

---

# Why would I choose you ? Psychological contract and talents' attractiveness and retention in family firms: an exploratory study

Julia Vincent<sup>\*1</sup>

<sup>1</sup>IPAG – IPAG Business School – France

## Abstract

Family businesses play a major role in national economies, and they are health-enhancing firms for national economies. The case of the German *Mittlestand* is a shining example. Helping these family companies to develop is a major issue. But as they do not benefit from the brand image and notoriety of large groups, nor from the stimulating and dynamic image of start-up companies being launched, family companies sometimes suffer from a lack of attractiveness or even a difficulty to retain external talents to the family. In this context, the theory of the psychological contract can offer a useful light. Broadly defined as the contract defining the one-to-one relationship that binds an employee to his organization or to the individual who represents it, the psychological contract is known to have a major influence on the intention to join an organization. It is also known for influencing the behavior of the employees and in particular their commitment (on the positive side) and their intention of departure (on the negative side). In this respect, it is surprising that the workings of the psychological contract linking non-family employees (managers and non-managers) to the family business have been underexplored so far. The present work proposes to fill this gap by examining the reasons which lead non-family employees to join the family business and to stay there: do non-family employees look for something special in the family business and if so, what are the specific components of the psychological contract they build with the family company? The results of the exploratory study that we conducted in a French family business confirm that family businesses generate specific expectations and promises, and that the psychological contract between the non-family employees and the family business is key to enhancing the attractiveness of these companies, the commitment of employees and to limiting their intention to leave. These results are discussed. Keywords: psychological contract, family firms, attractiveness retention

---

<sup>\*</sup>Speaker