sciendo

DOI 10.2478/sbe-2023-0026
SBE no. 18(2) 2023

THE COVID-19 CRISIS AND THE FINANCIAL IMPACT ON FAMILY FIRMS

DODERO ORTIZ DE ZEVALLOS Gino Felix
E.P. NEWMAN, Peru

CLEMENTE-ALMENDROS José Antonio
Universidad Internacional De La Rioja, Spain

BAHAMONDES ROSADO María Emilia
E.P. NEWMAN, Peru

Abstract:

This paper analyses literature related to the impact of COVID-19 on family firms' financial decisions. Presenting their distinctive characteristics and their responses to both past crises and the current one, the aim is to single out the key factors that ensure these firms' economic continuity. The analysis of the key factors shown in the studies makes it possible to identify and understand behavioural aspects, such as those relating to business resilience, employed by owners of family firms, which take precedence over traditional financial management decisions. The analysis of the financial impact of the current crisis on family firms will help improve their resilience to future exogenous impacts.

Key words: *Family, Firm, Covid, Finance, Resilience*

1. Introduction

News from around the world has focused on the effects of the spread of the SARS-CoV-2 virus (COVID-19), especially the rising infections and deaths, which prompted governments to take drastic control measures. For example, on 17th March 2020, the member states of the European Union (EU) agreed to close the EU's external borders for 30 days, with immediate effect, due to concerns about the coronavirus pandemic.[1] The mobility of consumers was restricted and logistics became more expensive, slowing down the growth of economies, among other effects, and consequently impacting companies' economic and financial performance; companies around the world have incurred massive losses due to COVID-19.

[1] Extracted from: https://crisis24.garda.com/alerts/2020/03/europe-european-union-to-temporarily-close-external-borders-due-to-covid-19-march-17

According to recent studies, the coronavirus pandemic has led directly to a sharp reduction in economic activity, the rather obvious result of the rising infections in most countries, school closures, social distancing measures adopted, economic lockdowns and drastic falls in global stock markets (Ramelli and Wagner, 2020; Pardal et al., 2020; Días et al., 2020). The literature on the topic emphasizes that, unlike previous crises, the COVID-19 pandemic has many different dimensions along with the economic one; as such, it presents a unique opportunity to analyse the impact on family firms (Marjanski and Sulkowski, 2020).

The COVID-19 crisis has had a devastating effect on the world and its economy. As of 23rd April 2020, 26.5 million jobs had been lost in the United States alone (Lambert, 2020). Global stocks have experienced a drop of at least 25%.

Against this backdrop, the aim of this study is to identify the main effects of COVID-19 on the financial decisions of family firms, by conducting a review of the literature that seeks to identify and understand the different financial mechanisms used to ensure business survival. This study thus attempts to single out and highlight the distinguishing features of family firms and factors that contribute to their survival in crisis situations. By so doing, it can offer valuable lessons on the courses of action to be taken, as well as the gaps to be covered to make firms more resilient and adaptive in the future, while at the same time pointing to new lines of research.

This study defines the family firm as a company where the voting majority is in the hands of the controlling family, including the founder(s), who seek to pass the business on to their descendants (IFC, 2018).

Family firms range from small and medium-sized enterprises (SMEs) to large conglomerates operating in multiple industries and countries. Some of the best known family businesses include Salvatore Ferragamo, Benetton and the Fiat Group, in Italy; L'Oréal, Carrefour Group, LVMH, and Michelin in France; Samsung, Hyundai Motor and LG Group in South Korea; BMW and Siemens in Germany; Kikkoman and Ito-Yokado in Japan; and lastly, Ford Motors Co and Walmart in the United States (IFC, 2018).

Several studies have shown that family firms financially outperform non-family firms (Leach and Leahy, 1991). However, in times of crisis, the relatively better performance of family firms is found only in Asian and non-OECD countries (Hansen et al., 2020), indicating that COVID-19 has had a particular impact on the capacity for resilience of family businesses.

A Thomson Financial study for Newsweek compared family firms with non-family firms in the six major European stock market indexes, revealing that family firms outperformed their rivals in all of these indexes, from London's FTSE to Madrid's IBEX. Thomson Financial created a unique index for family and non-family firms in each country, and tracked them for 10 years up to December 2003. In Germany, the family index rose 206%, while the stocks of non-family firms increased just 47%. In France, the family index grew 203%, while its non-family counterpart rose only 76%. Family firms also outperformed their non-family counterparts in Switzerland, Spain, Great Britain, and Italy (IFC,2018).

Around the world, family firms make a recognized contribution to economic development through entrepreneurship, due to their capacity to create jobs and value for economies. In some countries, they represent as much as 70% of all active businesses and about 60% of the contribution to aggregate GNP in Latin America (IFC, 2018). Given this

importance of family businesses in individual economies, and of the survival of an innovation and value-generation system, we believe it is worth reviewing the different lines of research on the impact of COVID-19 on the economic and financial results of family firms.

The COVID-19 pandemic has affected family firms in two ways: as a biomedical threat to the family system, and as a business threat to the corporate system (Agnieszka et al. 2021). Similarly, De Massis and Rondi (2020) argue that COVID-19, with its social and economic consequences, poses important challenges for family firms. The survival and success of a family business lies in taking care of both the company and the family members (Danes et al., 2016; Haynes et al., 2019). The question is whether family firm owners will preserve their private wealth or engage private resources (survivability capital) to overcome the effects of COVID-19.

Given the importance of family firms, research in this area is an ongoing concern for both academics and governments. It is worth exploring recent studies that address the impact of a risk that was hard to predict but has had global consequences. Accordingly, the present study is centred on understanding and revealing the critical factors stemming from COVID-19 that financially affect the family firm, eroding its economic and financial capacity and potentially driving it to bankruptcy, with subsequent effects on the business world.

This study contributes to the literature on the effect COVID-19 has had on family firms' financial decisions, offering an understanding of the impact caused at a global level. As such, it should represent a notable addition to the knowledge about the measures and tools available for firms to use to handle this crisis, providing clear lessons and possible courses of action to increase the probability of financial sustainability over time. Moreover, it seeks to encourage new studies and research that generate novel ideas and approaches in pursuit of family firm survival, helping such businesses to remain at the core of each country's economic community.

The present study is structured as follows: The next section presents a review of the literature on the effects of the COVID-19 crisis, the characteristics of family firms and the classical conception of financial decisions. The following section then describes the methodology used to identify the literature on the impact of the crisis on family firms and details the results of the search. The results section outlines the relevant information observed in the different studies on the impact of COVID-19 on family firms, comparing their courses of action with those taken in previous crises. The discussion section presents the lessons learnt, which in turn point to the research gaps to be filled to generate useful knowledge for family firms' decision-making process. The paper ends with the conclusions drawn and bibliographic references included in the study.

2. Literature Review

a. COVID-19

The pandemic caused by the COVID-19 virus has received considerable attention due to both its health effects and the impact on the economy as a result of the measures taken by various governments to prevent the disease from spreading among the population.

On 30th January 2020, the World Health Organization (WHO) declared the COVID-19 epidemic to be a Public Health Emergency of International Concern, meaning that the epidemic had spread across several countries, continents and around the world, affecting a large number of people.[1] The COVID-19 outbreak was eventually declared a global pandemic by the WHO on the afternoon of 11th March 2020. Pandemic situations can significantly impact the world economy, and in particular, financial markets Heyden and Heyden, (2021), although the latter impact has not been equal across all sectors (Clemente-Almendros et al., 2021).

The crisis caused by the coronavirus is a common denominator among all countries in the world. In a recent study, Huei and Kee, (2021) note that the COVID-19 pandemic crisis has struck commercial activities worldwide. Reinhart and Rogoff (2009) describe the striking similarities between crises in the eight centuries before COVID-19, while Reinhart (2020) emphasizes that the COVID-19 crisis genuinely differs from previous crises with respect to its cause, scope and severity. These observations motivate the research into the factors that shape the responses of countries, companies and individuals to COVID-19.

The restrictions imposed on the movements of people and goods as well as the paralysis of a good deal of economic activity in an effort to control the spread of COVID-19 have had a profoundly negative impact on economic and financial activities and created a novel crisis that is understood to be more devastating than earlier crises. Financial markets around the world have experienced a significant fall in their values (Zhang, Hu and Ji, 2020; Baker et al., 2020; Schell et al., 2020).

The global scope of the crisis caused by COVID-19 is unprecedented, making it a unique situation in which to analyse, among other effects, the financial decisions taken by family firms to overcome it.

b. Characteristics of family businesses

There is an increasing amount of research on family business; indeed, it represents an emerging field of study (Chrisman et al., 2008). Family firms have been portrayed as a combination of two overlapping and interacting systems: the emotion-oriented family system that focuses on non-economic goals; and the results-oriented business system that focuses on economic goals (Distelberg and Sorenson, 2009; Vandemaele and Vancauteren, 2015).

Among the strengths of family firms, there are a number of values worth highlighting (Cadbury, 2000; Ward, 2002). **Commitment**: the family–as the owner of the company—is hugely dedicated to ensuring the company grows, thrives and is passed on to the following generations. **Continuity** of Knowledge: A priority of entrepreneurial families is to transmit their accumulated knowledge, experience and skills to the following generations. **Trustworthiness and Pride**: as family firms' name and reputation are associated with their products, they strive to improve the quality of their production and to maintain a good relationship with their partners (customers, suppliers, employees, community, etc).

Given the investment of the family fortune in the company, it is very difficult to effectively separate private wealth from business wealth; this contributes to the firm's specific

[1] Extracted from: https://www.paho.org/en/coronavirus-disease-covid-19

vision. These two systems necessarily influence the decision-making process and constitute the source of many sophisticated character traits of family firms (Zellweger et al., 2005; Motylska-Kuzma, 2017)

The primary characteristics of family firms are significant ownership and decision-making control in the hands of the family and its members. As a result, this type of company has special characteristics distinct from those of non-family firms (Astrachan, 2010; Moores, 2009; Coleman and Carsky, 1999). According to Dyer (2006), the systemic factors constitute a set of attributes that families bring to the company, commonly referred to jointly under the term “family effect." For example, family firms are concerned not only with financial returns but also with non-economic objectives (Astrachan and Jaskiewicz, 2008; Chrisman et al., 2003), as well as the socio-emotional wealth (SEW) gained through the business (Gómez-Mejía et al., 2007; Zellweger and Astrachan, 2008).

There are many aspects of family firms that are emotionally linked to the affective dimension of the family, such as protecting family ties, independence and the continuity of family influence, perpetuating the family dynasty, employee relations, social reputation and identity, and links with the local community and territory, etc. (Mazzi, 2011; Zellweger et al., 2005). This emotional capital is recognized as being the main reason why family firms tend to prioritize non-economic objectives over profits. They thus build up their SEW and are concerned with its growth (Motylska-Kuzma, 2017). The aversion to the loss of SEW is considered the main driver of the strategic behaviour of family firms (Chrisman and Patel, 2012; Debicki et al., 2016).

Furthermore, family firms can be seen as value-driven (Denison et al., 2004; Olson et al., 2003), able to rely on long-lasting networks and relationships that foster trust and altruism (Anderson et al., 2005; Karra et al., 2006), able to achieve market success by linking the family identity with the brand identity (Craig et al., 2008), and they often have a long-term outlook (Le Breton-Miller and Miller, 2006). In many of these entities, the decision-making process is tightly centralized and focused on family culture, values and goals (Feltham et al., 2005).

Family firms have to deal with serious agency problems due to conflicts of interest between family and minority shareholders (Villalonga and Amit, 2006; Young et al., 2008; Morresi and Naccarato, 2016).

Nevertheless, the heterogeneity of family firms should be borne in mind; they differ in terms of basic firm attributes such as size, age or area of operation, as well as in terms of the specific characteristics of a particular family, for example, its attachment to SEW (Gómez-Mejía et al., 2007), risk aversion, norms, attitudes, expectations, experience, etc. (Camisón et al., 2022; Clemente-Almendros et al., 2021; Vandemaele and Vancauteren, 2015). As a result, researchers tend to use different classifications to organize their studies. A commonly-used family business classification criterion is the identity of the CEO (Cheng, 2014). Depending on the identity of the CEO, family firms can be divided into three groups: first, companies with a founder CEO; second, companies with a successor CEO (both of these are entities in which the CEO is not hired); and third, other family firms usually referred to as family businesses with a professional or hired CEO. This classification is fundamental to an understanding of agency problems in family firms and is one of the factors influencing the decision-making process (Ang et al., 2000). The specific characteristics and

heterogeneity of family firms are the main reason why the study of such entities is so difficult and why some researchers believe that it is impossible to say what motivates the behaviour of family businesses (Miller and Le Breton-Miller, 2014).

A common feature of family firms is the constant, multifaceted relationship between the company and the owning family. Astrachan (2003) recognizes that the family is a critical variable that allows an understanding of the essence of a family business. Handler (1989) identifies the key factors that distinguish a family firm: the concentration of ownership in the hands of the family, and the involvement of more than one generation in the management and administration of the company. The uniqueness of family firms can be seen in their operation, where there is a combination of economic and financial objectives, the implementation of the owning family's goals, and the multigenerational perspective through continuity over time (González-Cruz et al., 2021; Sułkowski et al., 2018).

Another factor that is crucial for decision-making is the fact that family firms are among the longest-lasting organizations in the world (Miller and Le Breton-Miller, 2005), and belong to the category of companies characterized as having a "warm heart – deep pocket" (Sharma, 2004), combining a high level of emotional and human capital (family dimension) with financial capital (business dimension). Defining the family firm is a topic that has been extensively discussed in recent decades, with many authors proposing various definitions from different perspectives. Even so, there is no widely-accepted consensus on a definition (Zellweger, 2017). Most of these definitions examine the differences between ownership, control and management in family firms (Nowak and Lewandowska, 2014). Many scholars emphasize that family business values provide a sense of pride, a long-term outlook, a professional management team, and generosity to partners, employees, customers and community (Chrisman et al., 2010; Dyer, 2006; Kontinen and Ojala, 2012). Family firms are vital to a country's economy, as they boost GDP and employment (Eckrich and McClure, 2011).

Brewton et al. (2010) conducted a comparative study of resilience in urban and rural family firms and tested that there are differences in their ability to adapt as a consequence of the differences in their cultural and community settings; for instance, intrinsic aspects of the industry, which vary significantly due to activities developed, consumer segments, budgets, competitors, and social structures. Their results suggest that resources like social capital have a differentiated effect on family firms' resilience in the case of rural firms, but not on urban firms; however, federal help was negatively associated with family resilience for both types of firms. Those differences are explained by the fact that under a disruptive event family management adapts resources for both the family and the firm by incorporating changes aligned with their particular system (Danes, Haberman and McTavish, 2005).

Given the specific characteristics of family firms, as well as their importance at an economic level and in terms of job creation, there is a need to analyse how they are impacted by the unique situation generated by COVID-19; in our case, the impact on their financial decisions.

c. Family firms' financial decisions

In the literature on family and non-family firms, we find that financial decisions are usually divided into three main categories (Copeland et al., 1983; Motylska-Kuzma, 2017):

(1) **Financing decisions**: concerning the optimization of the capital structure, which translates to the effective use of debt and equity capital, as well as internal and external sources of capital for financing the company's activity.
Companies with higher ownership concentration can access debt on better terms, since blockholders have a commitment to the business, making it seem more reliable. But blockholders have to strike a balance between the need for funds and the costs associated with a dilution in control (Harvey et al., 2004; Liu and Tian, 2012).

(2) **Investment decisions:** decisions about constructing the appropriate portfolio of assets in the company. Given the limited amount of financial resources, it is critical to choose the investment opportunities that will be most profitable for the company and thus boost its wealth (Modigliani and Miller, 1958; Myers and Majluf, 1984; Jensen, 2010; Morellec and Smith, 2007).
The capital budget requires a valuation of the cost of invested capital and future cash flows. Therefore, when evaluating the effectiveness of an investment, it is crucial to opt for the appropriate discount rate, to forecast the cash flows most likely to be generated by the investment project, and to select the most suitable payback period.

(3) Dividend decisions: all decisions related to the distribution of profits to investors who contributed capital to the company (La Porta et al., 2000; Bancel et al., 2009; Bae et al., 2012). It could be done by paying dividends to shareholders or through a share repurchase. Regardless of the method, the financial decision about dividends refers to the share of profits to be distributed among the shareholders. A higher dividend rate could boost the market value of shares and thus maximize shareholders' wealth. In the area of dividends, decisions relate to issues such as dividend stability, stock dividends and cash dividends (Denis and Osobov, 2008).

Financial decision-making is the key managerial challenge for every company and the effectiveness of this process is crucial to the growth and survival of the business (Mahérault, 2004; Van Auken et al., 2009). On the other hand, making strategic decisions, such as financial decisions, is strongly influenced by the behavioural attitudes of the owner-manager (Heck, 2004; Van Auken, 2005). Therefore, the relevance of this type of decision in family firms, together with the challenge posed by the COVID-19 crisis, justifies the present analysis of empirical evidence on family firms' financial decisions in response to the situation created by COVID-19.

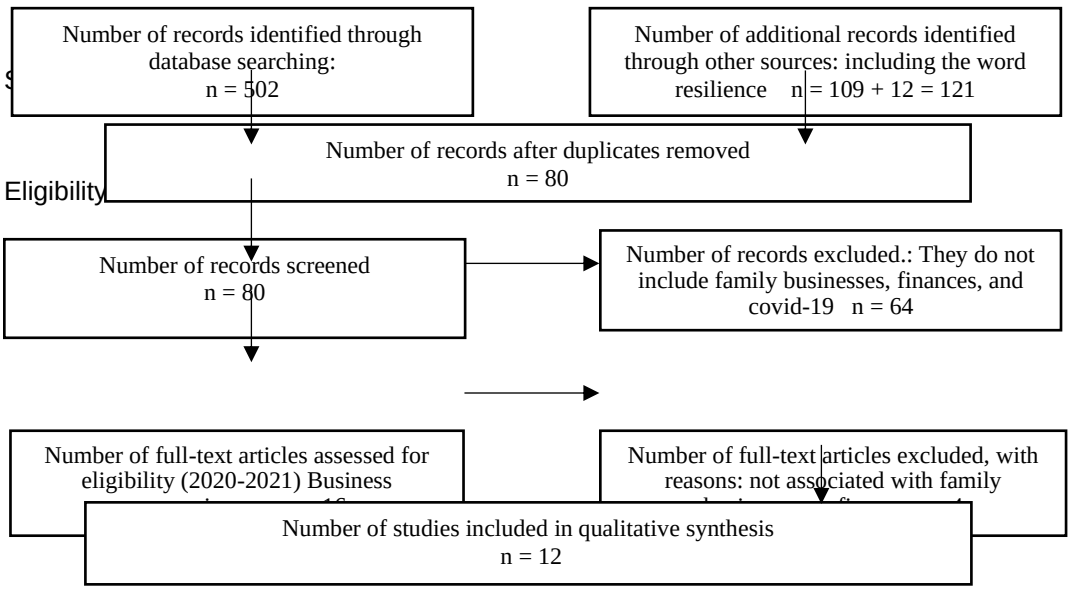
3. Methodology and results

a. Methodology

The bibliographic search was targeted at identifying research articles about family firms and the impacts of COVID-19. To that end, we used Web of Science now owned by Clarivate (previously by Thomson Reuters) the largest platform for scientific publications, as well as the Scopus platform, classified as the largest database for bibliographic references (Pérez-Escoda, 2017).

We used the combination of terms “family" AND "firm" AND (”finan“ OR ”Covid“ OR ”resilience"), in line with the research objective established, as this combination should turn up studies related to COVID-19 and its impact on financial decisions in family firms (Motylska-Kuzma, 2017). Figure 1 graphically depicts the flow of information in the different phases (Moher et al., 2009).

Figure 1: Flow of information through the different phases of the systematic review.



b. Results

In Table 1 we present a summary of the selected papers that enable a more in-depth understanding of how COVID-19 has affected family firms’ financial decisions.

Table 1. Articles on financial decisions and COVID-19 in family firms

Journal	Article	Authors	Year	Main Results
JMS	Covid-19 and the Future of Family Business Research	De Massis and Rondi	2020	The pandemic and its social and economic repercussions are triggering particularly salient challenges for family businesses.
R	COVID-19 Interruptions and SMEs Heterogeneity: Evidence from Poland	Wieczorek-Kosmala et al.	2021	Review of perceptions of the risks of COVID-19 given the heterogeneity of Polish SMEs, taking into account their size, age, legal form and status as a family business.
EBER	Consolidation strategies of small family firms in Poland during the Covid-19 crisis	Marjanski and Sulkowski	2020	An understanding of how family firms are responding and adapting to the COVID-19 crisis

JBR	Masters of disasters? Challenges and opportunities for SMEs in times of crisis	Eggers F.	2020	Characteristics of SMEs and their flexibility in the face of opportunities and threats from their surroundings
JFBS	Surviving the coronavirus pandemic and beyond: Unlocking family firms' innovation potential across crises	Leppaaho and Ritala	2021	Case study of a Finnish family firm, from the interrelated perspectives of the impact of the crisis and innovation.
JFE	Corporate immunity to the COVID-19 pandemic	Ding, et al.	2021	Returns achieved by family and non-family firms following the impact of COVID-19 and the link to firm characteristics.
EI	Mobilization of survivability capital – family firm response to the coronavirus crisis	Agnieszka et al.	2021	The use of survivability capital in family firms to deal with the impact of the coronavirus crisis.
SFS	The COVID-19 Shock and Equity Shortfall: Firm-Level Evidence from Italy	Carletti et al.	2020	The study forecasts a drop in profits, severely affecting SMEs; it also shows that the correlation is weak between the distress rate and family firms.
EI	Ethnic Albanian family businesses and COVID-19 pandemic: a gender-based comparison	Mucha, S.	2020	Defines the strategies used by family businesses in Albania to overcome the effects of the pandemic.
EEA	Integrated Reporting and Firm Performance in Malaysia: Moderating Effects of Board Gender Diversity and Family	Huei and Kee	2021	Integrated reporting, gender diversity and policy tools to support family firms tackling the impact of COVID-19 in Malaysia.
IJFE	Can we learn lessons from the past? COVID-19 crisis and corporate governance responses	Jebran and Chen	2020	Bibliographic review of articles on corporate governance and the COVID-19 crisis, analysis of concentrated ownership of (family) firms.
EG	Family business resilience under the COVID-19: A comparative study in the furniture industry in the United States of America and Colombia	González and Pérez-Uribe	2021	A study of the resilience of two family-owned furniture companies in the United States and Colombia, and the use of resources, depending on the context, to deal with the crisis.

Source: Produced by the authors. Acronyms: R Risk, EG Estudios Gerenciales, EI Emerald Insight, EBER Entrepreneurial Business and Economics Review, JBR Journal of Business Research, JBFS Journal of Family Business Strategy, SFS The Society for Financial Studies - The Review of Corporate Finance Studies, EEA Estudios de Economía Aplicada, IJFE International Journal of Finance & Economics, JMS Journal of Management Studies

4. Review of the impact of Covid-19 on family firms

De Massis and Rondi (2020) claim that COVID-19 and its repercussions are generating challenges that may well affect any business, but which have a particularly strong impact on family firms. In this regard, it seems that family and non-family firms may differ in their perceptions about the impact of COVID-19. As such, the aim of this paper is to shed light on the characteristics of the family firm when it comes to making financial decisions in response to the COVID-19 pandemic situation.

The first approach in the literature to be presented is a case study of Finnboat, a traditional Finnish family firm; this study by Leppaaho and Ritala (2021) examines the company from the interrelated perspectives of crisis behaviour and innovation. During the Covid-19 pandemic, the firm sacrificed its financial returns. The study reveals how a family business can suddenly engage in successful, productive risk-taking despite being risk-averse in the past. Leppaaho and Ritala (2021) point out that a long-term horizon can be very beneficial during a crisis such as the COVID-19 pandemic, allowing family firms to unlock their innovation potential. When the world slows down, the financial resources saved by family firms allow them to innovate instead of freezing in the face of these financial problems. Perceptions of risk can be triggered by innovative actions. In this vein, Lee et al., (2015) discover that innovative SMEs find it more difficult to access financing. Simón-Moya et al., (2016) find that companies that were started in response to a market opportunity (MO) are more likely to survive and have better opportunities in times of crisis than those started out of necessity. Opportunity-based management is associated with the concept of entrepreneurial orientation (EO), consisting of the dimensions of innovation, proactivity and, as a result, willingness to take risks (e.g. Covin and Lumpkin, 2011). Soininen, et al., (2012) find that SMEs with greater EO have a better chance of survival and better opportunities during and after a crisis. While innovation and proactivity have a positive effect on performance, risk-taking has a negative effect. That said, the authors interpret risk-taking as dependence on financial investors and do not tie it to proactive and innovative actions per se. In this regard, several authors report positive effects on performance from innovative or proactive positioning, or a combination of both in times of crisis (Le Nguyen and Kock, 2011; Vargo and Seville, 2011; Hong, Huang, and Li, 2012; Bourletidis and Triantafyllopoulos, 2014; Cioppi, Musso, Pencarelli, and Savelli, 2014; Meutia et al., 2018; Días et al., 2020).

Marjański and Sułkowski (2021) conducted a comparative study on a sample of 12 small family firms in Poland, based on 29 interviews with owners and managers. Not all of these companies have been equally affected financially by COVID-19. Nevertheless, small family firms were not financially prepared for the restrictions placed on their activity, which entailed a prolonged state of uncertainty. There was concern about retaining employees, using government aid and using funds saved by the family, although the companies do not plan to file for bankruptcy. Another key finding is the role of family firm approach in overcoming the financial difficulties caused by the crisis. Family managers were willing to sacrifice short-term profits to ensure the survival of the company. The family's personal financial resources were mobilized to ensure the company's operations continued. The study points out that the family's emotional relationship with the company during the COVID-19 crisis positively influenced the involvement of family members, strengthening the company's

resilience in the face of financial difficulties. In a crisis situation, small family firms should look for new ways to compete, modernize through the use of digital channels, and grow their business models in accordance with emerging opportunities. The multigenerational perspective in managing a company provides a boost when it comes to taking on the challenge of the COVID-19 pandemic, and specifically dealing with financial needs.

Eggers (2020), in his study on the challenges and opportunities for SMEs in times of crisis, raises an obvious consequence: the lack of funding caused by the drop in revenues and/or the decision to impose restrictions on the necessary investments. Adverse changes are also identified in financial indicators such as asset structure, debt ratio, leverage, profitability, liquidity and solvency (e.g., Balios, Daskalakis, Eriotis, and Vasiliou, 2016; Lisboa, 2017; Duarte, Gama, and Gulamhussen, 2018). Piette and Zachary (2015) explain that, as a result of these changes, banks view SMEs as being at greater risk of insolvency, which in turn justifies the tightening of credit conditions. However, this seems to apply primarily to SMEs that were not part of their business clientele before the crisis. Another of the aspects highlighted by Eggers (2020) is the fact that social restrictions imposed in response to COVID-19 have brought about changes in work routines, necessitating virtual interactions and working from home. While digital solutions allow family firms to continue operating, they also dehumanize interactions, which could undermine relationships of trust and the associated family and organizational social capital; for example, by reducing non-family employees' feeling of belonging to the family (De Massis and Rondi, 2020)

Ding et al., (2021) show that, compared to other ownership structures, the stock returns of family firms since the start of the pandemic have behaved, on average, better than those of non-family firms. This is consistent with family business leaders' emphasis on a longer horizon, which mitigates managerial opportunism (James, 1999; Anderson and Reeb, 2003), their close attachment to their companies (Kandel and Lazear, 1992), greater firm-specific expertise, and stronger relationships with stakeholders who are not shareholders (Donnelley, 1964), all of which make family firms more resilient to adverse shocks such as COVID-19, with positive repercussions on stock prices. By exploring the nature of family firms in more depth, the authors find better stock return resilience to the impact of COVID-19 *for certain types of family ownership structures*. Regarding the quantitative evidence supporting the findings reported by Ding et al. (2021), the study shows that, among the types of companies that perform better in this situation, the stock returns of family firms outperform those of other types of (non-family) companies. Estimates of the coefficient calculated by the authors suggest that the average stock return of the family-controlled company would decline 0.27 percentage points less per week in response to an average weekly COVID-19 shock (that is, COVID-19 = 0.725) than a typical widely held company.[1] This research also identifies two forms of family control: (i) through direct holdings of shares; or (ii) through pyramid ownership structures (La Porta et al., 1999; Claessens et al., 2000). The study by Ding et al. (2021) also distinguishes different types of family firm based on whether or not the business is managed by a family member. For example, Anderson and Reeb (2003) and Villalonga and Amit (2006) find evidence that family firms with family CEOs create value by

[1] Authors' note: The research presented by Ding et al., (2020) is a statistically rigorous analysis, in which the findings are based on direct sources of data on the impact of COVID-19 on the stock price of family firms and other non-family corporations.

reducing agency frictions. Furthermore, the pyramid structure makes it possible to separate control from cash flow rights, which can increase the incentives for majority shareholders to extract private benefits from the company at the expense of total shareholder value (Lemmon and Lins, 2003; Morck et al., 2005). Lins et al. (2013) find that family firms took steps during the global financial crisis to preserve their private benefits of control at the expense of other shareholders. Almeida and Wolfenzon (2006) explain that in some business groups the pyramid structure can be an effective control device which does not trigger such incentive problems.

Regarding a possible deterioration in the company's financial position or survival problems due to the COVID-19 crisis, Agnieszka et al. (2021) analyse, in a study based on an online cross-sectional survey of 167 Polish companies, whether family firms can mobilize enough capital to survive. A relevant finding reported in this study is that there are two dimensions to family business survivability capital: internal (from family members who are directly involved) and external (from family members who are not directly involved). Family firms first use the internal component when facing a deterioration in their economic and financial situation; then, when the probability of business failure increases, they engage the external one. This behaviour is in line with the resource-based view, as well as with the sustainable family business theory. As shown by Llanos-Contreras et al. (2019), shocks external to both the family and the company trigger a dramatic change in the family firm's situation, priorities and routines. The financial management of the business is considered an integral part of the long-term sustainability of a family firm, but the family is equally important (Cliff and Jennings, 2005; Zachary, 2011; Danes et al., 2016). According to Sirmon and Hitt (2003), survivability capital is a unique resource of family firms that distinguishes them from their non-family counterparts. The existence of survivability capital is a fundamental component of the dimensions of SEW (Berrone et al., 2012). As stated by Wilson et al. (2013), survivability capital can be crucial for the company's survival in difficult times and can be seen in activities such as unpaid work or voluntary labour, monetary support (loans, increased share capital) or support from family businesses (Mzid, 2017; Lins et al., 2013; Zheng, 2010; Olson et al., 2003; Sirmon and Hitt, 2003). Agnieszka et al. (2021) show that family firms seem to be agile in managing exogenous economic shocks. In general, the fact that they are less reactive to various economic events can be explained by the unique characteristics of family firms: a long-term vision and the activation of specific capital resources resulting from familiness (Amann and Jaussaud, 2012; Kachaner et al., 2012; Bjuggren, 2015; Van Essen et al., 2015). In family firms, owners can act as enhancers of financial and non-financial resources and thus become a buffer against stress (Danes et al., 2009). The question is whether the family qualities of a company play a role in the use of private resources (survivability capital) during the COVID-19 pandemic, which differs from previous economic crises (Agnieszka B. et al., 2021). According to data on the daily stock returns of listed companies in Italy, family-owned companies have outperformed their non-family counterparts during the pandemic (Amore et al., 2020). The survey conducted by Kraus et al. (2020) indicates that liquidity is vital for family firms. The family's financial support is aimed at securing investments and employment. These results are consistent with previous research confirming the support given by family business owners to their employees during a crisis (Bjuggren, 2015; Lee, 2006; Van Essen et al., 2015). Sraer and

Thesmar (2007) show that family firms are less likely to lay off employees in response to adverse shocks. According to Agnieszka B. et al. (2021), it has been empirically shown that the internal components of survivability capital can be added to the set of unique resources—such as working for free or delaying receipt of wages—that help alleviate financial pressure, along with the willingness of family firms to employ private resources (both financial and non-financial) to protect the business during a crisis.

One of the hypotheses established by Wieczorek-Kosmala et al. (2021) posits that family firms perceive the impact of COVID-19 as more seriously disruptive to their operations than non-family firms do. Statistically significant differences were found between family and non-family firms only in the case of the perception of limited availability of workers and ability to continue production. The analysis shows that other factors affected by the disruptions caused by COVID-19 were common to both family and non-family firms. Many companies face serious challenges related to the ability to keep their operations running, lack of financial resources, supply chain disruptions and limitations on employees' work (Amore et al., 2020).

According to the research of Carletti et al. (2020), investors tend to view family-owned companies as being more exposed than non-family ones to agency (governance) problems when combating the COVID-19 crisis, due to the extraction of private capital and benefits of control; there is thus a reluctance to issue new shares to avoid diluting their control rights. The authors indicate that family firms represent a major share of Italian companies, especially among small companies. Surprisingly, for the sample of the 71,828 companies for which there is available information on the dummy variable family firm, the authors find no substantial differences from non-family firms in terms of leverage, profitability and risk of default (measured by the Z-score[1]) (Carletti et al., 2020). This may explain why, when faced with the impact of COVID-19, the forecasted drop in profits, erosion of share capital, capital deficit and likelihood of default do not differ notably between family and non-family firms. In fact, after a three-month lockdown implemented in response to COVID-19, there is only a small (albeit significant) difference in the distress rate[2] between family and non-family firms. Another study establishes family ownership in business management played an important role in corporate governance during the crisis (Jebran K., and Chen S. 2020). Furthermore, two important perspectives are worth highlighting: one suggests that in times of economic crisis family owners can expropriate minority investors by extracting financial resources for the family (Baek et al., 2004; Boubakri, Guedhami and Mishra, 2010). An alternative and opposing perspective illustrate the resilience of family firms to economic shocks and their willingness to contribute private resources to financially troubled firms to assure long-term survival (Villalonga & Amit, 2010).

COVID-19 represents a disruption that has unquestionably forced family firms to create, reduce, seek out and make changes to resources and capabilities for governance, in order to ensure continuity and thus be sustainable over time; that is, in order to be resilient (González and Pérez-Uribe, 2021). Family firm resilience is defined as "the reservoir of individual and family resources that cushions the family firm against disruptions and is

[1] Altman, E. I., M. Iwanicz-Drozdowska, E. K. Laitinen, and A. Suvas. 2014. Distressed firm and bankruptcy prediction in an international context: A review and empirical analysis of Altman's z-score model. Working Paper, NYU.

[2] Distress rate is defined as the fraction of firms whose annual losses after X months of lockdown exceed the total beginning-of-year equity (taken to be equal to the book value at the end of 2017). Source: Orbis (Bureau Van Dijk).

characterized by individual and collective creativity used to solve problems and get work done" (Brewton et al., 2010). Several studies suggest that family firms have better governance during crises than non-family firms; Amore et al. (2021) found that Italian companies with majority family shareholders fared significantly better than other companies during the COVID-19 pandemic. This effect is particularly strong in companies where a family is the controlling shareholder and a family member holds the position of CEO. Arregle et al. (2007) suggest that the presence of a family in the company helps ensure stable, long-lasting and trusting relationships with stakeholders—part of the governance of the company—enabling the company to accumulate a distinctive social capital.

In addition, Salvato et al. (2020) claim that the superior resilience of family firms is linked to the ability to take advantage of post-crisis business opportunities for financial recovery and growth. Furthermore, Vlados et al. (2021) suggest that in economies where most companies are family-owned, there is a risk of poor governance and problematic strategic and technological knowledge. Soluk et al. (2021) reveal that an exogenous shock (such as COVID-19) exacerbates the limitations of the family firm's financial resources and the family's fear of losing their SEW.

The findings of the study by Jebran and Chen (2020) have implications for policymakers. First of all, the government can play an important role in response to COVID-19, by helping companies that are performing better. Previous studies also recognize that the provision of resources (financial and non-financial) is critical to tackling the crisis (Carolis, Yang, Deeds and Nelling, 2009; Lee and Makhija, 2009). Government support can encourage suppliers and creditors to continue lending their financial support to family firms, which can improve their chances of returning to profitability. One of the key responsibilities of policymakers is to design and implement support programmes aimed at family businesses, especially in relation to governance mechanisms (Jebran K., and Chen S. 2020).

Regarding the effect of gender on family business decisions, Mucha (2020) identifies clear differences between male and female entrepreneurs in terms of innovation and taking on debt. Along these lines, Rosa and Sylla (2016) have shown that women entrepreneurs are more creative and innovative than men. Women are less willing to incur debts than men, who take on financial liabilities more often and in greater quantities. Furthermore, Buratti et al. (2018) attempt to identify gender differences in the strategic decision-making process, concluding that men have a greater capacity for making strategic decisions concerning innovation and the long-term development of the company. The study carried out by Mucha (2020) indicates that COVID-19 has entailed massive losses for companies around the world, especially in terms of revenue, workers and customers.

The disclosure of information is essential in order to make a financial diagnosis and thus be able to forecast financing needs in the event of crises, such as the one caused by the COVID-19 pandemic. In this respect, the authors Huei Y., and Kee L. (2021) conclude that integrated reports can establish a link between information (financial and non-financial) and illustrate how to create and maintain economic value in the short, medium and long term; this reduces information asymmetry and builds trust between stakeholders.

5. Conclusions

We undertook this study in an effort to recognize the problem caused by COVID-19 and the consequences for family firms' financial decisions. To that end, we examined articles about companies under family control and the mechanisms and instruments they use to ensure their economic and financial continuity in the face of the crisis; that is, the survival of the family firm. The impacts of the measures taken by governments and individuals have been detrimental to global economic development.

First of all, the reviewed studies on family firms reveal that such companies play a role as essential economic agents for job creation and value generation in the business community of every country. Also, all of the studies acknowledge the various characteristics and distinctive features of family firms that clearly set them apart from non-family firms. To mention just a few: the first generation being in the control of the company, whether or not they are listed on a stock market or belong to the large group of SMEs, with the latter appearing to be more vulnerable to external shocks.

One of the most relevant findings of our research is that, when dealing with crises— particularly the one caused by the COVID-19 pandemic— family firms tend to resort to any possible measures and tools, especially non-financial ones, to ensure their survival. The decisions they make are aimed at their endurance over time, which is associated with a goal of multigenerational continuity and above all protection of their culture and SEW. We have thus identified the following issues that are relevant to the family firm in the context of COVID-19: business resilience as a form of resistance against the crisis; engaging internal and external survivability capital; the expropriation of the owners' flows at the expense of the minority shareholders; innovation and risk-taking outside their natural competitive habitat; maximum flexibility to prevent the loss of intellectual capital through laying off employees; harnessing connections with family, community, and customers, and even resorting to former practices in personal relationships; requesting financial assistance from the government; taking on more expensive debt at the expense of reducing or wiping out profits; seemingly side-lining traditional financial decisions.

In light of the aforementioned findings, the following question arises: why would family business owners relegate decisions about investment, financing and dividends if it could seriously damage their profitability in the short term? From the studies analysed, the answer that can initially be inferred is that for family business owners it is their best and only chance of securing the required financial and non-financial resources, as the continuity of the company lies in the convergence of the family and business systems. This continuity in turn implies future economic prosperity, a sense of belonging to the community and, in short, the importance of the family over time.

All of the above contributes to an understanding of the treatment of family firms, especially during the crisis. Among other factors involving family firms' decisions about investment, financing and dividends, there are the issues of how debt commitments should be met, about trade problems between family firms and the suppliers of their inputs, or how to continue an investment project that is already under way.

We also identify areas of opportunity for future research. For example, the differences between urban and rural family firms in terms of their crisis response

mechanisms, since their scope and needs are not homogeneous. The vulnerabilities of the different subtypes of family firms (SMEs, for example) make them candidates for financial and non-financial aid, depending on their characteristics, from policymakers (government sector). Another aspect that is worth exploring is the difference between listed and non-listed family firms. This would help identify different conditions (when dealing with crises such as the one generated by COVID-19) for fostering their operational continuity; that is, to ensure their survival without artificial subsidies. Finally, we note the lack of studies showing that family business owners have an awareness of the comprehensive and integrated management of economic and financial tools to employ in response to a crisis like the COVID-19 one (global in scope and causing lasting harm).

Furthermore, once the pandemic is officially considered over, there will be a need for more studies like this one—a limitation of which is that it focuses on the years 2020–2021—as the financial issues being examined have a lasting effect that will extend beyond the end of the crisis. Indeed, the decapitalization, changes in capital structure, regeneration of flows and changing markets, and reduction of investments in projects for business growth, among other issues, will affect the family firm in years to come.

6. References

Agnieszka B. and, Martyniuk O.and Zajkowski R. (2021). Mobilisation of survivability capital – family firm response to the coronavirus crisis. International Journal of Entrepreneurial Behavior & Research Vol. 27 No. 9, 2021 pp. 48-81 Emerald Publishing Limited 1355-2554 DOI 10.1108/IJEBR-02-2021-0147. https://www.emerald.com/insight/1355-2554.htm.

Almeida, H.V., Wolfenzon, D., 2006. A theory of pyramidal ownership and family business groups. J. Financ. 61, 2637–2680.

Altman, E. I., M. Iwanicz-Drozdowska, E. K. Laitinen, and A. Suvas. 2014. Distressed firm and bankruptcy prediction in an international context: A review and empirical analysis of Altman's z-score model. Working Paper, NYU.

Amann, B. and Jaussaud, J. (2012), "Family and non-family business resilience in an economic downturn", Asia Pacific Business Review, Vol. 18 No. 2, pp. 203-223

Amore, Mario Daniele, Fabio Quarato, and Valerio Pelucco. 2021. Family Ownership during the COVID-19 Pandemic. SSRN Electronic Journal 1–38.

Anderson, A.R., Jack, S.L. and Dodd, S.D. (2005), "The role of family members in entrepreneurial networks: beyond the boundaries of the family firm", Family Business Review, Vol. 18, pp. 135-154.

Anderson, R.C., Reeb, D.M., 2003. Founding-family ownership and firm performance: evidence from the S&p 500. J. Financ. 58, 1301-1328.

Ang, J., Cole, R. and Lin, J. (2000), "Agency costs and ownership structure", Journal of Finance, Vol. 55, pp. 81-106.

Arregle, Jean-Luc, Michael. A. Hitt, David G. Sirmon, and Philippe Very. 2007. The development of organizational social capital: Attributes of family firms. Journal of Management Studies 44: 73–95.

Astrachan, J. (2003). Commentary on the special issue: The emergence of a field. Journal of Business Venturing, 18(5), 567-572.

Astrachan, J.H. (2010), "Strategy in family business: toward a multidimensional research agenda", Journal of Family Business Strategy, Vol. 1 No. 1, pp. 6-14

Astrachan, J.H. and Jaskiewicz, P. (2008), "Emotional returns and emotional costs in privately held family businesses: advancing traditional business valuation", Family Business Review, Vol. 21, pp. 139-149.

Bae, S.C., Chang, K. and Kang, E. (2012), "Culture, corporate governance, and dividend policy: international evidence", Journal of Financial Research, Vol. 35 No. 2, pp. 289-316.

Baek, J.-S., Kang, J.-K., & Park, K. S. (2004). Corporate governance and firm value: Evidence from the Korean financial crisis. Journal of Financial Economics, 71(2), 265–313.

Baker, S.R., Bloom, N., Davis, S.J., Kost, K., Sammon, M. and Viratyosin, T. (2020), "The unprecedented stock market reaction to COVID-19", The Review of Asset Pricing Studies, Vol. 10 No. 4, pp. 742-758

Balios, D., Daskalakis, N., Eriotis, N., & Vasiliou, D. (2016). SMEs capital structure determinants during severe economic crisis: The case of Greece. Cogent Economics & Finance, 4(1), 1–11

Bancel, F., Bhattacharyya, N., Mittoo, U.R. and Baker, H.K. (2009), "Cross-country determinants of payout policy: European firms", in Baker, H.K. (Ed.), Dividends and Dividend Policy, Kolb Series in Finance, Wiley, Hoboken, NJ, pp. 71-93

Berrone, P., Cruz, C. and Gomez-Mejia, L.R. (2012), "Socioemotional wealth in family firms: theoretical dimensions, assessment approaches, and agenda for future research", Family Business Review, Vol. 25 No. 3, pp. 258-279.

Bjuggren, C.M. (2015), "Sensitivity to shocks and implicit employment protection in family firms", Journal of Economic Behavior and Organization, Vol. 119, pp. 18-31

Boubakri, N., Guedhami, O., & Mishra, D. (2010). Family control and the implied cost of equity: Evidence before and after the Asian financial crisis. Journal of International Business Studies, 41(3), 451–474.

Bourletidis, K., & Triantafyllopoulos, Y. (2014). SMEs survival in time of crisis: Strategies, tactics and commercial success stories. Procedia-Social and Behavioral Sciences, 148, 639–644.

Brewton, K. E., Danes, S. M., Stafford, K., & Haynes, G. W. (2010). Determinants of rural and urban family firm resilience. Journal of Family Business Strategy, 1(3), 155–166. https://doi.org/10.1016/j.jfbs.2010.08.003.

Buratti, A., Cesaroni, F.M. and Sentuti, A. (2018), "Does gender matter in strategies adopt to face the economic crisis? A comparison between men and women entrepreneurs", in Entrepreneurship - Development Tendencies and Empirical Approach, InTechOpen, p. 393

Cadbury A., *Family Firms and Their Governance: Creating Tomorrow's Company from Today's* (Egon Zehnder International, 2000); John Ward, "The Family Business Advantage: Unconventional Strategy", *Families in Business,* 2002.

Camisón, C., Clemente, J.A. & Camisón-Haba, S. Asset tangibility, information asymmetries and intangibles as determinants of family firms leverage. Review of Managerial Science. https://doi.org/10.1007/s11846-022-00522-y

Carletti, E., Oliviero T., Pagano M., Pelizzon L., and Subrahmanyam M.G. (2020). The COVID-19 Shock and Equity Shortfall: Firm-Level Evidence from Italy. The Review of Corporate Finance Studies 9 (2020) 534–568. doi:10.1093/rcfs/cfaa014.

Carolis, D. D. M., Yang, Y., Deeds, D. L., & Nelling, E. (2009). Weathering the storm: The benefit of resources to high technology ventures navigating adverse events. Strategic Entrepreneurship Journal, 3(2), 147–160.

Cheng, Q. (2014), "Family firm research – a review", China Journal of Accounting Research, Vol. 7, pp. 149-163.

Chrisman, J.J. and Patel, P.C. (2012), "Variations in R&D investments of family and non-family firms: behavioral agency and myopic loss aversion perspectives", Academy of Management Journal, Vol. 55, pp. 976-997.

Chrisman, J.J., Chua, J.H. and Litz, R.A. (2003), "A unified systems perspective of family firm performance: an extension and integration", Journal of Business Venturing, Vol. 18 No. 4, pp. 467-472

Chrisman, J.J., Chua, J.H., Kellermanns, F.W., Matherne, C.F. III and Debicki, B.J. (2008), "Management journals as venues for publication of family business research", Entrepreneurship Theory and Practice, Vol. 32 No. 5, pp. 927-934.

Chrisman, J.J., Kellermanns, F.W., Chan, K.C. and Liano, K. (2010), "Intellectual foundations of current research in family business: an identification and review of 25 influential articles", Family Business Review, Vol. 23, pp. 9-26.

Cioppi, M., Musso, F., Pencarelli, T., & Savelli, E. (2014). Economic Crisis and SMEs' Behavior: An Analysis on the Furniture Sector in Italy. International Journal of Economic Behavior, 4(1), 115–126.

Claessens, S., Djankov, S., Lang, L.H.P., 2000. The separation of ownership and control in East Asian corporations. J. Financ. Econ. 58, 81–112.

Clemente-Almendros, J.A., Boldeanu, F.T. and Alberto Seguí-Amórtegui, L. (2021), "Impact of COVID-19 on listed European electricity companies: a comparative analysis of investment in renewable and traditional electricity", *Journal of Economic Studies*, Vol. ahead-of-print No. ahead-of-print. https://doi.org/10.1108/JES-09-2021-0448

Clemente-Almendros, J. A., Camisón-Haba, S., & Camisón-Zornoza, C. (2021). Family firm heterogeneity and tax aggressiveness: A quasi-experimental analysis of the impact of different family generations. *Journal of Small Business Strategy*, *31*(3), 102–121. Retrieved from https://libjournals.mtsu.edu/index.php/jsbs/article/view/1704

Cliff, J.E. and Jennings, P.D. (2005), "Commentary on the multidimensional degree of family influence construct and the F-PEC measurement instrument", Entrepreneurship: Theory and Practice, Vol. 29 No. 3, pp. 341-347.

Coleman, S. and Carsky, M. (1999), "Sources of capital for small family-owned businesses: evidence from the national survey of small business finances", Family Business Review, Vol. 12 No. 1, pp. 73-84

Copeland, T.E., Weston, J.F. and Shastri, K. (1983), Financial Theory and Corporate Policy, Vol. 3, Addison-Wesley, Massachusetts, MA.

Covin, J. G., & Lumpkin, G. T. (2011). Entrepreneurial Orientation Theory and Research: Reflections on a Needed Construct. Entrepreneurship Theory and Practice, 35(5), 855–872.

Craig, J.B., Dibrell, C. and Davis, P.S. (2008), "Leveraging family-based brand identity to enhance firm competitiveness and performance in family businesses", Journal of Small Business Management, Vol. 46, pp. 351-371

Danes, S. M., Haberman, H. R., & McTavish, D. (2005). Gendered Discourse about Family Business. Family Relations, 54(1), 116–130. https://doi.org/10.1111/j.0197-6664.2005.00010.x

Danes, S.M., Haynes, G.W. and Haynes, D.C. (2016), "Business-owning families: challenges at the intersection of business and family", Handbook of Consumer Finance Research, pp. 179-193.

Danes, S.M., Lee, J., Amarapurkar, S., Stafford, K., Haynes, G. and Brewton, K.E. (2009), "Determinants of family business resilience after a natural disaster by gender of business owner", Journal of Developmental Entrepreneurship, Vol. 14 No. 4, pp. 333-354.

De Massis, A. and Rondi, E. (2020), "COVID-19 and the future of family business research", Journal of Management Studies, Vol. 57 No. 8, pp. 1727-1731.

Debicki, B.J., Kellermanns, F.W., Chrisman, J.J., Pearson, A.W. and Spencer, B.A. (2016), "Development of socioemotional importance (SEWi) scale for family firm research", Journal of Family Business Strategy, Vol. 7, pp. 47-57

Denis Leach and John Leahy, "Ownership Structures, Control and the Performance of Large British Companies" Economic Journal, 1991

Denis, D.J. and Osobov, I. (2008), "Why do firms pay dividends? International evidence on the determinants of dividend policy", Journal of Financial Economics, Vol. 89 No. 1, pp. 62-82

Denison, D., Lief, C. and Ward, J.L. (2004), "Culture in family-owned enterprises: recognizing and leveraging unique strengths", Family Business Review, Vol. 17, pp. 61-70.

Dias, Á., Manuel, E. C., Dutschke, G., Pereira, L. F., Pereira, L., Dias, Á., ... Dutschke, G. (2020). Economic crisis effects on SME dynamic capabilities. International Journal of Learning and Change in press.

Dias, R., Teixeira, N., Machova, V., Pardal, P., Horak, J., & Vochozka, M. (2020). Random walks and market efficiency tests: evidence on US, Chinese and European capital markets within the context of the global Covid- 19 pandemic. *Oeconomia Copernicana*, *11*(4), 585-608.

Ding, W., Ross L., Chen L., and Wensi X., 2021, Corporate Immunity to the COVID-19 Pandemic. Journal of Financial Economics https://doi.org/10.1016/j.jfineco.2021.03.005

Distelberg, B. and Sorenson, R.L. (2009), "Updating system concepts in family businesses: a focus on values, resource flows, and adaptability", Family Business Review, Vol. 22, pp. 65-81.

Donnelley, R.G., 1964. The family business. Harv. Bus. Rev. 42,93-105.

Duarte, F. D., Gama, A. P. M., & Gulamhussen, M. A. (2018). Defaults in bank loans to SMEs during the financial crisis. Small Business Economics, 51(3), 591–608

Dyer, W.G. Jr (2006), "Examining the 'family effect' on firm performance", Family Business Review, Vol. 19 No. 4, pp. 253-273

Eckrich, C.J. and McClure, S.L. (2011), Working for a Family Business: A Non-Family Employee's Guide to Success, Palgrave Macmillan, New York.

Eggers, F. (2020) Masters of disasters? Challenges and opportunities for SMEs in times of crisis. www.elsevier.com/locate/jbusres. Journal of Business Research. https://doi.org/10.1016/j.jbusres.2020.05.025

Feltham, T.S., Feltham, G. and Barnett, J.J. (2005), "The dependence of family businesses on a single decision-maker", Journal of Small Business Management, Vol. 43 No. 1, pp. 1-15

Gómez-Mejía, L.R., Haynes, K.T., Nunez-Nickel, M., Jacobson, K.J.L. and Moyano-Fuentes, J. (2007), "Socioemotional wealth and business risks in family-controlled firms: evidence from Spanish olive oil mills", Administrative Science Quarterly, Vol. 52, pp. 106-137

González, A.C. & Pérez-Uribe, M.A. (2021). Family business resilience under the COVID-19: A comparative study in the furniture industry in the U.S.A. and Colombia. Estudios Gerenciales, 37(158), 138-152. https://doi.org/10.18046/j.estger.2021.158.4423.

González-Cruz, T., Clemente-Almendros, J.A., & Puig-Denia. (2021) Family governance systems: the complementary role of constitutions and councils. Economic Research-Ekonomska Istrazivnja, 1-25. Doi 10.1080/1331677X.2020.1867603.

Handler, W.C. (1989). Methodological issues and considerations in studying family businesses. Family Business Review, 2(3), 257-276.

Hansen, C., Block, J. and Neuenkirch, M. (2020), "Family firm performance over the business cycle: a meta-analysis", Journal of Economic Surveys, Vol. 34 No. 3, pp. 476-511.

Harvey, C.R., Lins, K.V. and Roper, A.H. (2004), "The effect of capital structure when expected agency costs are extreme", Journal of Financial Economics, Vol. 74 No. 1, pp. 3-30

Heck, R.K.Z. (2004), "A commentary on 'entrepreneurship in family vs non-family firms: a resource-based analysis of the effect of organizational culture'", Entrepreneurship: Theory and Practice, Vol. 28 No. 4, pp. 383-389

Heyden, K.J. and Heyden, T. (2021). "Market reactions to the arrival and containment of COVID-19: an event study", Finance Research Letters, Vol. 38, p. 101745, DOI: 10.1016/j.frl.2020.101745

Hong, P., Huang, C., & Li, B. (2012). Crisis management for SMEs: Insights from a multiple-case study. International Journal of Business Excellence, 5(5), 535–553. https://doi.org/10.24136/oc.2020.024

Huei Y., and Kee L. (2021), Integrated Reporting and Firm Performance in Malaysia: Moderating Effects of Board Gender Diversity and Family Firms. Estudios de Economía Aplicada. Volumen:39-4 // ISSN: 1133-3197. DOI: http://dx.doi.org/10.25115/eea.v39i4.4588.

IFC, International Finance Corporation – World Bank Group. (2018). Family Business Governance Handbook 4ta. Edición. 2121 Pennsylvania Ave. NW, Washington, DC 20433. United States of America. https://www.ifc.org/wps/wcm/connect/2c93b2cb-dec6-4819-9ffb-60335069cbac/Family_Business_Governance_Handbook.pdf?MOD=AJPERES&CVID=mskgtDE

James, H.S., 1999. Owner as manager, extended horizons, and the family firm. Int. J. Econ. Bus. 6, 41–55

Jebran, K, & Chen, S. (2020), Can we learn lessons from the past? COVID-19 crisis and corporate governance responses, © 2021 John Wiley & Sons, Ltd. Int J Fin Econ. 2021;1–9. DOI: 10.1002/ijfe.2428.

Jensen, M.C. (2010), "Value maximization, stakeholder theory, and the corporate objective function", Journal of Applied Corporate Finance, Vol. 22 No. 1, pp. 32-42

Kachaner, N., Stalk, G. and Bloch, A. (2012), "What you can learn from family business", Harvard Business Review, Vol. 90 No. 11, pp. 1-5

Kandel, E., Lazear, E.P., 1992, Peer pressure and partnerships. J. Politi. Econ.

Karra, N., Tracey, P. and Phillips, N. (2006), "Altruism and agency in the family firm: exploring the role of family, kinship, and ethnicity", Entrepreneurship: Theory & Practice, Vol. 30, pp. 861-887.

Kontinen, T. and Ojala, A. (2012), "Internationalization pathways among family-owned SMEs", International Marketing Review, Vol. 29 No. 5, pp. 496-518, doi: 10.1108/02651331211260359.

Kraus, S., Clauss, T., Breier, M., Gast, J., Zardini, A. and Tiberius, V. (2020), "The economics of COVID-19: initial empirical evidence on how family firms in five European countries cope with the corona crisis", International Journal of Entrepreneurial Behaviour and Research, Vol. 26 No. 5, pp. 1067-1092.

La Porta, R., Lopez-de-Silanes, F., Shleifer, A. and Vishny, R.W. (2000), "Agency problems and dividend policies around the world", The Journal of Finance, Vol. 55 No. 1, pp. 1-33

La Porta, R., Lopez-de-Silanes, F., Shleifer, A., 1999. Corporate ownership around the world. J. Financ. 54, 471–517.

Lambert, L. (2020). Real unemployment rate soars past 20% - and the U.S. has now lost 26.5 million jobs. Retrieved from https://fortune.com/2020/04/23/us-unemployment-rate-numbers-claims-this-week-total-job-losses-april-23-2020-benefits-claims (April 29, 2020)

Le Breton-Miller, I. and Miller, D. (2006), "Why do some family businesses out-compete? Governance, long-term orientations, and sustainable capability", Entrepreneurship: Theory & Practice, Vol. 30, pp. 731-746

Le Nguyen, H., & Kock, S. (2011). Managing SMEs' survival from financial crisis in a transition economy: A Chaos Theory approach. Journal of General Management, 37(1), 31–45.

Lee, J. (2006), "Family firm performance: further evidence", Family Business Review, Vol. 19 No. 2, pp. 103-114

Lee, N., Sameen, H., & Cowling, M. (2015). Access to finance for innovative SMEs since the financial crisis. Research Policy, 44(2), 370–380.

Lemmon, M.L., Lins, K.V., 2003. Ownership structure, corporate governance, and firm value: evidence from the East Asian financial crisis. J. Financ. 58, 1445–1468.

Leppaaho, Tanja, and Ritala, Paavo, (2021), "Surviving the coronavirus pandemic and beyond: Unlocking family firms' innovation potential across crises". Journal of Family Business Strategy, www.elsevier.com/locate/jfbs,https://doi.org/10.1016/j.jfbs.2021.100440.

Lins, K.V., Volpin, P. and Wagner, H.F. (2013), "Does family control matter? International evidence from the 2008-2009 financial crisis", Review of Financial Studies, Vol. 26 No. 10, pp. 2583-2619.

Liu, Q. and Tian, G. (2012), "Controlling shareholder, expropriations and firm's leverage decision: evidence from Chinese non-tradable share reform", Journal of Corporate Finance, Vol. 18 No. 4, pp. 782-803.

Llanos-Contreras, O., Jabri, M. and Sharma, P. (2019), "Temporality and the role of shocks in explaining changes in socioemotional wealth and entrepreneurial orientation of small and medium family enterprises", International Entrepreneurship and Management Journal, Vol. 15 No. 4, pp. 1269-1289.

Mahérault, L. (2004), "Is there any specific equity route for small and medium-sized family businesses? The French experience", Family Business Review, Vol. 17 No. 3, pp. 221-235.

Marjański, A., & Sułkowski, Ł. (2021). Consolidation strategies of small family firms in Poland during Covid-19 crisis. Entrepreneurial Business and Economics Review, 9(2), 167-182. https://doi.org/10.15678/EBER.2021.090211.

Mazzi, C. (2011), "Family business and family performance: current state of knowledge and future research challenges", Journal of Family Business Strategy, Vol. 2, pp. 166-181

Meutia, M., Ismail, T., & Ummi, N. (2018). Leadership issue and SME performance during crisis. International Journal of Civil Engineering and Technology, 9(4), 424–435

Miller, D. and Le Breton-Miller, I. (2005), Managing for the Long Run: Lessons in Competitive Advantage from Great Family Businesses, Harvard Business School Press, Boston, MA.

Miller, D. and Le Breton-Miller, I. (2014), "Deconstructing the socioemotional wealth", Entrepreneurship Theory and Practice, Vol. 38 No. 4, pp. 713-720.

Modigliani, F., and Miller, M.H. (1958), "The cost of capital, corporation finance and the theory of investment", The American Economic Review, Vol. 53, pp. 261-297

Moher, D., Liberati, A., Tetzlaff, J., Altamn DG., The PRISMA Group (2009) BMJ 2009; 339 doi: https://doi.org/10.1136/bmj.b2535 (Published 21 July 2009)BMJ 2009;339:b2535. ©2009 by British Medical Journal Publishing Group

Moores, K. (2009), "Paradigms and theory building in the domain of business families", Family Business Review, Vol. 22, pp. 167-180

Morck, R., Wolfenzon, D., Yeung, B., 2005. Corporate governance, economic entrenchment, and growth. J. Econ. Lit. 43, 655–720.

Morellec, E. and Smith, C.W. (2007), "Agency conflicts and risk management", Review of Finance, Vol. 11 No. 1, pp. 1-23

Morresi, O. and Naccarato, A. (2016), "Are family firms different in choosing and adjusting their capital structure? An empirical analysis through the lens of agency theory", International Journal of Economic and Finance, Vol. 8 No. 7, pp. 216-232.

Motylska-Kuzma, Anna (2017). The financial decisions of family businesses. Journal of Family Business Management Vol. 7 No. 3, 2017 pp. 351-373 © Emerald Publishing Limited 2043-6238 DOI 10.1108/JFBM-07-2017-0019

Mucha, S. (2020) "Ethnic Albanian family businesses and COVID-19 pandemic: a gender-based comparison". Emerald Insight. Journal of Family Business Management . ISSN: 2043-6238. https://www.emerald.com/insight/2043-6238.htm

Myers, S.C. and Majluf, N.S. (1984), "Corporate financing and investment decisions when firms have information that investors do not have", Journal of Financial Economics, Vol. 13 No. 2, pp. 187-221.

Mzid, I. (2017), "Family capital and organizational resilience of the family firm in Tunisia", in Basly, S. (Ed.), Family Businesses in the Arab World: Governance, Strategy, and Financing, pp. 41-61.

Nowak, A.H. and Lewandowska, A. (2014), "Researchgate.net", in Alicja Hadrys-Nowak, A.L. (Ed.), Socio-economic Importance of Family Business in Selected Countries from All over the World, Seinaejoki University of Applied Sciences, Sein€ajoki, p. 3.

Olson, P.D., Zuiker, V.S., Danes, S.M., Stafford, K., Heck, R.K.Z. and Duncan, K.A. (2003), "The impact of the family and the business on family business sustainability", Journal of Business Venturing, Vol. 18, pp. 639-666

Pardal, P., Dias, R., Šuleř, P., Teixeira, N., & Krulický, T. (2020). Integration in Central European capital markets in the context of the global COVID-19 pandemic. *Equilibrium. Quarterly Journal of Economics and Economic Policy*, *15*(4), 627-650. https://doi.org/10.24136/eq.2020.027

Pérez-Escoda,Ana. (2017) "WOS y SCOPUS los dos grandes aliados de todo investigador" https://doi.org/10.3916/escuela-de-autores-031 ; https://www.revistacomunicar.com/wp/escuela-de-autores/wos-y-scopus-los-grandes-aliados-de-todo-investigador/

Piette, C., & Zachary, M.-D. (2015). Sensitivity to the crisis of SME financing in Belgium. Economic Review, 3, 31–45.

Ramelli, S., & Wagner, A.F. (2020). Feverish Stock Price Reactions to Covid-19. *Review of Corporate Finance Studies, Swiss Finance Institute Research Paper, 20*(12), 1-57. https://doi.org/10.2139/ssrn.3550274

Reinhart, CM, (2020). Esta vez es realmente diferente. https://www.proyecto-syndicate.org/commentary/covid-19-crisis-has-no-economic-precedentby-carmen-reinhart-2020-03

Reinhart, CM, Rogoff, KS, (2009). Esta vez es diferente: ocho siglos de la locura financiera. Prensa de la Universidad de Princeton, Princeton, Nueva Jersey.

Rosa, M.J. and Sylla, D. (2016), "A comparison of the performance of women-owned and men-owned small and medium-sized enterprises", Retrieved May 15, 2020, from, Government of Canada, available at: https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03034.html

Salvato, C., M. Sargiacomo, M. D. Amore, and A. Minichilli. 2020. Natural disasters as a source of entrepreneurial opportunity: Family business resilience after an earthquake. Strategic Entrepreneurship Journal 14: 594–615.

Schell, D., Wang, M. and Huynh, T.L.D. (2020), "This time is indeed different: a study on global market reactions to public health crisis", Journal of Behavioral and Experimental Finance, Vol. 27, p. 100349

Sharma, P. (2004), "An overview of the field of family business studies: current status and directions for the future", Family Business Review, Vol. 17 No. 1, pp. 1-36.

Simón-Moya, V., Revuelto-Taboada, L., & Ribeiro-Soriano, D. (2016). Influence of economic crisis on new SME survival: Reality or fiction? Entrepreneurship & Regional Development, 28(1–2), 157–176.

Sirmon, D.G. and Hitt, M.A. (2003), "Managing resources: linking unique resources, management, and wealth creation in family firms", Entrepreneurship Theory and Practice, Vol. 27 No. 4, pp. 339-358.

Soininen, J., Puumalainen, K., Sjögrén, H., & Syrjä, P. (2012). The impact of global economic crisis on SMEs: Does entrepreneurial orientation matter? Management Research Review, 35(10), 927–944

Soluk, Jonas, Nadine Kammerlander, and Alfredo De Massis. 2021. Exogenous shocks and the adaptive capacity of family firms: Exploring behavioral changes and digital technologies in the COVID 19 pandemic. R&D Management, 1–17.

Sraer, D., Thesmar, D., 2007. Performance and behavior of family firms: evidence from the French stock market. J. Eur. Econ. Assoc. 5, 709–751.

Sulkowski, Ł., Marjański, A., & Sułkowska, J. (2018). Entrepreneurship of family businesses in the European Union. In Alina M. Dima (Ed.), Doing Business in Europe (pp. 255-270), Cham: Springer. https://doi.org/10.1007/978- 3-319-72239-9_12

Van Auken, H.E. (2005), "A model of small firm capital acquisition decisions", International Entrepreneurship and Management Journal, Vol. 1 No. 3, pp. 335-352.

Van Auken, H.E., Kaufmann, J. and Herrmann, P. (2009), "An empirical analysis of the relationship between capital acquisition and bankruptcy laws", Journal of Small Business Management, Vol. 47 No. 1, pp. 23-37

Van Essen, M., Strike, V.M., Carney, M. and Sapp, S. (2015), "The resilient family firm: stakeholder outcomes and institutional effects", Corporate Governance-An International Review, Vol. 23 No. 3, pp. 167-183.

Vandemaele, S. and Vancauteren, M. (2015), "Nonfinancial goals, governance, and dividend payout in private family firms", Journal of Small Business Management, Vol. 53 No. 1, pp. 166-182

Vargo, J., & Seville, E. (2011). Crisis strategic planning for SMEs: Finding the silver lining. International Journal of Production Research, 49(18), 5619–5635.

Villalonga, B. and Amit, R. (2006), "How do family ownership, management, and control affect firm value?", Journal of Financial Economics, Vol. 80 No. 2, pp. 385-417.

Villalonga, B., & Amit, R. (2010). Family control of firms and industries. Financial Management, 39(3), 863–904.

Vlados, Charis, Epaminondas Koronis, and Dimos Chatzinikolaou. 2021. Entrepreneurship and Crisis in Greece from a neo Schumpeterian Perspective: A Suggestion to Stimulate the Development Process at the Local Level. Research in World Economy 12:1.

Wieczorek-Kosmala, Monika, Joanna Błach, and Anna Dos´. 2021. COVID-19 Interruptions and SMEs Heterogeneity: Evidence from Poland. Risks 9: 161. https://doi.org/10.3390/risks9090161.

Wilson, N., Wright, M. and Scholes, L. (2013), "Family business survival and the role of boards", Entrepreneurship: Theory and Practice, Vol. 37 No. 6, pp. 1369-1389

Young, M., Peng, M.W., Ahlstrom, D., Bruton, G. and Jiang, Y. (2008), "Corporate governance in emerging economies: a review of the principal – principal perspective", Journal of Management Studies, Vol. 45 No. 1, pp. 196-220.

Zellweger, T. (2017), Managing the Family Business: Theory and Practice, Edward Elgar, Cheltenham.

Zellweger, T.M. and Astrachan, J.H. (2008), "On the emotional value of owning a firm", Family Business Review, Vol. 21, pp. 347-363

Zellweger, T.M., Frey, U. and Halter, F.A. (2005), A Behavioral Perspective to Financing Decisions in Family and Nonfamily Firms, University of St Gallen, Center for Family Business, p. 253.

Zhang, D., Hu, M., & Ji, Q. (2020). Financial markets under the global pandemic of COVID-19. Finance Research Letters, 36, 101528.

Zheng, J. (2010), "How do family firms cope with economic crisis? Case studies about Chinese family firms", available at: https://www.diva-portal.org/smash/get/diva2:356499/FULLTEXT01.pdf (accessed 10 January 2021).