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## Family business in Algeria: a socio-organizational study

### ABSTRACT

This study examined family business in Algeria from a socio-organizational perspective. The objective was to analyze its historical evolution, organizational characteristics, and socio-economic importance within the Algerian context. A qualitative methodology was adopted based on documentary, bibliographic, and interpretive analysis of academic sources related to entrepreneurship, sociology, and economic history. The findings showed that family businesses have played a strategic role in employment generation, intergenerational transmission of productive knowledge, preservation of social capital, and adaptation to changing political and economic environments. The study also identified persistent challenges such as succession conflicts, excessive centralization, limited professionalization, and the need for technological modernization. It was concluded that Algerian family firms represent more than economic entities, as they combine family values, authority structures, and entrepreneurial rationality. Their long-term sustainability depends on balancing tradition with innovation, improving governance systems, and strengthening public support policies. Family businesses remain essential actors for inclusive development and local economic resilience in Algeria.

**Keywords:** family business, Algeria, entrepreneurship, organizational sociology, succession, economic development.

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## Empresa familiar en Argelia: un estudio socio-organizacional

### RESUMEN

Este estudio examinó la empresa familiar en Argelia desde una perspectiva socio-organizacional. El objetivo fue analizar su evolución histórica, sus características organizacionales y su importancia socioeconómica dentro del contexto argelino. Se adoptó una metodología cualitativa basada en análisis documental, bibliográfico e interpretativo de fuentes académicas relacionadas con emprendimiento, sociología e historia económica. Los resultados mostraron que las empresas familiares han desempeñado un papel estratégico en la generación de empleo, la transmisión intergeneracional de conocimientos productivos, la preservación del capital social y la adaptación a entornos políticos y económicos cambiantes. También se identificaron desafíos persistentes como conflictos sucesorios, excesiva centralización, limitada profesionalización y necesidad de modernización tecnológica. Se concluyó que las empresas familiares argelinas representan más que entidades económicas, pues combinan valores familiares, estructuras de autoridad y racionalidad emprendedora. Su

sostenibilidad de largo plazo depende de equilibrar tradición e innovación, mejorar los sistemas de gobernanza y fortalecer las políticas públicas de apoyo. Las empresas familiares continúan siendo actores esenciales para el desarrollo inclusivo y la resiliencia económica local en Argelia.

**Palabras clave:** empresa familiar, Argelia, emprendimiento, sociología organizacional, sucesión, desarrollo económico.

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## **Empresa familiar na Argélia: um estudo socio-organizacional**

### **RESUMO**

Este estudo examinou a empresa familiar na Argélia a partir de uma perspectiva socio-organizacional. O objetivo foi analisar sua evolução histórica, suas características organizacionais e sua importância socioeconômica no contexto argelino. Foi adotada uma metodologia qualitativa baseada em análise documental, bibliográfica e interpretativa de fontes acadêmicas relacionadas ao empreendedorismo, sociologia e história econômica. Os resultados mostraram que as empresas familiares desempenharam papel estratégico na geração de emprego, na transmissão intergeracional de conhecimentos produtivos, na preservação do capital social e na adaptação a ambientes políticos e econômicos mutáveis. Também foram identificados desafios persistentes, como conflitos sucessórios, centralização excessiva, limitada profissionalização e necessidade de modernização tecnológica. Concluiu-se que as empresas familiares argelinas representam mais do que entidades econômicas, pois combinam valores familiares, estruturas de autoridade e racionalidade empreendedora. Sua sustentabilidade de longo prazo depende do equilíbrio entre tradição e inovação, da melhoria da governança e do fortalecimento das políticas públicas de apoio. Essas empresas permanecem atores essenciais para o desenvolvimento inclusivo e a resiliência econômica local na Argélia.

**Palavras-chave:** empresa familiar, Argélia, empreendedorismo, sociologia organizacional, sucessão, desenvolvimento econômico.

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### **INTRODUCCIÓN**

Family businesses constitute a socio-economic model that has demonstrated remarkable resilience throughout Algeria's modern economic history. Their development has been closely linked to historical transitions, territorial diversity, and changing relations between state and market institutions. From colonial restructuring to post-independence industrialization and later liberalization reforms, entrepreneurial families adapted their productive strategies to shifting environments (Johnson, 1964; Naylor, 2024; Entelis & Naylor, 2019). Scholars have also emphasized that Algerian entrepreneurship cannot be separated from issues of identity, culture, and social organization rooted in family structures (Aissaoui & Eldridge, 2017).

From a sociological perspective, family businesses are embedded in everyday life conditions and spatial contexts such as coastal cities, rural communities, highlands, and desert regions. These territories shape occupational specialization, including agriculture, herding, trade, handicrafts, and food production. Historical studies of entrepreneurship in Algeria indicate that local family networks often emerged where formal institutions were weak or inaccessible, allowing kinship ties to regulate labor and trust-based exchanges (Liabès, 1984; Peneff, 2021). Thus, family enterprise is not only an economic unit, but also a socially organized form of production.

Analyzing family labor in Algeria requires attention to entrepreneurial socialization processes within households. Children frequently learn work discipline, responsibility, and technical skills from an early age through observation and participation in family activities. Such transmission

strengthens self-confidence and prepares future generations for occupational continuity. Research on Algerian family firms has shown that inherited know-how and informal training remain central to business survival, especially in small and medium enterprises facing competitive pressures (Ouabdesselam & Noui, 2010; Oukaci & Arif, 2023).

The importance of work inside the family lies not only in knowledge transfer, but also in the reproduction of emotional solidarity, authority, and cooperation. Family businesses combine economic and social logics through internal hierarchies often based on age, gender, or parental authority. These dynamics can facilitate rapid decision-making and long-term commitment, but may also generate tensions over succession and management modernization. Comparative studies in North Africa confirm that continuity often depends on leadership style and the ability to balance tradition with innovation (Bouzlou, 2021; Elbaz & Laguir, 2014).

A crucial sociological question therefore emerges: why do some Algerian families follow entrepreneurial trajectories while many others do not? The answer may relate to historical capital, inherited professions, access to land or trade networks, and accumulated symbolic legitimacy. It may also depend on contemporary opportunities created by education, market reforms, and youth employment programs. Recent studies on university entrepreneurship in Algeria suggest that younger generations increasingly view business creation as a pathway toward mobility and sustainable development (Khaoui & Ghellab, 2025).

The evolution of Algeria's private sector also helps explain the unequal expansion of family firms. After independence, the dominance of state-led socialism limited private accumulation, while later liberalization opened new spaces for domestic entrepreneurship. Nevertheless, recurrent crises, bureaucratic constraints, and fragile investment climates often slowed private sector consolidation (Mokrani, 2012; Merad-Boudia & Benkabilia, 2014). Comparative analyses further reveal that innovative family SMEs may outperform non-family firms in adaptability and growth when social cohesion is effectively mobilized (Merzouk, 2020).

Beyond Algeria, international scholarship highlights that family firms increasingly face demands related to ethics, sustainability, and professionalization. Reviews of global literature show growing interest in governance, succession planning, and corporate responsibility in family-controlled enterprises (Ferasso et al., 2025). Likewise, studies in Saudi Arabia underline the positive effects of training and professional development on efficiency and continuity in family businesses (Nadhir, 2025). These findings suggest that Algerian family enterprises must also reconcile inherited traditions with modern managerial standards.

Entrepreneurial activity in Algeria has therefore emerged within highly specific historical, political, economic, and cultural conditions. Colonial legacies, postcolonial state formation, the "Black Decade," unemployment pressures, urban transformation, and changing consumption patterns have all shaped family strategies of survival and accumulation (Hasan, 2023; Naylor, 2024). Understanding family businesses consequently requires examining the socio-historical conditions of their emergence, their modes of organization, and the factors that distinguish durable entrepreneurial families from those unable to reproduce business continuity.

## **Methodology**

This study adopted a qualitative research approach, as the objective was to understand the socio-historical dynamics, organizational logic, and symbolic meanings associated with family businesses in Algeria. Qualitative methods were considered appropriate because they allow the interpretation of complex social phenomena through contextual and analytical reasoning rather than numerical measurement. According to Espinoza Freire (2020a), qualitative research is especially useful when the researcher seeks to explain social realities, values, and behaviors within their natural settings.

The methodological design was based on documentary and bibliographic research. A systematic search of scientific literature was conducted in academic databases, indexed journals, books, and institutional reports related to entrepreneurship, family business, Algerian economic history, and organizational sociology. The search process followed criteria of relevance, recency, and academic rigor. As noted by Espinoza Freire (2020b) and Espinoza-Freire (2025), the use of scientific databases strengthens the reliability, traceability, and quality of scholarly inquiry.

The study employed an interpretive-hermeneutic strategy for analyzing the selected sources. This procedure made it possible to compare theoretical perspectives, historical evidence, and empirical findings concerning family firms in Algeria and other comparative contexts. Particular attention was given to recurring categories such as intergenerational transmission, authority, succession, trust, innovation, and adaptation to economic change. Espinoza-Freire (2021) emphasizes that scientific argumentation requires the critical articulation of evidence and concepts, rather than the mere accumulation of references.

Likewise, elements of grounded theory were incorporated during the coding and categorization stages. Instead of imposing rigid prior assumptions, analytical categories progressively emerged from the reviewed literature and were refined through constant comparison among sources. This facilitated the construction of explanatory relationships between historical context, family structure, and entrepreneurial continuity. According to Espinoza-Freire (2024), grounded theory is valuable when researchers seek to generate conceptual interpretations directly from qualitative evidence.

Ethical principles guided the entire research process. All consulted authors were properly cited under APA standards, respecting intellectual property and academic transparency. Source selection was conducted objectively, avoiding ideological distortion or selective omission of contradictory evidence. In this regard, Espinoza Freire and Calva Nagua (2020), as well as Espinoza Freire and Rad Camayd (2020), argue that ethics in research is inseparable from methodological rigor, honesty, and responsible knowledge production.

Finally, the scope of the study was descriptive-analytical. It described the evolution and characteristics of family businesses in Algeria while also interpreting their structural challenges and developmental potential. Through this methodological strategy, the study sought to provide a solid theoretical basis for future empirical research involving interviews, case studies, or comparative quantitative designs focused on family entrepreneurship in North Africa.

## **THEORETICAL FRAMEWORK**

### **Concept of Family Business**

Family businesses are organizations in which ownership, management, and kinship relations converge within the same institutional space. Unlike non-family firms, they combine economic rationality with emotional bonds, identity, and long-term continuity objectives. Their importance lies not only in profit generation but also in preserving family reputation, transmitting values, and ensuring intergenerational sustainability. Studies in management and sociology describe them as hybrid institutions where family logic and market logic coexist in permanent interaction (Mucci, 2008; Gutiérrez, 2018; Casillas Bueno, 2025).

The academic study of family businesses expanded significantly during the 1980s with the consolidation of specialized journals and research agendas focused on succession, governance, growth, and organizational culture. Since then, scholars have analyzed family firms as a distinct field of inquiry due to their specific decision-making processes, concentration of ownership, and continuity strategies. Contemporary reviews indicate that family firms remain central to global economies, especially in emerging markets and small-business ecosystems (Ferasso et al., 2025; González et al., 2018).

A family business may therefore be defined as an enterprise in which one or more family members hold substantial ownership, participate directly in management, and seek to transfer control to future generations. This definition emphasizes three pillars: family ownership, managerial influence, and succession intention. In practice, such firms operate in agriculture, commerce, manufacturing, services, and artisanal sectors, often relying on trust-based relations and informal governance mechanisms that reduce transaction costs (Briceño, 2006; Oukaci & Arif, 2023).

From a sociological standpoint, family firms also function as symbolic institutions. The founder frequently retains moral authority even after retirement, while senior family members occupy privileged positions in strategic decisions. Leadership legitimacy often derives from age, experience, sacrifice, or family lineage rather than purely formal credentials. This symbolic capital reinforces cohesion, but can also create tensions when younger generations demand meritocratic or professionalized management systems (Bouzlou, 2021; Mucci, 2008).

### **Concept of the Enterprise**

The enterprise is generally understood as an organized economic unit that mobilizes labor, capital, and knowledge to produce goods or services. It responds to market opportunities, social needs, and institutional incentives through innovation and strategic adaptation. In modern economies, enterprises are not static entities but dynamic systems embedded in broader networks of regulation, competition, and technological change. Their success depends on the capacity to transform resources into value under uncertain conditions (Liabès, 1984; Merad-Boudia & Benkabilia, 2014).

Entrepreneurship within the enterprise framework also reflects individual initiative and organizational capability. Founders identify opportunities, assume risk, coordinate resources, and develop competitive advantages. Recent studies show that digitalization, artificial intelligence, and data-driven management increasingly shape business models, strategic decision-making, and productivity. Consequently, even traditional family firms are pressured to modernize operational systems while preserving their social identity (Jobstreibizer et al., 2025; Jaboob et al., 2025).

### **Historical Perspective on Family Work in Algeria**

Understanding family business in Algeria requires a long historical perspective. Before colonization, productive life was strongly organized around family, tribal, and local community structures. Agriculture, livestock raising, trade, and artisanal activities depended on kinship-based labor cooperation and customary ownership systems. These forms of organization allowed families to combine production, protection, and social reproduction in environments where centralized institutions were limited (Mokrani, 2012; Peneff, 2021).

Urban artisanal production also played a significant role in pre-colonial Algeria. Activities such as weaving, tanning, tailoring, metalwork, pottery, and food production were commonly structured around family workshops that transmitted technical knowledge across generations. Such enterprises functioned as schools of labor discipline and economic survival, while simultaneously preserving cultural identities rooted in local communities (Sánchez-Limón, 2025; Liabès, 1984).

French colonization deeply disrupted these socio-economic structures through land expropriation, destruction of local industries, and the imposition of unequal market institutions. Family-owned production systems were weakened as colonial agriculture and settler industries expanded. These transformations reduced the autonomy of Algerian producers and altered traditional mechanisms of labor organization. Colonial intervention therefore represented not only political domination but also economic disarticulation of family-centered production systems (Merad-Boudia & Benkabilia, 2014; Mokrani, 2012).

After independence, Algeria adopted state-led development policies that prioritized public ownership and socialist management. While this model expanded employment and industrial

capacity, it also limited the growth of autonomous private family capital. Later liberalization reforms reopened opportunities for family entrepreneurship, especially in commerce, construction, manufacturing, and services. The expansion of private initiative since the 1990s explains the renewed relevance of family firms in the national economy (Peneff, 2021; Oukaci & Arif, 2023).

### **Socio-Organizational Approaches to Family Business**

Socio-organizational approaches emphasize that enterprises cannot be understood solely through financial indicators. They are social systems composed of norms, authority relations, trust networks, and power structures. In family firms, these elements become especially visible because family roles overlap with managerial responsibilities. Ownership concentration may accelerate decisions, but can also generate role ambiguity, succession conflict, and resistance to external professionalization (Berbar Berrached & Tabet Aouel, 2021; Briceño, 2006).

Another relevant perspective concerns social capital. Family firms often benefit from dense networks of loyalty, reciprocity, and mutual obligation that lower coordination costs and facilitate resilience during crises. However, excessive closure may limit innovation, merit-based recruitment, and access to new knowledge. Research on disadvantaged communities similarly shows that family networks can reproduce advantages but also perpetuate structural limitations when disconnected from wider opportunities (Chen et al., 2022; Moreno Mínguez, 2011).

### **Entrepreneurial Action According to Max Weber**

Max Weber argued that economic behavior is shaped not only by material interests but also by values, beliefs, and cultural orientations. His thesis on the Protestant ethic illustrates how discipline, rational calculation, and reinvestment can support capitalist development. Applied to family firms, Weber's framework suggests that entrepreneurial success depends partly on internalized norms such as responsibility, austerity, planning, and long-term commitment rather than capital alone (Gutiérrez, 2018; Casillas Bueno, 2025).

Weber's typology of authority is equally useful for analyzing family enterprises. Traditional authority appears when leadership is inherited through lineage; charismatic authority emerges when founders dominate through personal prestige; rational-legal authority develops when firms institutionalize rules and professional management. Many family firms evolve through these stages as they grow, especially when transitioning from founder control to multi-generational governance structures (Mucci, 2008; Bouzlou, 2021).

### **Marxist Approach to Entrepreneurial Action**

From a Marxist perspective, enterprises emerge within relations of production shaped by ownership and class power. Private capital accumulates through control of productive assets and appropriation of surplus value. Applied to family business, this approach highlights how some entrepreneurial families consolidate wealth across generations while others remain excluded from capital formation. It also stresses the influence of state policy and market structures in reproducing unequal opportunities (Mokrani, 2012; Liabès, 1984).

However, family firms in developing contexts may also generate employment, skills, and local investment rather than simply reproduce exploitation. Small workshops, retail stores, and artisanal businesses frequently provide livelihoods for relatives and workers excluded from formal labor markets. Thus, contemporary analysis benefits from combining class-based insights with recognition of entrepreneurship as a mechanism of mobility, especially in economies marked by unemployment and informality (Briceño, 2006; González et al., 2018).

### **Mechanisms of Family Business Formation**

The creation of family businesses generally results from the interaction of structural opportunities and individual initiative. Access to savings, land, education, migration

remittances, and social networks often determines whether entrepreneurial projects can emerge. At the same time, founder characteristics such as persistence, technical competence, and risk tolerance remain decisive. No single factor explains business formation; rather, it reflects the convergence of objective and subjective conditions (Berbar Berrached & Tabet Aouel, 2021; Oukaci & Arif, 2023).

Intergenerational transmission also plays a crucial role. Families transmit occupational habits, cognitive skills, business experience, and cultural expectations that influence entrepreneurial orientation. Studies from Latin America and Europe show that self-employment and educational advantages are frequently reproduced across generations. Similar mechanisms likely operate in Algerian family firms, where children often learn commerce, negotiation, and production skills through early exposure (Fernández & Peón, 2013; Mayer Foulkes et al., 2008; Aldaz Gaibor et al., 2025).

### **Family Businesses in Algerian Legislation**

Algerian commercial legislation does not formally define the “family business” as a separate legal category. Nevertheless, family enterprises operate through recognized forms such as sole proprietorships, limited liability companies (SARL), and joint-stock companies (SPA). Regulatory reforms and investment policies have progressively simplified registration procedures and promoted private-sector development, creating more favorable conditions for entrepreneurial families (Merad-Boudia & Benkabilia, 2014; Berbar Berrached & Tabet Aouel, 2021).

The principal legal challenge is therefore not creation but continuity. Many firms struggle with succession planning, inheritance disputes, governance formalization, and the transition from founder-centered authority to institutional management. International evidence shows that long-term survival requires clearer governance systems, transparency, and strategic planning beyond purely patrimonial logic (Ferasso et al., 2025; Vasco Aguilera et al., 2025).

### **Characteristics of Family Businesses**

Family businesses are commonly characterized by centralized authority, long-term orientation, emotional attachment, and reputational sensitivity. Their leaders often prioritize continuity and family legacy over short-term gains. This can foster resilience, patience in investment decisions, and stronger stakeholder commitment. At the same time, concentration of power may slow delegation and reduce managerial specialization if governance structures remain informal (Gutiérrez, 2018; Casillas Bueno, 2025).

Internal labor relations usually privilege trust and kinship over purely meritocratic criteria. Family members are frequently recruited into sensitive financial or managerial roles, while non-family employees may face limited promotion opportunities. Although such arrangements strengthen loyalty, they can also create ambiguity in performance evaluation, compensation, and professional boundaries (Berbar Berrached & Tabet Aouel, 2021; Mucci, 2008).

Succession is one of the most critical dimensions of family business continuity. Successful transitions require preparing future leaders, transferring tacit knowledge, and integrating new managerial capabilities. Innovative family SMEs often outperform comparable non-family firms when they combine inherited cohesion with openness to technology and growth strategies. This suggests that adaptability, not tradition alone, determines long-term competitiveness (Merzouk, 2020; Casillas Bueno, 2025).

Finally, cultural and religious values remain highly relevant in many family enterprises. In Algeria and similar contexts, business legitimacy may derive from fairness, solidarity, modesty, and social responsibility grounded in local norms. Global research increasingly links these values with corporate citizenship, sustainable development, and organizational commitment. Family firms that align tradition with innovation may therefore become strategic actors in inclusive economic development (Tuan & Ferasso, 2025; Bandeira et al., 2025; Latif et al., 2025).

## DISCUSSION

The findings of this study confirm that family businesses in Algeria should not be interpreted merely as economic units oriented toward profit maximization. Rather, they represent socio-economic institutions in which production, kinship, identity, and authority are deeply interconnected. This interpretation is consistent with Mucci (2008), who argues that family firms possess a dual identity: they are simultaneously enterprises and family systems. In the Algerian case, this duality appears especially relevant because historical forms of solidarity and household cooperation continue to shape entrepreneurial behavior.

A central discussion emerging from the analysis concerns the role of intergenerational transmission. Family businesses persist because they transfer not only material assets, but also tacit knowledge, occupational habits, discipline, and symbolic legitimacy. This supports the argument of Fernández and Peón (2013), who found that self-employment tendencies are often reproduced across generations. Similarly, Mayer Foulkes et al. (2008) emphasize that cognitive and economic capacities are frequently inherited through family environments. In Algeria, this suggests that entrepreneurial continuity depends heavily on early family socialization.

Another relevant issue is the historical resilience of family enterprise under changing political-economic regimes. Algerian entrepreneurial families adapted to colonial disruption, post-independence socialism, economic liberalization, and contemporary globalization. This confirms the perspective of Peneff (2021), who noted that Algerian entrepreneurs historically evolved in close relation to state transformations. Likewise, Mokrani (2012) argues that private capital in Algeria cannot be understood without considering political regulation and structural crises. Therefore, family business development is strongly path-dependent and historically conditioned.

The discussion also highlights the importance of trust as an organizational resource. In many family firms, trust reduces monitoring costs, accelerates decisions, and strengthens commitment among members. This coincides with Berbar Berrached and Tabet Aouel (2021), who found that family relations frequently act as an engine of entrepreneurial initiative in Algeria. However, excessive reliance on kinship can create managerial inefficiencies, especially when competence is subordinated to loyalty. Thus, trust constitutes both a competitive advantage and a potential limitation.

Succession remains one of the most decisive challenges for continuity. Many family firms perform successfully under founder leadership but weaken during generational transition. Bouzlou (2021), studying North African family entrepreneurship, emphasizes that leadership continuity depends on balancing authority with modernization. Our findings support this view: when founders centralize all strategic decisions and delay delegation, innovation capacity may decline. By contrast, firms that prepare successors early and institutionalize governance mechanisms show greater long-term stability.

The Weberian perspective helps explain why some family businesses consolidate while others stagnate. Weber associated entrepreneurial success with rational planning, discipline, and future-oriented investment behavior. These principles remain relevant in Algeria, where many traditional firms are currently pressured to formalize management systems and adopt strategic planning. Gutiérrez (2018) similarly argues that family business success depends increasingly on professional management rather than solely on inheritance. Hence, cultural values must be complemented by organizational rationalization.

At the same time, the Marxist lens remains useful for understanding unequal entrepreneurial opportunities. Not all families possess equal access to capital, land, education, or influential networks. Some inherit advantageous positions, while others remain structurally excluded from business ownership. Liabès (1984) noted that entrepreneurship in Algeria historically reflected broader class formations and capital concentration processes. Therefore, family

business success cannot be explained only through merit or effort; structural inequalities also matter significantly.

Innovation emerged as another strategic theme in the discussion. Traditional cohesion alone is insufficient in competitive markets characterized by digitalization and technological change. Merzouk (2020) demonstrated that innovative Algerian family SMEs can outperform non-family firms in growth and employment generation. Recent studies further show that artificial intelligence and digital leadership are transforming strategic decision-making across organizations (Jobstreibizer et al., 2025; Jaboob et al., 2025). Consequently, Algerian family businesses must combine inherited strengths with technological adaptation.

The international literature also suggests that family businesses are increasingly expected to integrate sustainability and ethical governance. Ferasso et al. (2025) found growing global concern regarding ethics, succession, and responsible management in family firms. This is particularly relevant for Algeria, where family reputation often extends beyond the enterprise into the local community. In such contexts, reputational capital may motivate stronger commitments to fairness, employment stability, and social responsibility.

Finally, this study indicates that family businesses may serve as strategic actors for inclusive development in Algeria. They generate employment, preserve artisanal knowledge, mobilize local savings, and create pathways of upward mobility. Briceño (2006) similarly emphasizes that family firms contribute to local development through rooted entrepreneurship. However, their long-term contribution depends on access to finance, clearer legal frameworks, professional succession systems, and innovation capabilities. Family businesses in Algeria therefore stand at the intersection of tradition and modernization, making them essential subjects for future socio-economic research.

## **CONCLUSION**

In conclusion, the bibliographic study of family businesses in Algeria reveals that these institutions constitute a unique organizational entity, integrating economic, social, and cultural dimensions. Family characteristics—such as succession, kinship-based trust, and intergenerational involvement—emerge as pivotal factors influencing decision-making, growth mechanisms, and the level of innovation within the enterprise. The literature also emphasizes that the founder-owner's personality, entrepreneurial orientation, and organizational culture are key drivers of the enterprise's capacity to face economic challenges and adapt to market changes.

It can be argued that family businesses represent a significant but underutilized opportunity, as Algerian investment legislation does not provide direct formal incentives similar to those in countries such as the United States, where tax exemptions or benefits are granted to business owners who employ family members. Such measures promote the proliferation of family businesses, which tend to display higher cohesion and sustainability compared to non-family enterprises, as highlighted in this study.

The Algerian case demonstrates a clear specificity: family businesses interact dynamically with state policies, reshaping themselves in ways that align with public policy (formally individual in legal structure but family-oriented in management style), post-independence economic transformations, and challenges resulting from globalization and economic liberalization. This underscores the importance of studying these institutions to understand patterns of local economic and social development. From the perspective of organizational and labor sociology, this study provides a critical view of how family business structures evolve and opens avenues for further empirical research exploring the relationships among family ownership, innovation, and governance in the Algerian context.

The current study recommends investigating the comparative management patterns—traditional versus modern—based on the knowledge and competencies of the business leader, preferably through fieldwork to capture real-world practices.

Additionally, it suggests examining the impact of unsuccessful family succession processes on business bankruptcy or closure and emphasizes the need for precise statistics on this aspect.

### **LIMITATIONS OF THE STUDY**

This study was limited by its documentary and theoretical nature, as it relied exclusively on secondary sources without direct fieldwork involving Algerian family businesses. The availability of updated empirical data on family firms in Algeria was also restricted, particularly regarding succession processes, governance structures, and sectoral distribution. In addition, some historical and comparative sources presented heterogeneous methodological approaches, which required careful interpretation. Therefore, the findings should be understood as an analytical foundation rather than definitive generalizations about all Algerian family enterprises.

### **FUTURE RESEARCH**

Future studies should incorporate empirical methodologies such as interviews, surveys, ethnographic observation, and case studies involving family businesses from different Algerian regions and productive sectors. Comparative research between Algeria and other North African countries would also be valuable for identifying common patterns and contextual differences. Likewise, further investigation is recommended on digital transformation, women's participation, succession planning, innovation capacity, and the impact of public policies on the sustainability of family firms.

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### **CONFLICT OF INTEREST STATEMENT**

The author declares that there is no conflict of interest regarding the publication of this article.

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