 2022). In one view, embeddedness within the family business cultivates socioemotional wealth (SEW) (Murphy et al., 2019) and affective commitment to the firm (Cater et al., 2025; Istipliler et al., 2024). Yet family dynamics can equally introduce complexity, and parental permissiveness toward misconduct within the family unit may seed deviant behaviour when those individuals later enter the business (Kidwell et al., 2024). Regardless of trajectory, these early interactions cumulatively shape implicit obligations that blur the boundary between family and firm.

Non-family employees, in contrast, enter the employment relationship through a fundamentally different socialisation pathway. Prior work experiences, alongside individual factors such as age and motivation, shape pre-entry beliefs and generate expectations about the exchange relationship before any contact with the firm (de Vos et al., 2009). For most, recruitment represents the first meaningful point of interaction with the business (Tabor et al., 2018), making it a particularly formative moment in PC formation. The impressions formed at this stage depend critically on how the family firm and its agents' signal information about organisational life, including its distinctively familial character (Block et al., 2016; Kim et al., 2024; Llanos-Contreras et al., 2024).

At the pre-entry period, family firms that signal the firm's long-term orientation and social responsibility can enhance perceptions of job security and organisational prestige, making the firm more attractive to non-family candidates (Block et al., 2016; Kim et al., 2024). Whereas signalling preferential treatment of family members such as employing family members, only, in top management teams may suggest limited career advancement opportunities and thus reduce the levels of organisational commitment of non-family employees (Sageder et al., 2015). Family firms may consciously manage their narrative to ensure that the signals they convey align with their desired employer brand and values, whether through recruitment materials or interviews (Kim et al., 2024; Llanos-Contreras et al., 2024). Through these signals, non-family employees develop their future expectations of the employment relationship with the family firm, and a rudimentary PC begins to emerge.

In the post-entry period, employees enter the encounter phase (Feldman, 1981). Newcomers, including both family and non-family employees, actively reconcile pre-entry expectations with the lived organisational reality, often revising their PCs in response to the cues received through formal onboarding and informal socialisation processes (Louis, 1980; Maanen & Schein, 1977; Woodrow & Guest, 2017). Newcomers actively seek information to help them make sense of their new employment relationship (Woodrow et al., 2024), which prompts them to evaluate and/or adjust their preexisting beliefs and expectations (De Vos & Freese, 2011). Any new information acquired is filtered through their pre-existing PC schema, the anticipatory PC, shaped by the earlier socialisation period and the information inferred by other members of the organisation (Woodrow et al., 2024).

Family employees who have grown up around the business typically enter with pre-formed organisational schemas, having internalised its dynamics, values, and norms well before formal employment (Bika et al., 2019). At the post-entry stage, pre-existing schemas and relational embeddedness may paradoxically constrain rather than facilitate socialisation. While greater pre-entry exposure is generally associated with reduced uncertainty and stronger expectation alignment upon entry (Jack Walker et al., 2013), this assumption does not consider the complexity that relational familiarity may generate once inside the firm

for family employees. Family employees may default to established, familiar and potentially distorted sources of information, such as a parent or sibling, rendering them less inclined to engage with peers, mentors, or formal organisational channels outside the family unit. This information-seeking risks calcifying pre-entry expectations rather than refining them through post-entry experience, with implications for if and how the PC is meaningfully updated following organisational entry.

In contrast, non-family employees, as newcomers, might enter those post-entry exchanges with a more open mind than a family employee. In some circumstances, non-family employees may be more malleable as they lack relational familiarity of family employees (Petitta et al., 2023), meaning they are more likely to seek out information to develop the terms of the exchange agreement (De Vos & Freese, 2011). Non-family employees may be particularly attuned to informal cues from organisational insiders, building relationships with trusted sources that help them interpret organisational norms, expectations, and relational dynamics. The individual interpretation of the PC is significantly shaped by interactions between employees and "*contract makers*" (*e.g., formal agents of the organisation such as supervisor, owner, administrative information*), who convey cues about expectations and obligations through both structured (*formal*) and unstructured (*informal*) means (Rousseau, 1995).

### 2.2. Psychological contract formation: Contract makers and social exchange partners

PCs are constructed from the information new employees receive from both administrative sources, such as job descriptions, recruitment materials and employee handbooks (Rousseau & Greller, 1994), and human contract makers, including HR representatives, owners, and supervisors, who are crucial for the successful integration of new employees (Ashforth et al., 2008; Bauer & Erdogan, 2011). In family firms, formalised HR systems are often underdeveloped, particularly in smaller firms (e.g., Carrasco-Hernandez & Sánchez-Marín, 2007; Edwards & Ram, 2020), meaning reciprocity in the employment exchange is frequently rooted in personal exchange relationships between the employee and the supervisor (McLarty et al., 2019). Family members, by virtue of their dual roles, serve as both formal and informal contract makers to family and non-family employees alike. As a result, it becomes difficult to demarcate organisational and family authority, which contributes to the complexity of the exchange agreement in family firms (Daspit et al., 2016; Daspit et al., 2018; McLarty et al., 2019).

Non-family employees face cognitive complexity in interpreting firm norms (Mitchell et al., 2003). Regardless of who delivers PC information, cues may be filtered through perceptions of family bias, and bifurcation in HR practices can produce unequal treatment in hiring and compensation (Daspit et al., 2018; Dhaenens et al., 2018; Madison et al., 2018; Verbeke et al., 2020). Early signals of meritocracy or structured advancement may clash with informal family-first norms (Verbeke & Kano, 2012), generating perceptions of inequity (Jennings et al., 2018). Or worse, if a misalignment between pre-entry and post-entry contract makers arises, this can weaken PC clarity, erode trust, and raise breach risk — particularly since employees reciprocate most when they perceive exchanges as genuine (Vardaman et al., 2016). McLarty et al. (2019) posit that supervisors significantly shape these perceptions: alignment between a supervisor's family identity and espoused goals strengthens reciprocity, while incongruence creates cognitive dissonance and reduces commitment.

For family employees, exchange relationships are inherently complex. Family members' schemas are extremely sensitive to informational cues (Schell et al., 2023), and parents often serve as primary role models in shaping work-related expectations (Hoffmann et al., 2015). Beyond ownership, family members transmit social and cultural traditions, ethical values, and identity through storytelling that connects past and present (Boyd et al., 2024). These narratives may carry "*double meanings*", blending both familial assumptions and organisational promises and may diverge significantly from what formal agents communicate upon entry (Botero et al., 2015).

Storytelling, while intended to transmit values or a sense of belonging and identity (Boyd et al., 2024), may also distort reality, and romanticise or manipulate expectations (Beigi et al., 2019). Stories can lead to subverting, that communication may be experienced as manipulation, seduction or a smoke screen (Beigi et al., 2019). If these stories imply inevitable succession, implicit obligations, or moralised loyalty, they may lay the foundation for PCs that are fragile or one-sided. Family firm research points to systematic over expectation around succession (Cater et al., 2025; Handler, 1989) and early imprinting can set family members up for future disillusionment or breach when formal realities diverge from informal expectations (Kidwell et al., 2018).

Understanding how employment expectations are formed is, therefore, especially critical in the family business context. Unmet expectations produce breach, violation, and attrition (Peng et al., 2016; Tekleab et al., 2020), but in family firms the consequences extend further — encompassing damaged trust, disrupted succession, and long-term relational strain. Adequately addressing PC outcomes in this context requires first conceptualising how the PC is formed (Sherman & Morley, 2015).

## 3. Psychological contract formation in family firms

To conceptualise PC formation of family and non-family employees in family firms, we propose a two-stage process of PC formation (*See* Fig. 1), spanning the pre-entry (*anticipatory socialisation*) and post-entry (*encounter*) phases of organisational socialisation (Feldman, 1976; Woodrow & Guest, 2017). Crucially, we demonstrate that family membership status does not merely distinguish family and non-family employees — it fundamentally shapes the pathway through which PC cues are encountered, filtered, and given meaning.

Within socialisation, we distinguish between sources and mechanisms of PC formation. Sources are the actors or channels from which employees derive PC-relevant cues, such as family members, supervisors, HR representatives, peers, recruitment materials, or everyday observations. Mechanisms refer to how this information is conveyed. We identify two mechanisms of PC information flow: provision and exchange. *Provision* refers to the unidirectional, organisation-led transmission of formal information (*e.g., job descriptions, HR policies, onboarding materials*) and informal information (*e.g. colleague advice*) that helps the newcomer to make sense of their new role. (Caldwell & Peters, 2018; Rousseau & Greller, 1994; Tomprou & Nikolaou, 2011). For example, the workgroup will always provide a newcomer with PC relevant information (e.g. "*your boss will expect you to attend every team meeting*"). While this information is informal in that it is outside the PC dyad of employee and organisation agent, informal sources often provide more PC relevant information than formal sources (Woodrow & Guest, 2020). *Exchange* refers to a more relational and interactive mechanism through which PC-relevant cues are communicated between the employee and the organisation agent. While the specific terms of the PC are constructed through this *exchange* between both parties, the PC cues *provided* from informal and informal sources underpin the employee's interpretation of the working relationship (Woodrow & Guest, 2020).

We further draw on SET to explain how employees interpret these cues once encountered. Specifically, two interpretive filters are central to our model: *the rules of exchange* and *the nature of the exchange relationship*. The rule of exchange concerns the norm governing perceived reciprocity, ranging from more restricted, specified, and short-term obligations to more generalised, open-ended, and trust-based obligations. The nature of the exchange relationship concerns whether the relationship is experienced primarily in transactional or relational terms (Cropanzano & Mitchell, 2005; Virk et al., 2024). Thus, provision and exchange describe how PC-relevant information is conveyed, whereas SET explains how that information is interpreted and given meaning.

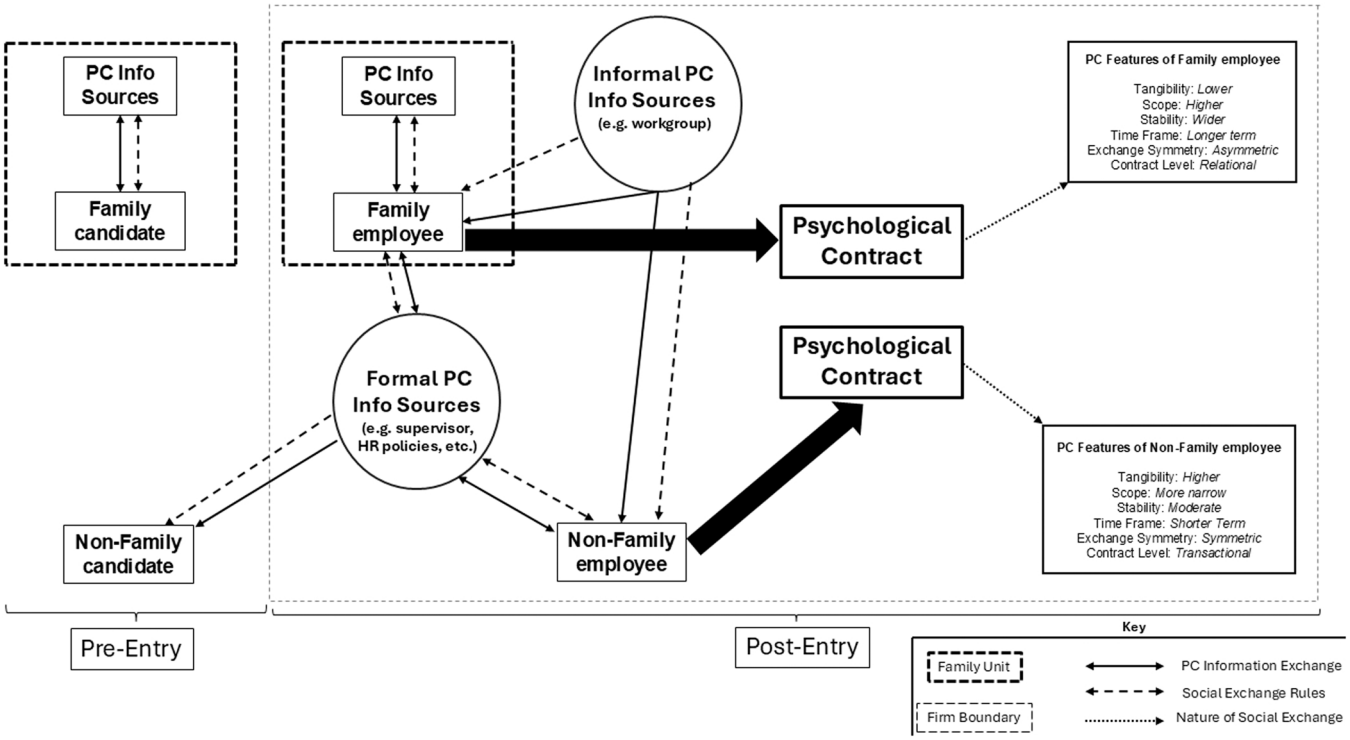



**Fig. 1.** The Formation of Family and Non-Family Employees' Psychological Contracts: A Social Exchange Perspective.

As Fig. 1 illustrates, the distinctive socialisation processes of family and non-family employees lead to the creation of the PC and distinctive characteristic properties that differentiate contracts from one another. These are referred to as the PC features and provide a solid means for understanding the nature of the employees' relationship with the organisation (McInnis et al., 2009).

### 3.1. *Pre-entry phase: Anticipatory socialisation*

Family membership is a crucial determinant in how individuals experience anticipatory socialisation. For family candidates, socialisation often begins informally within the family unit, where the boundaries between the family and the business are in a state of persistent interaction (Vallejo & Langa, 2010). As shown in Fig. 1, PC-relevant cues are exchanged well before organisational entry as although the firm boundary line represents the point of formal organisational entry for all candidates, family candidates interact informally with the firm at pre-entry stage. This informal, and often long-term exposure (e.g., Istipliler et al., 2024) gives rise to *anticipatory psychological contracts*, shaped primarily by exchange-based mechanisms (e.g., *family workgroup, family stories*) rather than structured recruitment channels (e.g., *HR policies, supervisors*).

These tacit, unstructured cues build over time, with the rules of the exchange informal and co-constructed, guided by generalised reciprocity rather than formal contracts or explicit promises. As these interactions are primarily rooted in the family unit, the nature of the relationship is relational and open-ended, grounded in shared family identity (Daspit et al., 2016; Virk et al., 2024). Family employees, through their distinctive socialisation process, internalise cues, construct meaning, and build early perceptions which translate into the PC long before formal organisational entry.

In contrast, non-family candidates typically develop their relationship with the family firm through formal recruitment processes, which marks the start of their anticipatory socialisation. As illustrated in Fig. 1, their pre-entry experience is shaped by provision-based mechanisms of organisational formal and informal sources, such as job advertisements, interviews, recruitment materials and HR policies through which the firm signals expectations, values, and employment terms (Rousseau & Greller, 1994; Rousseau, 1995). The recruitment process will, of course, vary according to the level of professionalisation, the degree of HR formalisation, and often the size of the business (Edwards & Ram, 2020; Sánchez-Marín et al., 2019). Yet in many cases, non-family candidates enter this phase without pre-existing relational proximity to the owning family and therefore with limited access to insider interpretations of organisational life. As a result, formal cues are likely to carry greater weight at pre-entry, not because informal cues are irrelevant, but because opportunities to access and validate them are more constrained before organisational entry. Their anticipatory PC is therefore more likely to be shaped by provision (*illustrated by unidirectional arrow between non-family employees and formal and informal entry sources in the pre-entry stage in our model*) than by exchange in the earliest phase.

While exchange partners (*e.g., HR manager, company owner, supervisor*) may engage in early promise-making with non-family candidates, the rules of the exchange tend to reflect restricted reciprocity; here, obligations are transactional, short-term, and defined by formal agreements (*e.g., salary for service*). Given that their experience is mainly formal, the nature of the exchange relationship is likely to be transactional and role-bound at the outset, as they lack the history and open-endedness that typify the family-employee experience. However, this early reliance on formal provision does not imply that non-family candidates remain oriented only to formal sources; rather, once inside the organisation, the absence of prior embeddedness may heighten their sensitivity to informal cues that reveal insider norms and the lived reality of the employment relationship. Table 1 summarises the divergent pathways through which PCs are formed during the pre-entry phase. The following section explores how these contracts evolve through post-entry socialisation.

### 3.2. *Post-entry phase: Encounter and psychological contract development*

When individuals join a new organisation, the *encounter* phase begins (Bauer & Erdogan, 2011), prompting newcomers to confirm, revise, or

**Table 1**
Psychological Contract Formation During Pre-Entry Socialisation in Family Firms.

| Dimension | Family Employees | Non-Family Employees |
|---|---|---|
| Timing of Entry | Early, often informal involvement before formal employment | Begins at formal recruitment or first official interaction with the firm |
| PC Communication | Primarily exchange-based, conveyed through informal relational cues and interactions | Primarily provision-based, conveyed through formal organisational information |
| Sources of PC Information | Family members, family traditions, personal observation, and storytelling | HR managers, job ads, recruitment materials, and interviews |
| Nature of Promises | More implicit, inferred through repeated interactions and tacit expectations | More explicit, communicated through formal organisational channels |
| Salience of PC Information | Often heightened by prolonged prior exposure and relational familiarity | More dependent on the clarity, consistency, and credibility of formal signals |
| Socialisation Type | Embedded dual socialisation (family and business simultaneously) | Primarily organisational socialisation at pre-entry |
| Social Exchange Rules | More aligned with generalised exchange; trust-based and longer-term obligations | More aligned with restricted exchange; specified and more bounded expectations |

recalibrate the anticipatory PC based on newly acquired insights (Woodrow et al., 2024). They strive to reduce uncertainty by familiarising themselves with their new tasks and social environment (van der Werff & Buckley, 2017) by engaging in organisation-driven tactics and individual-driven proactivity in the learning process (Ashforth et al., 2007; Fang et al., 2011). That is, the process of both receiving and seeking out credible sources of information.

As illustrated *in* Fig. 1, PC development is shaped through a combination of provision-based mechanisms (*e.g., onboarding materials, policies, job descriptions*) and exchange-based mechanisms (*e.g., interactions with supervisors, colleagues, mentors, and family members*) (Sherman & Morley, 2015; Woodrow & Guest, 2017). While both family and non-family employee groups receive a mix of formal and informal cues, which jointly influence the PC's structure and strength (Kim et al., 2024; Llanos-Contreras et al., 2024; Sonnenberg, 2006; Suazo et al., 2009), their interpretation of these cues and the social exchange rules may differ based on family membership.

The manifestation of the PC is inherently tied to the socialisation pathway. For non-family employees, organisational socialisation processes – such as formal onboarding and mentorship – provide a structured framework that strengthens the PC by offering consistent and credible signals of organisational obligation (Ashforth et al., 2007). In contrast, family employees often experience a more individualised and informal socialisation process. While this can lead to a deeply relational PC, the lack of formal process may lead to a fragile contract if it relies solely on tacit family history (Chao et al., 1994) rather than active, reciprocal social exchange. Furthermore, the process of social networking is critical for both groups; as Fang et al. (2011) suggest, newcomers who actively draw on social resources from insiders are better able to align their PC with organisational reality, thereby reducing the risk of perceived breach.

Family employees maintain parallel access to both family and business systems and therefore continue to receive PC-relevant cues through overlapping formal and informal channels. They may still encounter provision-based mechanisms such as onboarding, policies, or role expectations, but these are often interpreted alongside continuing exchange-based cues conveyed through family conversations, prior history, and everyday interactions with dual-role insiders (Cisneros et al., 2022; Schell et al., 2023). As many family employees enter the organisation with a rudimentary PC already in place, post-entry cues are less likely to create expectations from scratch than to confirm, elaborate, or challenge pre-existing assumptions. As a consequence of their prior socialisation experiences (Bika et al., 2019) family employees are more likely to filter any new information through their existing schema. Therefore, it may be the case that family employees are less malleable to information shared from new sources in this experience. When family and organisational logics align, this may strengthen commitment and continuity; when they diverge, it may also produce ambiguity, tension, or difficulty recalibrating expectations.

In contrast, non-family employees begin the post-entry phase with limited prior exposure to the family firm's internal norms and everyday practices. This period represents their first immersive contact with the organisation's culture and relational dynamics. While formal mechanisms remain important at this stage, non-family employees are also likely to become increasingly attentive to informal cues conveyed through peers, supervisors, and daily interactions, as these help decode aspects of organisational life that formal materials cannot fully capture (Cooper-Thomas, 2009; Nasr et al., 2019). In the absence of deeply entrenched prior schemas, they may also be more receptive than family employees to structured socialisation efforts and credible insider support, enabling them to revise and refine their expectations during the encounter period. Their PCs at this stage are shaped not only by formal organisational communication, but also by access to trustworthy informal interpretations of organisational life.

Nevertheless, in the immediate post-entry phase, non-family employees' PCs are still likely to be interpreted through relatively restricted exchange rules, with particular emphasis on clarity, equity, and the fulfilment of specified obligations. Over time, however, relational depth may increase if supervisors, peers, or family owners emerge as credible contract makers and repeated interaction builds trust (Woodrow & Guest, 2020). Table 2 presents an overview of the differences in PC formation during the post-entry encounter phase. The following section will discuss the emerging features of the PC.

### 3.3. *Features of the psychological contract in family firms*

The features approach to understanding the PC is long established in the literature (e.g., Rousseau & Parks, 1993). It highlights the foundational properties of the exchange itself. These structural underpinnings, independent of the content dimensions of the PC, are akin to the pillars upon which the exchange relationship rests. The PC features approach facilitates comparison between groups of employees, and across firm boundaries, as they are less context specific when compared to PC content. Understanding these features can help to predict employee behaviour, including how they interpret fairness, manage ambiguity, or respond to shifting obligations. Drawing on the work of Sels et al. (2004), we discuss six core features of the PCs of family and non-family employees at organisational entry and compare the nature of the exchange relationships between the two groups.

#### 3.3.1. *Tangibility: Explicit vs. implicit promises*

Tangibility refers to the extent to which obligations are explicitly articulated or remain implicitly understood (Sels et al., 2004). Family employees, often embedded in the business prior to organisational entry (Bika et al., 2019; Murphy & Lambrechts, 2015), typically form their PCs through informal interactions, relational cues, and tacit assumptions. These expectations are seldom formalised and are often shaped through trust-based, ongoing relationships (Virk et al., 2024). For example, a daughter helping out informally in the business during school holidays may internalise expectations about future roles, contribution, or succession, without any formal discussion or written agreement.

In contrast, non-family employees develop their PCs through formal recruitment processes and structured onboarding, which may lead to more tangible, explicitly stated obligations. For example, a newly hired non-family employee is likely to form expectations based on the terms laid out in the employment contract and formal induction meetings, such as performance goals and pay structures. These early-stage PCs are

**Table 2**
Psychological Development During Post-Entry Encounter.

| Dimension | Family Employees | Non-Family Employees |
|---|---|---|
| Onboarding | Often less formal; entry may feel like a continuation of prior informal exposure | Formal organisational entry and first immersive experience within the firm |
| PC Communication | Primarily exchange-based through ongoing interaction with family and organisational insiders, though formal onboarding may also occur | Initially provision-based through onboarding, with exchange-based cues becoming increasingly salient through interaction with colleagues and supervisors |
| Sources of PC Information | Dual-role agents (family/supervisor), informal networks, workplace observations | Supervisors, HR personnel, team members, onboarding materials, and everyday workplace interactions |
| Nature of Promises | Often remain implicit, but are reinterpreted, confirmed, or challenged in light of prior family-based expectations | Initially, more explicit, though implicit, understandings may develop as socialisation progresses |
| Salience of Information | High; information confirms, conflicts with, or elaborates prior assumptions | High, as newcomers rely on both formal and informal cues to reduce uncertainty and define role expectations |
| Social Exchange Rules | More likely to remain aligned with generalised exchange, though tensions may emerge where family and organisational expectations diverge | More likely to remain aligned with restricted exchange at entry, though relational depth may increase with social support and repeated interaction |

more likely to reflect restricted exchange norms, where obligations are defined, transactional, and role-bound. In contrast, explicit contracts are shaped by clarity of information and procedural structure. The degree of tangibility at entry thus sets the tone for how expectations are formed, interpreted, and fulfilled over time.

#### 3.3.2. Scope: Narrow vs. broad

Scope reflects whether the PC is confined to formal job tasks or extends into broader personal and professional domains (Sels et al., 2004). Family employees are more likely to develop broad PCs that encompass not only job-related duties, but also implicit familial obligations (Botero et al., 2015), emotional labour (Saleem et al., 2024), and an implicit duty to uphold the business legacy (Achtenhagen et al., 2022; Radu-Lefebvre et al., 2024). These broad contracts may include unwritten expectations to work long hours, assist in times of crisis, or participate in strategic decisions, often extending beyond role boundaries of their initial role agreements.

In contrast, non-family employees tend to enter the organisation with narrower PCs focused on clearly defined job responsibilities, performance expectations, and individual career progression. Their contract scope is more likely to be shaped by formal role descriptions and HR systems. Although non-family employees may develop broader PCs over time, particularly as relationships deepen, their contracts at organisational entry are more likely to remain bounded by formal role expectations. Family membership, therefore, influences not only the content of the emerging PC but also the domains in which obligations are perceived to reside.

#### 3.3.3. Stability: Fixed vs. evolving contracts

Stability captures the extent to which the PC, once formed, is likely to remain relatively enduring or open to change over time. For family employees, prolonged exposure to and interactions with the family and the business (Cater et al., 2025; Murphy et al., 2019) may lead to PCs that are more deeply rooted and less easily revised. As these expectations often develop gradually and are reinforced across multiple contexts, they may become embedded as enduring schemas that shape how later experiences are interpreted (Rousseau, 2003).

In contrast, non-family employees are more likely to develop PCs that remain open to adaptation in response to performance feedback, organisational signalling, and changing job demands (Rousseau, 1995). Their contracts may therefore be more susceptible to recalibration during organisational entry and early tenure, reflecting a more bounded and revisable exchange logic. Stability in this sense refers not to whether the PC is clear or beneficial, but to the extent to which it is experienced as open to reinterpretation as the employment relationship unfolds.

#### 3.3.4. Time frame: Short-term vs. long-term orientation

The time frame of the PC reflects its temporal orientation, whether the relationship is perceived as closed-ended and transactional or open-ended and relational (Sels et al., 2004). Family employees are often socialised into longer-term relationships with the business prior to organisational entry, instilling expectations of continuity, loyalty, and, in some cases, future leadership or succession (Cater et al., 2025; Garcia Alvarez & López Sintas, 2005). This long-term orientation is more likely to support relational PCs, in which obligations are understood within an enduring and future-oriented exchange relationship (Martin-Cruz et al., 2020).

In contrast, non-family employees are more likely to begin their tenure with shorter-term, more transactional PCs centred on immediate returns such as pay, benefits, and task clarity (Ward et al., 2007). Their initial expectations are more likely to reflect restricted exchange norms, where reciprocity is more contingent and bounded. While their PCs may evolve with tenure, their initial expectations are less likely to reflect the same long-term horizon as those of family employees. Thus, the time frame feature captures how family and non-family employees may enter the employment relationship with different assumptions about its anticipated duration and future trajectory.

#### 3.3.5. Exchange symmetry: Equal vs. unequal relationships

Exchange symmetry refers to the perceived balance of give-and-take in the employment relationship between individuals and the organisation (Sels et al., 2004). In family firms, this balance may be complicated by asymmetries associated with family membership, such as preferential treatment (Daspit et al., 2018), implicit trust (Bertrand & Schoar, 2006), or privileged access to informal decision-making channels (Bloemen-Bekx et al., 2021). For family employees, these dynamics may shape expectations of support, loyalty, or obligation in ways that differ from formal role arrangements. For non-family employees, however, the same dynamics may be interpreted as imbalance, particularly when advancement or recognition appears contingent on family ties rather than merit (Barnett & Kellermanns, 2006; Tabor et al., 2018).

Asymmetry may also arise within the family employee group itself. Gendered role expectations in family businesses can render some contributions less visible or less formally recognised, particularly where women's work is absorbed into informal family roles rather than acknowledged as organisational contribution (Bang et al., 2023; Gillis-Donovan & Moynihan-Bradt, 1990; Hollander & Bukowitz, 1990; McAdam et al., 2021). Exchange symmetry, therefore, highlights how the perceived balance of obligations and rewards may vary not only between family and non-family employees, but also within family-based employment relationships. From a SET perspective, such asymmetries matter because they shape whether the employment relationship is experienced as reciprocal and balanced, or as unevenly structured in ways that may alter how mutual obligations are interpreted.

#### 3.3.6. Contract level: Individual vs. collective agreements

Contract level captures whether the PC is primarily individually constructed or shaped by collectively applied organisational arrangements. Non-family employees will typically develop their PCs through standardised HR policies, job descriptions, and onboarding procedures.

Their initial expectations are, therefore, more likely to reflect restricted exchange norms (Cropanzano & Mitchell, 2005), with greater emphasis on consistency, transparency, and procedural fairness across roles. As a result, their PCs are more likely to display a degree of uniformity in how mutual obligations are communicated and interpreted.

In contrast, although family employees may be embedded within a broader shared family culture, their PCs are more likely to be individually patterned. The expectations they hold are shaped by specific family relationships, unique entry pathways, and implicit assumptions of responsibility. These expectations are not easily standardised, as they may vary by generation, gender, and succession potential (Jaskiewicz & Dyer, 2017; Li et al., 2023). Thus, family employees are more likely to form PCs that are personalised and relationally contingent, whereas non-family employees are more likely to form PCs shaped by collectively applied organisational arrangements. Table 3 provides a synopsis of the comparative features of family and non-family employees' PCs.

## 4. Discussion

Responding to calls for more PC research in the family firm (Kraak et al., 2024), particularly on how PCs for family and non-family employees emerge (Lambrechts & Gnan, 2022) and the broader need for context-sensitive theorising in family business scholarship (Binz Astrachan et al., 2021; Lambrechts & Gnan, 2022; Lambrechts et al., 2011), this paper presents a process model of PC formation in family firms. By integrating SET and organisational socialisation theory, we build upon the microfoundations research agenda (De Massis & Foss, 2018; Ellen et al., 2024) to conceptualise how individual experiences and interactions lead to distinct employment relationships for family and non-family employees (McLarty et al., 2025).

Our model (Fig. 1) conceptualises PC formation at the individual employee-level, theorising how family and non-family employees experience organisational socialisation across two key phases: pre-entry (*anticipatory socialisation*) and post-entry (*encounter*) (Woodrow & Guest, 2017). It illustrates how family membership shapes access to PC-relevant cues for family employees, the mechanisms through which those cues are conveyed, and the ways in which they are interpreted across these phases. Specifically, provision and exchange mechanisms explain how PC-relevant information is communicated, while SET explains how that information is interpreted through the rules governing reciprocity and the nature of the exchange relationship (Cropanzano & Mitchell, 2005; Mitchell et al., 2012). As the PC takes shape, its structural features, such as tangibility, scope, and stability, emerge as important comparative dimensions of the employment relationship. In doing so, the model establishes links from the individual-level socialisation experiences to the formation of distinct PCs in family firms.

A key contribution of our model is the articulation of family membership as a novel antecedent of PC formation. Specifically, we show how family employees engage in prolonged, informal exchanges which typically begin prior to formal organisational entry. These early relational exchanges, often experienced through storytelling, early exposure, and informal involvement with the business (Bika et al., 2019; Ge et al., 2022; Istipliler et al., 2024; Zwack et al., 2016), serve as a lens for how future obligations are interpreted and how the PC is constructed. Anticipatory socialisation unfolds through embedded exchanges within the family unit, often outside formal HR channels, shaping how family employees come to understand the employment relationship. While non-family employees also engage in interactions, they typically encounter the organisation later and through more formal, bounded channels such as recruitment materials, job interviews, and structured onboarding.

We build on prior research on organisational socialisation in family firms (Bika et al., 2019) and unveil how multiple socialisation pathways coexist within the same organisation. Although both family and non-family employees experience the socialisation process, they do so through different pathways and with different levels of relational proximity. Whereas traditional models often treat organisational entry as the starting point for socialisation (Takeuchi et al., 2021), our model highlights how informal, relational exchanges within the family unit can initiate socialisation long before formal entry for family members. By contrast, non-family employees experience a more bounded and formalised trajectory, receiving provision-based cues during recruitment and only developing richer exchange-based relationships after joining the organisation. Entry timing, relational proximity, and access to credible insiders therefore shape how socialisation unfolds and how PCs begin to form in family firms. Following the insights of Ashforth et al. (2007) and Fang et al. (2011) we argue that the process of socialisation – specifically the quality of interactions with contract makers and the degree of newcomer proactivity – is the primary driver of PC strength. While the content of socialisation (e.g., *understanding family history or firm goals*; Chao et al. (1994) provides the necessary context, it is the interactive and relational process that transforms these facts into felt obligations and enduring trust.

Drawing on established PC literature (DelCampo, 2007; Sels et al., 2004), we identify six core features—*tangibility, scope, stability, time frame, exchange symmetry*, and *contract level*—that characterise the micro-properties of employment relationships in family firms. PC features are often the most valuable lens in PC research to predict downstream behaviours, such as commitment (McInnis et al., 2009) or turnover intentions (Tekleab et al., 2020). Crucially, the features offer a more generalisable means to compare employee groups than, for example, the content of the PC, which is often aligned more specifically to industry or sector. Given the ubiquitous nature of family firms (Neubaum, 2018), our model offers a valuable opportunity to understand employment relationships in diverse contexts.

In addition to the conceptual and theoretical contributions, this paper offers practical insights for family business leaders and HR practitioners seeking to manage employment relationships in family firms more effectively. Recognising that family and non-family employees enter the organisation through distinct socialisation pathways, firms should tailor their recruitment, onboarding, and employee development practices to surface and align expectations early. Non-family employees, who typically rely on formal, provision-based cues, may benefit from structured, transparent messaging that clarifies organisational values,

**Table 3**
Psychological Contracts Features of Family and Non-Family Employees.

| PC Feature | Family Employees | Non-Family Employees |
|---|---|---|
| **Tangibility** | Implicit: expectations shaped by trust, relational cues and informal socialisation (more aligned with generalised exchange) | Explicit: formalised agreements based on contracts and policies (more aligned with restricted exchange) |
| **Scope** | Broader: includes job duties alongside family obligations, emotional labour, and legacy-related expectations | Bounded: focused primarily on role responsibilities, performance, and career progression |
| **Stability** | Deeply rooted: shaped over time and less easily revised due to prolonged exposure and embedded relational schemas | Evolving: more open to recalibration in response to role clarity, feedback, and organisational signals |
| **Time Frame** | Longer-term: more open-ended and oriented toward continuity, loyalty, and possible future family roles | Shorter-term: more bounded at entry and focused on immediate returns, task clarity, and near-term development |
| **Exchange Symmetry** | Likely to involve perceived asymmetries linked to family status, privileged access, or informal obligations | Likely to expect balanced exchange, though perceptions of inequity may emerge where family ties shape opportunities or recognition |
| **Contract Level** | Individualised: shaped by personal family ties, unique entry pathways, and implicit expectations | Standardised: shaped by HR processes, formal role structures, and collectively applied organisational arrangements |

performance expectations, and advancement opportunities. This may help address perceptions of bifurcation bias early in the relationship (Verbeke & Kano, 2012). Family employees, whose PCs are shaped informally over time, may benefit from support in distinguishing between family and organisational obligations, especially when transitioning from family member to formal employee.

To reduce ambiguity and lower the risk of later misalignment or breach, family firms should clarify the role of key contract-makers for family and non-family employees (e.g., *supervisors, HR professionals, family leaders*) and promote greater consistency across formal and informal communication. Attending to the rules and quality of the exchange relationship, that is, the core filters shaping how obligations are perceived, may help strengthen fairness perceptions and reduce relational strain across employee groups. Finally, integrating these insights into HR systems and succession planning processes may enhance transparency, mitigate bias, and support more coherent employment relationships within the family firm.

### 4.1. Future research directions

Our model of PC formation in family firms presents several promising avenues for future empirical research. By conceptualising family membership as a novel antecedent to PC formation, we surface key points of divergence between family and non-family employees that warrant systematic study. Future research could examine the timing and sources of PC-relevant information across pre-entry (*anticipatory*) and post-entry (*encounter*) phases, and whether employee groups have differential access to contract makers at each stage.

Family business scholarship would particularly benefit from a deeper investigation of how early, kinship-based socialisation, through storytelling, observational learning, and informal involvement, shapes family employees' anticipatory PCs. While existing work has addressed legacy transmission and value internalisation (Bloemen-Bekx et al., 2021; Boyd et al., 2024; Radu-Lefebvre et al., 2024), little is known about how such informal signals mature into perceived employment obligations.

Future studies should also examine how variation in HR formalisation across family firms shapes the cues available during organisational entry and how those cues are interpreted by different employee groups. Understanding how family firms influence attraction, perceived fairness, and early contract development, particularly where family involvement is either valorised or viewed with scepticism, is essential for explaining how anticipatory expectations may later evolve into perceptions of fulfilment or breach.

We also call for an inquiry into how employees interpret social exchange norms such as reciprocity, fairness, and trust, over time, and how the credibility of contract makers varies between family and non-family employees. Future studies should examine how the PC alters (Lambrechts & Gnan, 2022) during the encounter phase, particularly as employees navigate dissonant cues, shifting role expectations, and competing formal and informal influences.

In line with calls for greater heterogeneity in family business research (Jaskiewicz & Dyer, 2017), future work should examine how different forms of family membership, including stepfamily, marital, and extended kin ties, shape access to family-based cues and PC formation. Scholars should also move beyond assumed traditional family structures to consider how diverse and contemporary family forms (*e.g., same-sex marriages, blended families*) influence employment expectations. Gender warrants particular attention as a boundary condition: long-standing research documents gendered norms that limit women's recognition in family firms (e.g., Gillis-Donovan & Moynihan-Bradt, 1990; Hollander & Bukowitz, 1990; Eddleston & Sabil, 2019), and future research should explore whether gender affects women's access to informal information, socialisation opportunities, and credible contract makers, potentially producing systematically distinct PC configurations.

Finally, we encourage empirical work examining PC features as a microfoundational lens to advance our understanding of employment relationships in family firms. These properties shape how individuals cognitively and emotionally frame exchange quality, with downstream consequences for role clarity, voice, and organisational commitment. Together, these directions advance a more nuanced, process-oriented account of employment relationships in family firms.

## 5. Conclusion

Longstanding family business scholarship identifies differences in the employment relationships of family and non-family employees (Astrachan & Kolenko, 1994; Barnett & Kellermanns, 2006; Lansberg, 1983; Waterwall & Alipour, 2021). This paper advances the conversation through the microfoundations agenda (De Massis & Foss, 2018; Ellen et al., 2024) by identifying family membership as an antecedent of PC formation. We show how family and non-family employees' access, interpret, and carry forward PC-relevant cues differently across organisational socialisation, and how these differences give rise to distinct PC features at organisational entry. In doing so, the paper explains not simply that employment relationships differ in family firms based on kinship, but how those differences are created and unfold in the early employment exchanges of new recruits.

## CRediT authorship contribution statement

**Olivia O'Leary:** Writing – review & editing, Writing – original draft, Conceptualization. **Linda Murphy:** Writing – review & editing, Writing – original draft, Supervision, Conceptualization. **Ultan Sherman:** Writing – review & editing, Writing – original draft, Supervision, Conceptualization. **James Duggan:** Writing – review & editing, Supervision.

## Declaration of Competing Interest

We have nothing to declare.

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## Data availability

No data were used for the research described in the article.

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