Bound by Blood in the Family Firm?
Examining the Effects of Trusting and Feeling Trusted in the Family Firm Top Management Team

By Catherine M. Faherty

Research Supervisor:
Dr. Eric Clinton

Thesis Submitted to Dublin City University Business School in Partial Fulfilment of the Requirements for the Degree of Doctor of Philosophy

September 2018

Declaration

I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award of Doctor of Philosophy is entirely my own work, and that I have exercised reasonable care to ensure that the work is original, and does not to the best of my knowledge breach any law of copyright, and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

Signed: ___________________________

Date: _____________________________

ID No.: 59443011

Acknowledgements

This endeavour would not have been possible without the generous help and support of many incredible people to whom I would like to express my heartfelt gratitude. First, to my supervisor, Dr. Eric Clinton, whose unwavering belief in me and tireless commitment to this project has been a source of great inspiration: Thank you for providing the vision and direction which enabled me to complete this momentous journey. This would not have been possible without your support. To Professor Justin Craig, my mentor and a true pioneer in our field: You taught me the value of questioning and continued to challenge me to "dig deeper." Our countless thought-provoking conversations, together with Professor John Ward, during my time with the Kellogg Center for Family Enterprises informed and shaped the content of this thesis. Your passion for, and deep insight into, family enterprises is inspiring. To Professor Colm O'Gorman, my supervisory panel member: Your guidance over the past four years has been instrumental. Thank you for your constructive feedback and thoughtful advice throughout this entire process.

To my incredible team at the DCU Centre for Family Business, including Dr. Teresa Hogan, Professor Maura McAdam, Dr. Vanessa Diaz, Philip O'Donnell, Martina Brophy, Dr. Jordan Gamble, and Yvonne Kiely: Not once did I feel alone on this journey and that is thanks to all of you. Special thanks to the faculty of DCU Business School, particularly Professor Janine Bosak and Margaret Galuszynska. The support you offer the PhD community is remarkable. Thank you also to Professor Edel Conway for your thoughtful comments on earlier versions of this research and to Gerry Conyngham and Gerry Fahey for your helpful advice and assistance in the statistical analyses of the data. In addition, I had the pleasure of carrying out my research alongside many wonderful PhD scholars and recent graduates to whom I am grateful. In particular, my gratitude goes to Colette Real, Grace Kenny, David Smith, and Julie Brueckner.

I would like to acknowledge the Irish Research Council and the DCU Ryan Academy, particularly my enterprise mentors Ann Horan and Eoghan Stack. Your generous financial support and industry advice allowed me to undertake this important work. A heartfelt thanks also goes to the 161 family firms who gave up their time to participate in this study. Trust is a sensitive issue, particularly in family firms, so I am most grateful to you for openly sharing your experiences and insights with me. I promise to make this work accessible to you and to share its many learnings.

Most important of all, thank you to my family. Growing up in our family business allowed me to experience first-hand the immense joys and complexities of doing business with family. This is where I learned the virtues of hard work and perseverance; virtues which undoubtedly helped me complete this study. During the final stages of this thesis I was fortunate to be surrounded by close family. I give sincere thanks to my two inspirational grandmas and to my great-aunts for their dedicated prayers and candles throughout this journey. Thank you to Brendan and Mary for believing in me; I could not imagine a more supportive and loving brother and sister. Finally, to my biggest supporters of all: mum and dad. You always taught me to reach for the stars, and now I have. This thesis is dedicated to you.

Table of Contents

List of Tables

List of Figures

List of Appendices

List of Abbreviations

ABI	ability, benevolence, integrity
ANOVA	analysis of variance
BTI	behavioural trust inventory
CEO	chief executive officer
CFA	confirmatory factor analysis
CFB	Centre for Family Business
CO	controlling owner
CSO	Central Statistics Office
DCU	Dublin City University
OB	organisational behaviour
OTI	organisational trust inventory
PCR	parent–child relationships
RTR	risk-taking in the relationship
SEM	structural equation modeling
STEP	Successful Transgenerational Entrepreneurship Practices
SIT	social identity theory
SEW	socioemotional wealth
TMT	top management team

Abstract

This study integrates the organisational trust and family firm literatures to examine the effects of trusting and feeling trusted in family firms—that is, enterprises that are significantly influenced by members of the same family. Data from 79 organisational triads comprised of family and nonfamily top management team (TMT) members (*n* = 158) and chief executive officers (CEOs) (*n* = 79) demonstrate that trusting in, and feeling trusted by, the CEO of a family firm has benefits for TMT job performance, commitment, and voice behaviour. In addition to demonstrating the impact of trusting and feeling trusted, this study adopts a social identity theory perspective to examine differences in trust-related perceptions and behaviours among family and nonfamily TMT members. Results indicate that family TMT members feel more trusted by the family CEO, and perceive the family CEO as more trustworthy, than nonfamily TMT members do. Furthermore, family TMT members are willing to be more vulnerable to, and engage in more trust-based behaviours toward, family CEOs. Results also demonstrate that as family firms evolve across generations, perceptions of CEO trustworthiness decrease. Specifically, later generation CEOs are viewed by TMT members as significantly less able to manage the firm than founders. This study contributes a nuanced perspective to research on organisational trust by examining the trust process in the family firm and in doing so it makes a number of meaningful theoretical advances in the organisational trust and family firm fields. This research also has important implications for practice, establishing that next-generation leaders have an extra burden of proof in demonstrating their ability to lead in family firms based on merit rather than on lineage alone.

Keywords: Trust; family firms; CEO; TMT; social identity theory

Chapter 1

Introduction

1.1 Introduction

Mutual trust between individuals is a fundamental element of any stable, ongoing cooperative relationship. In organisational settings, the trust that employees have in their leader, and, more recently, their feelings of being trusted by that leader, have been found to have important consequences for all levels of organisational functioning (Baer et al., 2015; Davis, Schoorman, Mayer, & Tan, 2000; Dirks, 2000; Dirks & Ferrin, 2002; Lau, Lam, & Wen, 2014). Although related, these two constructs comprise separate elements of a trusting relationship between a leader and his/her employees. For example, employee trust in the leader is positively related to helpful, discretionary behaviours and decreased turnover intentions (Connell, Ferres, & Travaglione, 2003; Dirks & Ferrin, 2001), as well as improved team (Dirks, 1999, 2000) and organisational performance (Davis et al., 2000; Rich, 1997). Moreover, in the absence of trust in leaders, employees will divert energy toward "covering their backs," which detracts from their work performance (Mayer & Gavin, 2005). Similarly, employees' feelings of being trusted by their leader sends an important signal to them that they are valued (Pfeffer, 1998). Feeling trusted has been linked to increased citizenship behaviours, improved employee performance (Lau et al., 2014), as well as superior organisational performance (Salamon & Robinson, 2008). Other research suggests that feeling trusted is a double-edged sword for job performance, bringing with it both benefits and burdens (e.g., Baer et al., 2015).

Despite these important findings regarding the effects of trusting and feeling trusted by leaders in organisations, most existing work pertaining to these constructs has placed little emphasis on the role of context. Specifically, much of the literature has failed to explicitly consider how social context affects trust perceptions and behaviours in the workplace (Alexopoulos & Buckley, 2013; Dietz, 2011; Rousseau, Sitkin, Burt, & Camerer, 1998; Schoorman, Mayer, & Davis, 2007; Williams, 2001, 2016). One fundamental way in which context affects these outcomes is through group membership (Kramer, 1999; Williams, 2001, 2007). Research indicates that group identification has a positive impact on intragroup cooperation (e.g., Kramer, 1991; Mael & Ashforth, 1992). Furthermore, social psychological theories suggest that this relationship is at least partly explained by the impact of group identification on trust (Korsgaard, Brodt, & Sapienza, 2003; Kramer, 1991; Williams, 2001). For instance, individuals typically hold positive perceptions regarding the trustworthiness of similar others, and exhibit cooperative behaviour toward them (Brewer, 1979; Williams, 2001), while perceiving dissimilar others as less trustworthy (Tajfel, 1982). In addition, research suggests that trust assessments are influenced by the affect associated with a social group. For example, "people often hold strong affective predispositions toward certain social groups," (Jussim, Nelson, Manis, & Soffin, 1995, p. 228) and these predispositions influence their feelings and judgements in favour of, or against, those groups. Williams (2001) argues that affect is an important factor for group membership as it can influence the cognitions, motives, and behaviours associated with trust development.

Although the impact of group membership is of significant importance in understanding trust development, its influence is largely unrecognised and/or underappreciated in empirical studies. Williams (2001) maintains that researchers typically treat the initial stages of trust development as "a level playing field…[whereby] individuals in new dyads are all assumed to start off with relatively low levels of trust, regardless of their similar or dissimilar group memberships" (p. 390). Relatedly, Burt and Knez (1996) argue that although interpersonal trust is often examined within a dyad, trust is most often built and maintained in the presence of an audience of "variably close friends, foes, and acquaintances"

(p. 83). Hence, given that identification with particular groups and adoption of a related set of roles can shape loyalties, priorities, and conduct (Tajfel & Turner, 1979), it is imperative that research examining interpersonal trust in organisations considers the impact of group affiliation (Williams, 2001). This is particularly important when it comes to understanding trust dynamics in contexts characterised by strong group identification and interpersonal affect; for example, in the case of the family firm.

Family firms—enterprises that are significantly influenced by members of the same family—have largely been overlooked in organisational trust research, even though they are the dominant form of business organisation worldwide (Gagné, Sharma, & De Massis, 2014; La Porta, Lopez-de-Silanes, & Shleifer, 1999). It is widely accepted that family firms are theoretically distinct from their nonfamily counterparts (Stewart & Hitt, 2012; Tagiuri & Davis, 1996). For instance, family firms comprise a dominant group—the family—whose members are mutually dependent and occupy a diverse range of positions within the firm, such as employees, managers, or members of the board of directors (Gersick, Davis, Hampton, & Lansberg, 1997). Familial ties between parent and child or husband and wife, and among siblings, are affectively close and often take priority over those with individuals from outside the family. As the firm grows larger, however, it inevitably needs to hire talent beyond the family. Hence, the presence of nonfamily members—the second dominant group in family firms—can lead to strong ingroup–outgroup dynamics (Barnett & Kellermanns, 2006; Carmon, Miller, Raile, & Roers, 2010; Eddleston & Kidwell, 2012; Marler & Stanley, 2018). These distinct group affiliations are likely to influence employees' trust-related perceptions of, and behaviours toward, the family firm leader, as well as their associated outcomes. However, our understanding of how these trust encounters play out in family firms is limited.

1.2 Examining Trust in the Family Firm

Families throughout the world comprise naturally occurring communities that generate trust relations (Fukuyama, 1995). As such, family firms are often referred to as *high-trust* organisations (Corbetta & Salvato, 2004; Jones, 1983). The parents, children, siblings, and cousins that may preside over a family firm tend to have very close relationships. Given that affective attachments form the basis for caring and benevolent behaviours that build trust (McAllister, 1995; Mayer, Davis, & Schoorman, 1995), family firms represent an environment where close interpersonal trust can prosper (Davis, Allen, & Hayes, 2010; Lewicki & Bunker, 1996; Lewis & Weigert, 1985; McAllister, 1995). The intense bonds inherent in familial relationships are thought to provide a fundamental basis for commitment (Allen, George, & Davis, 2018; Davis et al., 2010), cooperation (Steier, 2001), reduced monitoring and transaction costs (Fukuyama, 1995; Steier, 2001), stewardship (Davis et al., 2010; Neubaum, Thomas, Dibrell, & Craig, 2017), and open disclosure (Ward, 2004) in family firms. As a consequence, trust represents an important source of strength for these firms. In fact, the concept of trust is often used to describe the idiosyncratic attributes that contribute to the very prevalence of the family firm (Moores, Parris, Newbert, & Craig, 2018; Ward & Aronoff, 1991).

While trust likely provides unique advantages to family firms, the construct may also represent a bivalent attribute—a unique, inherent feature of an organisation that is the source of both advantages and disadvantages.[1] Family firms are complex entities, and although they comprise distinct features that can facilitate trust, family firms are particularly vulnerable to forces that can lead to the dilution or dissolution of trust (Steier, 2001; Sundaramurthy, 2008). For example, as a family and its firm naturally evolve and grow, so does the relational

[1] Tagiuri and Davis (1996) first introduced the concept of bivalent attributes to explain the complex dynamics of the family firm.

distance among its members. Family executives may find it difficult to trust a cousin or an in-law in the same way that they trust their own father or mother. Hence, as later generations join the firm, familial ties gradually weaken, unleashing forces that diminish, rather than build, trust (Steier, 2001). This deterioration of trust can put the very existence of the family firm under threat (Sundaramurthy, 2008; Ward, 2016); therefore, the success or failure of the family firm is highly dependent on how well interpersonal trust is managed. As a consequence, "trust and the nurturing of trust-building processes should be of fundamental concern to family firms" (Steier, 2001, p. 362).

Despite their intuitively appealing and highly salient nature, trust dynamics in family firms have been the subject of little empirical investigation. To date, few studies in the context of family business have been directed toward the topic of trust, and, of the "weak trickle" of existing work (Gagné et al., 2014, p. 651), the majority of research is either theoretical (e.g., Eddleston, Chrisman, Steier, & Chua, 2010; Eddleston & Morgan, 2014; Gagné et al., 2014; Hauswald & Hack, 2013; Michel & Kammerlander, 2015; Steier & Muethel, 2014; Sundaramurthy, 2008; Ward & Aronoff; 1991), relies on proxy or unvalidated measures to capture trust (e.g., Bammens, Voordeckers, & Van Gils, 2008; Beck & Kenning, 2015; Craig, Dibrell, & Davis, 2008; Deephouse & Jaskiewicz, 2013; Orth & Green, 2009; Raskas, 1998; Smith, Hair Jr., & Ferguson, 2014; Stanley & McDowell, 2014), or includes variables representing only a subset of the trust process (e.g., Allen et al., 2018; Cruz, Gómez-Mejía, & Becerra, 2010; Davis et al., 2010). In short, little is known empirically about how interpersonal trust manifests within family firms. This is most surprising given that trust is regarded as a fundamental determinant of the differences that exist between family and nonfamily firms, as well as among family firms (Eddleston et al., 2010; Moores et al., 2018).

This study examines trust in the specific context of family firms. In doing so, it offers a nuanced perspective to the research investigating trust in organisational settings by considering the effects of group membership on trust dynamics between leaders and employees. Although recent family firm research suggests that group membership, specifically family–nonfamily affiliations, influence interpersonal perceptions, behaviours, and interactions (Barnett & Kellermanns, 2006; Marler & Stanley, 2018), such theorising has not been integrated into trust research. This study draws upon ingroup–outgroup distinctions, as set out in social identity theory, to develop and test hypotheses relating to the trust process in family firms. Specifically, it examines the joint effects of trusting in, and feeling trusted by, the leader of an organisation and the impact on important employee and organisational outcomes. The findings of this study make notable contributions to the organisational trust and family firm literatures.

1.3 Research Objectives

The objectives of this research are threefold. First, this study seeks to examine the current predictions of organisational trust research by empirically investigating the trust process within a new context: the family firm. Organisational researchers have repeatedly called for greater attention regarding how context affects trust perceptions in organisations. Rousseau and her colleagues (1998) called for researchers to shift "the focus away from the interpersonal and toward contextual influences on trust" (p. 435)—a call echoed by Williams (2001) and later by Fulmer and Gelfand (2012) and Mishra and Mishra (2013). As voiced by these scholars and others (e.g., Clark & Reis, 1988; Johns, 2006), the conceptual breadth of findings from studies carried out in isolation of contextual considerations must be subjected to "messy" and realistic contexts to test their applicability and understand the limits of their generalisability. This research aims to respond to these compelling calls by examining the trust process in the family firm. There are strong theoretical reasons to believe that interpersonal trust manifests differently in family firms compared to nonfamily firms (Gagné et al., 2014; Sundaramurthy, 2008; Ward & Aronoff; 1991). Given that family executives share intense familial and business ties, the family firm is a context which is particularly germane to trust. Exploring trust dynamics in this setting will assist in assessing the breadth and generalisability of current organisational trust theorising and empirical work. Moreover, it will assist in advancing and deepening our understanding of how trust antecedents and outcomes are influenced by the organisational contexts in which members are embedded.

Second, this study aims to advance understanding of interpersonal relationships in family firms. Specifically, this study draws upon established works from the trust literature to empirically examine relationships between trust-related perceptions, behaviours, and outcomes in family firms. The literature suggests that the interplay between the family and the firm can produce different types and outcomes of trust across different stages of family and firm development (Chrisman, Chua, Kellermanns, & Chang, 2007; Karra, Tracey, & Phillips, 2006). However, the construct of trust is virtually unexplored in the family firm literature; for instance, researchers note that trust is often mentioned, "yet rarely dissected or directly studied" (Eddleston, Morgan, & Pieper, 2011, p. 113). Given that trust is a fundamental attribute of family firms (Eddleston et al., 2010; Moores et al., 2018), coupled with accumulating evidence demonstrating the benefits of trust for organisations and their members (Colquitt, Scott, & LePine, 2007; Dirks & Ferrin, 2002), a clear understanding of the precise nature and consequences of trust in family firms is imperative (Allen et al., 2018; Davis et al., 2010; Gagné et al., 2014; Sundaramurthy, 2008). This study draws upon existing trust literature to examine the effects of trusting in, and feeling trusted by, the leaders of family firms. In doing so, it aims to advance understanding of the interpersonal dynamics within the top management team of family firms.

Third, family firms have largely been overlooked in the organisational behaviour literature to date (Gagné et al., 2014). This study seeks to synthesise the organisational behaviour literature and the family firm literature by conducting research at the interface of both domains. Scholars have previously noted that this is an interface where only "a tiny tip of the iceberg has been touched" (Gagné et al., 2014, p. 644). Indeed, the few conceptual applications and empirical tests that have been carried out in this arena have resulted in a deeper understanding of both fields (e.g., Barnett & Kellermanns, 2006; Davis et al., 2010; Gómez-Mejía, Cruz, Berrone, & De Castro, 2011; Lubatkin, Schulze, Ling, & Dino, 2005). By adopting a social identity approach to investigate trust dynamics between ingroups and outgroups in family firms, this research aims to connect organisational behaviour and family firm theories. Ceja-Barba (2014) suggests that "in order to continue being a legitimate field of study, [organisational behaviour] must pay special attention to the contextual differences in which research studies are being conducted" (p. 665). This study seeks to respond to these important calls.

1.4 Research Questions

This research endeavours to understand the anatomy of the trust process in the context of family firms. It focuses on the top management team, because the influence of family involvement on trust is likely to be reflected in the group dynamics of the firm's key decision-makers. In examining this important topic, this research draws upon the organisational trust and family firm literatures to inform its research questions. The first question guiding this research investigation is:

1. How does trusting, and feeling trusted by the CEO, impact on TMT members' voice behaviour, commitment, and performance in family firms?

Furthermore, as discussed throughout this chapter, there are strong theoretical reasons to believe that interpersonal trust manifests differently among members of the top management team of family firms. Relationships among family executives are typically affectively close, and familial relationships often take priority over nonfamily relationships. For these reasons, this study seeks to examine if senior family executives are, in fact, bound by blood in the workplace, with regard to trust-informed beliefs, intentions, and behaviours. Hence, the second research question under examination is:

2. How does trust operate between family and nonfamily TMT members in family firms?

Finally, a distinct feature of family firms may be the evolution of trust. Research suggests that the interplay of the family and the firm can produce variance in the bases for trust-related perceptions across different stages of family and firm development (Chrisman et al., 2007; Karra et al., 2006; Steier, 2001; Sundaramurthy, 2008). For example, as later generations join the firm, familial ties may weaken, leading to diminished trustworthiness perceptions (Steier, 2001). Therefore, the third research question guiding this study is:

3. What effect does family firm generation have on perceptions of CEO trustworthiness?

1.5 Findings and Contributions

This research makes contributions to the literature in four important domains, including theory, context, empirical findings, and methodology. The study also has salient implications for practice (Colquitt & Zapata-Phelan, 2007; Whetten, 1989). First, in terms of theory, this research makes two key contributions. This study contributes to the organisational trust literature by demonstrating why people choose to trust in some ways but not in others (Alexopoulos & Buckley, 2013; Gillespie, 2003; Lewis & Weigert, 1985).

Recently, scholars have called for research to examine not simply "whether people trust each other…[or] by how much…[but] why [do they trust?]" (Dietz, 2011, p. 220). This study responds to these calls by adopting a social group membership perspective to examine "on what basis" executives trust and feel trusted by leaders in organisations (Dietz, 2011, p. 220). Results of this study demonstrate that ingroup members place higher, more personal bases of trust in fellow ingroup members. This higher form of trust is fuelled by emotional bonds and reflects the concept of affect-based trust (McAllister, 1995) or "trust from the heart" (Chua, Ingram, & Morris, 2008). This bases for trust implies amplified perceptions of trustee benevolence and integrity, which, in turn, can lead to self-disclosure behaviours (Gillespie, 2003). These findings challenge the assumption that distrust emerges as a function of social group membership, whereby ingroup members are presumed to distrust members of the outgroup (Kramer, 1999). Moreover, in line with previous conceptual work (e.g., Williams, 2001), this study empirically validates the theory that a similarity–trust, dissimilarity–distrust paradigm is inadequate for understanding how trust develops between members of dissimilar groups in organisations. Rather than exhibiting distrust toward outgroup members (i.e., "confident negative expectations" [Lewicki, McAllister, & Bies, 1998, p. 439]), results suggest that outgroup members may trust ingroup members on a professional basis. This form of trust reflects the concept of cognition-based trust (McAllister, 1995) or "trust from the head" (Chua et al., 2008). This basis for trust implies positive perceptions of a trustee's ability or competence, which may result in reliance-based behaviours in the workplace (Gillespie, 2003).

Second, this study contributes to the organisational trust literature by examining the "leap of faith" associated with trust. Most trust research to date focuses almost exclusively on trust as a psychological state or attitude (Colquitt et al., 2007; Fulmer & Gelfand, 2012) at the expense of examining the behavioural element. This provides an incomplete understanding of trust, because “the risk-taking act is trust’s defining stage” (Skinner, Dietz, & Wiebel, 2014, p. 208). In recent years, a growing stream of research alludes to the theory that trust is a sequential process involving three stages—(1) a belief, (2) a decision, and (3) a risk-taking act—and scholars have called out for empirical studies to examine the construct in this way (e.g., Dietz, 2011; Dietz & den Hartog, 2006; Li, 2007, 2016; McEvily, Perrone, & Zaheer, 2003; McEvily & Tortoriello, 2011; Skinner et al., 2014). This study answers these important calls and conceptualises trust as a three-stage process, thus capturing the holistic and contextual natures of trust (Li, 2016). In doing so, it is among the first studies to empirically examine the leap of faith involved in the act of trusting another person in the workplace. This risk-taking act is measured through challenging–promotive voice behaviours (Van Dyne & LePine, 1998). Speaking up and expressing opinions in an organisation involves vulnerability. This study demonstrates that positive perceptions of CEO benevolence, and feeling relied upon, are related to TMT voice behaviours. The addition of “voice” as a dimension of trusting behaviour, that is influenced by perceptions of trustworthiness and feeling trusted, represents a valuable contribution to the trust literature (Whetten, 1989).

This study also makes a contextual contribution to organisational trust research by empirically examining the trust process within a new context: the family firm. Organisational trust theorists typically argue that “in professional relationships, trust does not begin with the development of intense emotionality” (Lewicki & Bunker, 1996, p. 118). Moreover, in the workplace, trust is thought to develop and strengthen gradually over time (Lewicki & Bunker, 1995; 1996). However, evidence from this study suggests that, in complex and highly interdependent relationships such as those found in the family firm, these predictions do not hold (Reay & Whetten, 2011; Whetten, 1989); in fact, family executive relationships start off with strong emotional ties. This study employs a generational model to examine perceptions of leader trustworthiness in first-, second-, and third-generation family firms. In the first generation, CEO trustworthiness levels are at their peak. However, as the firm (and family) evolves across generations, these trustworthiness beliefs dissolve and executives become less trusting of leaders in later generations. Specifically, leaders in third-generation family firms demonstrated the lowest levels of perceived ability, compared to first- and second-generation leaders.

This study makes a number of empirical contributions to the family firm literature (Colquitt & Zapata-Phelan, 2007). First, despite strong theoretical works arguing that interpersonal trust manifests differently among members in family firms (e.g., Eddleston et al., 2010; Eddleston & Morgan, 2014; Gagné et al., 2014; Moores et al., 2018; Sundaramurthy, 2008), trust dynamics in family firms have been the subject of little empirical attention. This study demonstrates that the coexistence of family and firm relations produce different bases for trust between family and nonfamily executives. Specifically, results of this study demonstrate that family TMT members feel more trusted, and perceive the family CEO as more trustworthy, than nonfamily TMT members. In addition, family TMT members are willing to be more vulnerable to a family CEO and engage in more trust-based behaviours toward him/her.

Finally, this research makes a methodological contribution to the family firm literature (Whetten, 1989). This is the first study in the family firm field to capture perceptions and behaviours from matched organisational triads comprising the chief executive officer (CEO), a family top management team (TMT) member, and a nonfamily TMT member in the family firm. The use of a multi-informant method is rare in family firm research, and studies in the family firm field often neglect considerations of the nonfamily employee (Barnett & Kellermanns, 2006; Holt, Madison, & Kellermanns, 2017). In examining the topic of trust, obtaining responses from both family and nonfamily executives is particularly important because the impact of trust is likely to differ between these two groups (Allen et al., 2018; Davis et al., 2010; La Chapelle & Barnes, 1998). By obtaining data from family and nonfamily executives, this research extends the emerging knowledge base exploring interpersonal relationships in family firms (Madison & Kellermanns, 2013; Madison, Kellermanns, & Munyon, 2017; Vardaman, Allen, & Rogers, 2018).

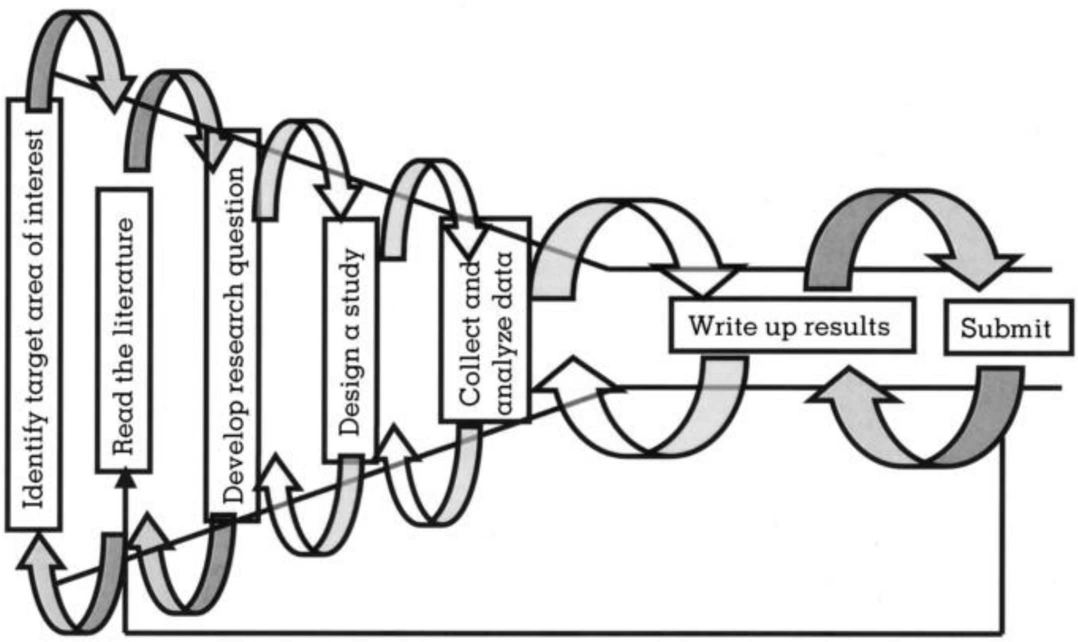
This research also has important implications for practice. First, this study has implications for the management of family firm continuity. The continuation of the family firm by members of the business-owning family constitutes a primary goal for family firms (Kets de Vries, 1993; Miller & Le Breton-Miller, 2005; Ward, 2004). Yet, passing the business to the next generation still remains the largest threat to business survival. The probability for transgenerational family firm survival is low, with fewer than 30% of firms passing into the second generation; of those, about 12% survive to the third generation, and an estimated 4% survive to the fourth generation (Ward, 2010). It is crucial for family firm leaders to develop an understanding of the trust process and how to manage it. If family firms are to pursue continuity across generations, leaders must focus on developing trust among members of the TMT in order to increase commitment and, in turn, improve group dynamics and performance (Davis et al., 2010). When employees choose to trust their leader, they have undergone a process involving factors that can be identified, analysed, and influenced. This research sheds light on how the decision to trust a leader is made in family firms. By recognising and understanding the factors behind this decision, family firm leaders can maintain harmonious relationships with TMT members and create an environment in which trust can thrive. Given that family firms represent a significant portion of the economies of every nation (Family Firm Institute, 2016; La Porta et al., 1999), it is pivotal for both researchers and practitioners to understand the characteristics that contribute to their success or failure.

Second, this research has implications for next-generation family firm leaders. Next-generation leaders face a trust disadvantage. Results of this study indicate that in terms of perceived ability, founding CEOs are the most trustworthy. Moreover, third-generation leaders were perceived by executives as being the least able to manage the firm. Hence, these findings suggest that the family business trust advantage is threatened by pronounced distrust of the next generation of family members. Accordingly, family firms must ensure that family members adhere to a higher standard of firm entry than nonfamily members. Next-generation leaders have an extra burden of proof in demonstrating their ability to lead based on merit, not just lineage. Family members may require more outside work experience than nonfamily employees, or a higher level of education. This practice will encourage only the most competent family members to join the firm while also ensuring that there is room for upward career paths for able, nonfamily employees.

1.6 Structure of Thesis

This research investigation took the form of an iterative process (Edmondson & McManus, 2007), which evolved as follows. First, I developed an in-depth understanding of the major streams of work in the organisational trust and family firm fields. Next, I formulated research questions, hypotheses, and models, followed by study design considerations. I spent a significant amount of time iterating between these three stages. For example, as the research questions and hypotheses evolved and became more precise and focused, I revised and refined my research design decisions (e.g., the type of data to be collected and the methods required to collect these data). Once the data were collected, I considered and decided upon the most suitable analytical techniques to analyse the data. The process of writing up the results and the discussion led to additional cycles of iteration between the stages in the research process in an effort to embed the study in the existing literature and generate a robust theoretical conversation. The iterative process that this research investigation followed is depicted in Figure 1.1.

Figure 1.1: The Research Process



Source: Edmondson & McManus, 2007

This study is organised into seven chapters. A brief overview of the contents of these chapters is presented next.

Chapter 1. In this chapter, I provided an introduction to, and overview of, the research study. I outlined the importance of examining trust in family firms, described the three main objectives of the research, and presented the three main research questions guiding the study. I discussed the findings and contributions of the research in the context of both theory and practice. Finally, I concluded with an overview of the structure and content of the remaining chapters.

Chapter 2. In the next chapter, Chapter 2, I present an in-depth review of the theoretical tenets and prominent developments in the organisational trust literature. I examine and assess the various conceptualisations and definitions of trust in the literature and outline the definition of trust adopted in this study. I examine the various referents of trust in an organisational context and discuss the different bases trust can take.

Chapter 3. In Chapter 3, I examine organisational trust from a family firm perspective. I provide a discussion of the prevalence of family firms globally and outline the family firm definition adopted in this study. I assess the various bases for trust among family and nonfamily members, trust deficits, as well as generational differences in trust perceptions.

Chapter 4. I introduce the theoretical lens adopted in this research in Chapter 4—social identity theory. I discuss the theory in relation to group membership and trust, as well as family firm relationships. I develop testable hypotheses relating to the main and interaction effects of the variables under investigation and present the research model.

Chapter 5. In Chapter 5, I provide a detailed account of the study's methodological design, as well as its philosophical foundations. I describe the target population, sampling frame, survey instruments, pretesting techniques, and survey administration procedures undertaken. I also present the measures and the sources of data for each of the variables under investigation.

Chapter 6. In Chapter 6, I present the results of the study. I describe the data analyses techniques employed, as well as the data preparation methods utilised. I also provide a detailed account of the multivariate tests of the data, including bias and diagnostic tests.

Chapter 7. Chapter 7 concludes the study with a discussion of the findings and their implications for organisational trust and family firm theory and practice. I devote the final section of the chapter to addressing the study's limitations and future research opportunities pertaining to trust in family firms.

1.7 Conclusion

Family firms—enterprises that are significantly influenced by members of the same family—have largely been overlooked in the organisational trust literature, even though they are the dominant form of business organisation worldwide. Family firms are theoretically different from other organisational forms and the presence of two distinct membership groups—family and nonfamily—can lead to strong ingroup–outgroup dynamics. These distinct group affiliations are thought to influence employees' trust-related perceptions of, and behaviours toward, the family firm leader, as well as their associated outcomes. However, limited understanding exists regarding how these trust encounters play out in family firms. This research endeavours to understand the anatomy of the trust process in the top management team of family firms. It investigates the impact of trusting, and feeling trusted by the CEO, as well as differences in family–nonfamily trust-informed beliefs, intentions, and behaviours. It also examines differences in perceived leader trustworthiness across generations in family firms. The next chapter, Chapter 2, presents an in-depth account of the theoretical assumptions and salient developments in the organisational trust literature.

Chapter 2

Organisational Trust

2.1 Introduction

In this chapter, I present a detailed review of the literature pertaining to organisational trust. More precisely, I examine and assess the theoretical tenets and prominent developments and debates in the organisational trust literature. I organise the chapter as follows. First, I present a discussion of the various conceptualisations and definitions of trust. These perspectives are broadly organised into four main categories: (1) trust as a personality characteristic; (2) trust as a choice behaviour; (3) trust as a psychological state; and (4) trust as a process. Following a critique of these four broad trust conceptualisations, I present the perspective adopted in this study; the conceptualisation of trust as a process, involving a belief, a decision, and an action (Dietz, 2011; Dietz & den Hartog, 2006). I proceed to examine the various referents of trust in an organisational context, focusing on interpersonal trust between an individual trustor (the individual doing the trusting) and an individual trustee (the individual being trusted).

2.2 Conceptualising Trust

Over several decades, the concept of trust has been extensively investigated by scholars in multiple social science literatures (e.g., management, psychology, sociology, political science, and economics). This widespread interest has led to a breadth of perspectives, each contributing to and enriching the understanding of trust (Bigley & Pearce, 1998). Trust is a highly complex and multidimensional phenomenon with distinct manifestations (Lewis & Weigert, 1985); thus, an interdisciplinary focus is essential (Li, 2007). Although this diversity in approaches is important, and indeed encouraging, it has led to fragmentation in the literature, resulting in discipline-bounded perspectives of trust (de Jong, Kroon, & Schilke, 2016; Lewicki & Brinsfield, 2012). As a result, diverging assumptions exist regarding how trust operates and, consequently, how it is defined (see Table 2.1 for a list of common trust definitions). Barber (1983) contends that prior to the mid-1980s, trust remained more or less undefined due to a presumption that its meaning was implicitly understood. He claims that "in both serious social thought and everyday discourse it is assumed that the meaning of trust, and of its many apparent synonyms, is so well known that it can be left undefined or to contextual implications" (Barber, 1983, p. 7). Similarly, Zucker attests to the unintegrated nature of trust perspectives, indicating that a "recognition of the importance of trust has led to concern with defining the concept, but the definitions proposed unfortunately have little in common" (1986, p. 58). More recently, Li acknowledged the "serious problem of homonymy (i.e., one label to cover multiple constructs)" (2007, p. 422) threatening the field. Put simply, understanding of the trust construct is fragmented.

Fortunately, the past two decades have seen increased attention dedicated to the task of conceptualising and defining trust by numerous prominent researchers, with important advances being made (e.g., Dietz & den Hartog, 2006; Mayer et al., 1995; Möllering, 2006; Rousseau et al., 1998). These efforts are salient because "for trust to be a useful concept, its principle components must be identified, operationalized, and measured" (Koza & Lewin, 1998, p. 259). Still, despite substantial progress, scholarly debate regarding the definition of trust is still ongoing and a universally accepted definition remains elusive (de Jong et al., 2016; Kramer, 1999, 2006). As a consequence, the term *trust* continues to be used in a range of distinct and incompatible ways within the social sciences (Dietz, 2011; Li, 2007; McEvily et al., 2003).

Much of the existing literature on trust falls into at least four broad categories, largely commensurate with the theoretical orientation of the researcher (Worchel, 1979). First, personality theorists (e.g., Rotter, 1967, 1971, 1980), concerned with individual level differences, view trust as a stable personality characteristic developed as a generalised response dependent upon personal experiences and previous socialisation. Second, the behavioural tradition, associated with the work of economists and social psychologists engaged in experimental laboratory research (e.g., Deutsch, 1958; Williamson, 1993), observes trust as a rational-choice behaviour. Third, organisational psychologists generally conceptualise trust as a psychological state, comprising expectations, intentions, affect, and dispositions (Mayer et al., 1995; Rousseau et al., 1998). Finally, a fourth conceptualisation of trust has been advanced in the trust literature in recent years, viewing trust as three-stage process (Dietz & den Hartog, 2006). This perspective expands on earlier connotations of trust. A comprehensive account of each of these conceptualisations and definitions, along with their theoretical underpinnings, is provided next.

Trust as a personality characteristic. The conceptualisation of trust as a personality characteristic is referred to in the literature as generalised trust (also known as dispositional trust [Kramer, 1999] and trust propensity [Mayer et al., 1995]). Rotter (1967, 1971) was among the early proponents to theorise trust in this manner. He defined interpersonal trust as "an expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon" (Rotter, 1967, p. 651). According to this approach, trust is a relatively stable personality trait that develops early in a person's life and remains somewhat constant through to adulthood. Items in Rotter's trust scale, for example, include: "In dealing with strangers one is better off to be cautious until they have provided evidence that they are trustworthy" and "Parents usually can be relied upon to keep their promises" (1967, p. 654). Hence, this perspective does not view trust in relation to a specific referent.

Other researchers, including Farris, Senner, and Butterfield (1973), adopt a similar view of trust, defining the construct as "a personality trait of people interacting with peripheral environment of an organization" (p. 145). These authors consider trust as a trait that leads to a generalised expectation about the trustworthiness of others. This perspective suggests that trust exerts an increased impact in novel and ambiguous situations prior to the availability of information about the other party (Rotter, 1967, 1980). Similarly, Dasgupta's (1988) conceptualisation perceives trust as a generalised expectation of others. A sample item in this scale, for instance, is: "Can I trust people to come to my rescue if I am about to drown?" (Dasgupta, 1988, p. 53). Researchers following this tradition suggest that individuals differ in their propensity to trust other people based on their personal experiences and previous socialisation (Rotter, 1967, 1980). Other work focuses on cultural and socioeconomic differences in child-rearing practices as key factors affecting and shaping an individual's predisposition to trust others (e.g., Erikson, 1968).

Building on the seminal work of Rotter (1967, 1971) and Erikson (1968), McKnight, Cummings, and Chervany (1998) argue that the focus of disposition to trust changes from being object-based, or specific, to trustor attribute-based, or generalised. These researchers suggest that trust propensity consists of two subcontracts: faith in humanity and trusting stance. Faith in humanity refers to a person's belief that others are typically well-meaning and reliable; this premise allows people to enter into trusting relationships with others whom they have no prior experience with or knowledge of (McKnight, Choudhury, & Kacmar, 2002). On the other hand, trusting stance contends that, regardless of what a person believes about another's attributes, enhanced outcomes will result from dealing with people as though they are well-intentioned and reliable (McKnight et al., 1998). This view suggests that people with either high or low initial propensities to trust others typically engage in behaviours that reinforce these positive or negative expectations. For instance, people with a high trust propensity usually assume that others are generally trustworthy; thus, they are likely to act in ways that make them vulnerable to others, because they believe that they will not be taken advantage of (Butler, 1999). Conversely, people who expect others to be untrustworthy are typically sceptical and cynical; hence, they act in ways that make it difficult for others to demonstrate trust to them (Zand, 1972).

The legitimacy of the personality-based view of trust has been questioned by scholars on two fundamental grounds. First, the personality-based view conceptualises trust as a personality trait that tends to remain relatively stable once developed. Yet research indicates that trust is a dynamic construct and that, as relationships develop over time, the nature of trust can evolve and change (Lewicki & Bunker, 1995, 1996). Second, the personality-based view is neither focused on a specific referent nor dependent on a specific context. According to Tan and Lim (2009), this type of trust "only involves a person's conjecture about others, which does not capture the situation- and person-specific nature of the relation" (p. 48). In response to these concerns, Mayer et al. (1995) provide important clarity to the structure of the personality-based perspective. Their influential work draws a distinction between trust as a trait-like personality variable—which up to that point was widely accepted—and trust as a situational state. These scholars classify the stable individual trait as "propensity to trust" and refer to it as a "general willingness to trust others" (Mayer et al., 1995, p. 715). In their widely accepted model, both the propensity of the trustor and the perceived characteristics of the trustee influence trust. This distinction is significant and is discussed in further detail later in this chapter.

Trust as a choice behaviour. Trust has also been conceptualised as a choice behaviour. This perspective considers trust a behaviour that reflects reliance on a partner and involves vulnerability and uncertainty (Coleman, 1990; Deutsch, 1958, Zand, 1972). The behavioural approach is dominated by the work of Deutsch (1958), who examined trust from a game theory perspective. He theorised trust as a nonrational choice made in response to an uncertain event whereby expected loss is greater than expected gain. This view suggests that, without vulnerability, trust is unnecessary because the outcomes are inconsequential for the trustor (Deutsch, 1958). The behavioural perspective also argues that uncertainty is a fundamental requirement, because trust is unnecessary if the trustor can control an exchange partner's actions or has complete knowledge about those actions (Coleman, 1990; Deutsch, 1958). In line with this view, economists such as Williamson (1993) suggest that trust is implied when an individual chooses to accept risk in interacting with others based on the probability assessments or calculations of future cooperation. Similarly, Currall and Judge (1995) view trust as manifestations of behavioural reliance on another person under the condition of risk. Furthermore, this tradition emphasises the role of interactional histories in the development of trust. Reciprocity in exchange relations is considered to enhance trust, while the absence or violation of reciprocity erodes it (Deutsch, 1958). This perspective primarily observes trust behaviour using simulated interactions in laboratory settings (e.g., the Prisoner's Dilemma game [Axelrod, 1984]). In these interactions, trust is exhibited by cooperative moves by the participant (who is paired with a counterpart in an interdependent task involving risk), and distrust is manifested in competitive moves (Arrow, 1974; Deutsch, 1958). Hence, the essence of trust in the behavioural tradition is the choice to cooperate or not to cooperate (Flores & Solomon, 1998).

The rational choice perspective has proven enormously influential in terms of elucidating how individuals should, from a normative or prescriptive point of view, make trust decisions. However, this approach provides a largely incomplete understanding of trust (Kramer, 1999; Wicks, Berman, & Jones, 1999). For example, Granovetter (1985) raised concerns that behavioural models of trust provide “an under-socialized or atomized-actor explanation” (p. 481) of the trust process, arguing instead that economic behaviour is embedded in informal social relationships and the obligations inherent in these relationships. Moreover, a growing body of evidence in the trust literature highlights that trust has both cognitive and affective foundations (e.g., Lewis & Weigert, 1985; McAllister, 1995; Möllering, 2001; Williams, 2001). Kramer (1999) argues that behavioural conceptions of trust “afford too little role to emotional and social influences on trust decisions” (p. 573). Moreover, research increasingly recognises that “trust in everyday life is a mix of feeling and rational thinking” (Lewis & Weigert, 1985, p. 972). Besides the lack of affective considerations, March (1994) contends that rational choice models, upon which the behavioural approach to trust is based, are empirically unsound and that their assumptions are weak. He notes that “although decision-makers try to be rational, they are constrained by limited cognitive capacities and incomplete information, and thus their actions may be less than completely rational” (March, 1994, p. 7). In addition, scholars note that cooperation can result for a variety of reasons unrelated to trust, such as coercion (Rousseau et al., 1998). Accordingly, the behavioural perspective is problematic; to account for its various limitations, scholars have developed what Kramer (1999) refers to as “relational models of trust” (p. 573) (e.g., Mayer et al., 1995; McAllister, 1995). These relational models typically view trust as a psychological state.

Trust as a psychological state. The psychological perspective of trust (also referred to as the relational perspective [Kramer, 1999]) examines the beliefs, expectations, and affect associated with trust dynamics (e.g., Mayer et al., 1995; McAllister, 1995). As Lewicki, Tomlinson, and Gillespie (2006) eloquently state, “whereas those who espouse the behavioural approach ‘fast forward’ to the action, the psychological approach ‘backs up’ to consider the cause of that action” (p. 996). The emphasis of this approach is on understanding the internal psychological processes and/or the dispositions that shape or alter the choice to trust another person (Lewicki et al., 2006). Accordingly, the psychological perspective maintains that trust can occur for reasons other than, or in addition to, rational choice (Lewicki et al., 2006).

Mayer et al.'s (1995) influential integrative model of trust adopts this perspective. Their seminal ABI (ability, benevolence, and integrity) model has had an enduring impact on the organisational trust field since its publication. Mayer and colleagues conceptualise trust as the willingness of a party to be vulnerable to the actions of another, based on the expectation that the other party will perform a specific action. Likewise, Rousseau, Sitkin, Burt, and Camerer's (1998) highly cited multidisciplinary review defines trust as a psychological state encompassing the intention to accept vulnerability based on positive expectations of the actions of the other party. Both of these definitions are based on the widely held consensus that two fundamental elements must be present for trust to exist: a willingness to be vulnerable, and positive expectations.

The first element is the willingness to be vulnerable, which generally refers to suspension of uncertainty or an intention or decision to take a risk and depend on the trustee (Fulmer & Gelfand, 2012). The concept of vulnerability implies that there is something of importance to be lost, and this component is rooted in several earlier perspectives of trust (e.g., Deutsch, 1958; Zand, 1972). The second element is the positive expectation that the trustor's interests will be protected and promoted when monitoring is not possible. Positive expectations are conceptualised as confident beliefs held by the trustor that the trustee is reliable, compassionate, and efficacious (Lewicki et al., 2006). This concept is also recognised in numerous earlier conceptualisations of trust (e.g., Barber, 1983; Cook & Wall, 1980). According to Mayer et al.'s (1995) integrative model, as well as recently published reviews (Dietz & den Hartog, 2006; McEvily et al., 2003) and meta-analyses (Colquitt et al., 2007), the primary drivers of these positive expectations are facets of trustworthiness. Facets of trustworthiness, or perceptions of a trustee's ability, benevolence, and integrity, inspire trust (Mayer et al., 1995; Schoorman et al., 2007) (perceptions of ability, benevolence, and integrity are discussed in more detail later in this chapter).

While conceptualising trust as a psychological state is undoubtedly the most prevalent connotation of trust in the organisational literature (Colquitt et al., 2007; Fulmer & Gelfand, 2012), this perspective has also attracted criticism in recent years. These criticisms are broadly centred around the exclusion of the behavioural manifestation of trust. For example, whereas the focus of trust as a choice behaviour is almost exclusively based on observable behaviour, trust as a psychological state is the inverse: it may or may not include a behavioural element. This matter of whether or not the action of trusting should be incorporated into the overall model of trust is a point of contention in the literature (Dietz & den Hartog, 2006). Mayer and colleagues (1995) separate trust from its associated behaviours in their model of trust, arguing that "the fundamental difference between trust and trusting behaviors is between a 'willingness' to assume risk and actually 'assuming' risk. Trust is the willingness to assume risk; behavioral trust is the assuming of risk" (Mayer et al., 1995, p. 724). On the other hand, Skinner, Dietz, and Wiebel (2014) assert that "the risk-taking act is trust's defining stage" (p. 208). They argue that "trust cannot only be viewed as a psychological state.… The act is *real* trust, not the stated willingness to trust" (p. 218).

In a recent editorial in the *Journal of Trust Research,* the journal's founding editor, Peter Li, argues that extant organisational trust literature has focused excessively on trust as a psychological state or attitude at the expense of trust in the form of a behavioural decision. Although he urges that the leap of faith (i.e., the behavioural manifestation of trust) needs further attention, Li suggests that both perspectives (i.e., the psychological and behavioural elements) are necessary to capture the holistic and contextual natures of trust (Li, 2016, p. 5).

For these reasons, a fourth conceptualisation of trust has been advanced in the literature in recent years. This perspective seeks to counteract the limitations associated with the earlier conceptualisations of trust, viewing trust as a three-stage process.

Trust as a process. In recent years, a growing stream of research identifies trust as a process involving three stages: a belief, a decision, and an action (e.g., Dietz, 2011; Dietz & den Hartog, 2006; McEvily et al., 2003; McEvily & Tortoriello, 2011; Skinner et al., 2014). This conceptualisation of trust was first proposed by Dietz and den Hartog (2006) in their seminal article (see Figure 2.1). These scholars drew on elements from the most quoted definitions of trust in the literature to conceptualise the three-stage process, which expands on the belief and intention connotations to include behaviour as a central component of trust. The perspective of trust as a process has gained mounting support in recent years. Skinner and colleagues (2014) state that trust is “a process, it is not simply a psychological state, or a cognitive, calculative orientation toward risk” (p. 208). Dietz (2011) suggests that trust always conforms to the same universal sequence: “an assessment of beliefs, a decision, a risk-taking act, feedback on the outcomes,” and he duly concludes: “the basis for trust may vary, but it’s still the same process” (p. 216). The three-stage model of trust (a belief, a decision, and an action) is discussed next.

1. Trustworthiness beliefs. The trust process begins with a set of beliefs about the other party and one’s relationship with him/her. This subjective, aggregated, and confident set of beliefs lead one to assume that the other party’s likely actions will have either positive or negative consequences for oneself. This set of beliefs involves an assessment of the other party’s trustworthiness (Mayer et al., 1995). It is well-established that trustworthiness is distinct from, and a key predictor of, trust (Currall & Judge, 1995; Davis et al., 2000; Dirks & Ferrin, 2002; Gillespie, 2003; Mayer & Davis, 1999). Trustworthiness is a quality that the trustee has, while trusting is something that the trustor does. Mayer and Davis (1999) demonstrate that trust in management, but not the perceived trustworthiness of management, is enhanced through the implementation of a fairer performance appraisal system. Davis and colleagues (2000) found that trustworthiness accounts for only 46% of restaurant employees' trust in their manager. Moreover, Dirks and Ferrin (2002) report in their meta-analysis that trustworthiness is more strongly related to turnover intentions, commitment, job satisfaction, and procedural justice, whereas trust has a stronger relationship with performance, civic virtue, and quality of the leader–member relationship. Hence, trustworthiness and trust are separate constructs.

The conditions that lead to trust (i.e., trustworthiness dimensions) have been considered in detail in the literature. A wide range of trustee characteristics have been put forward by scholars, including, for example, Butler (1991), who proposed 10 trustee characteristics. These include: availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfilment, and receptivity. Mayer, Davis, and Schoorman (1995), in their foundational work, proposed three trustee characteristics to determine perceived trustworthiness: ability, benevolence, and integrity. This three-factor trustworthiness conceptualisation has been increasingly adopted by researchers and is now well-accepted in the literature (e.g., Baer, van der Werff, Colquitt, Rodell, Zipay, & Buckley, in press; Davis et al., 2000; van der Werff & Buckley, 2017; Williams, 2001). These facets of trustworthiness—perceptions of ability, benevolence, and integrity—are discussed next.

Ability. To trust another party, a trustor must believe that the trustee has the ability required to accomplish the focal task (Gabarro, 1978). Ability refers to the belief that the other party is competent within a specific domain and has the necessary skills and attributes required to carry out a specific task. Importantly, the dimension of ability is situation-specific (Mayer et al., 1995). This means that the trustee may be highly competent and trusted in one domain, but have little aptitude in another (Zand, 1972). For example, an employee's trust in his/her leader depends to a large extend on the employee's perception that the leader has the necessary ability to accomplish what the leadership role requires.

Benevolence. Benevolence involves the extent to which the trustee is believed to want to "do good" to the trustor, "aside from an egocentric profit motive" (Mayer et al., 1995, p. 718). This facet of trustworthiness represents the trustee's genuine concern for the trustor and includes altruism (Frost, Stimpson, & Maughan, 1978), loyalty (Butler & Cantrell, 1984), and care or concern for the trustor's needs and desires (Jones, James, & Bruni, 1975). Benevolence suggests that the trustee has a specific attachment or positive personal orientation to the trustor (Mayer et al., 1995). An example of benevolence on the part of a business leader is a manager who goes out of his/her way to help an employee.

Integrity. Integrity refers to the belief that the trustee adheres to a set of moral and ethical principles or values that the trustor finds acceptable (Mayer et al., 1995). This dimension of trustworthiness includes factors such as consistency, a reputation for honesty, keeping promises, and fairness (Davis et al., 2000). An example of integrity in the context of employee–leader relations is where an employee believes that the leader will always do the right thing regardless of personal preferences or desires.

To conclude, it is important to note that perceptions or beliefs about another party's trustworthiness do not involve risk, vulnerability, or interdependence, features that are central to the construct of trust (Mayer et al., 1995; Rousseau et al., 1998). Hence, for a genuine state of trust to exist, both the expectation of trustworthy behaviour and the intention to act based upon it must be present (Huff & Kelley, 2003). The actual decision to trust the other party is therefore important.

2. Trusting intentions. The second stage in the trust process is the decision to actually trust the other party. This decision has been referred to as the "willingness to render oneself vulnerable" (Mayer et al., 1995; Rousseau et al., 1998) and it occurs following the assessment of the other party’s trustworthiness (also taking into consideration a person’s individual propensity to trust [Mayer et al., 1995]). It is at this stage that the belief in the other party’s trustworthiness is partially manifested (Dietz & den Hartog, 2006). For example, A considers B to be trustworthy, and intends to allow him/herself to be subject to the risk of potentially detrimental actions on the part of B, on the basis that such outcomes are unlikely. On the other hand, if A does not consider B to be trustworthy (i.e., if he/she holds confident negative expectations about B [Lewicki et al., 1998]), A may decide not to render him/herself vulnerable to B at this stage.

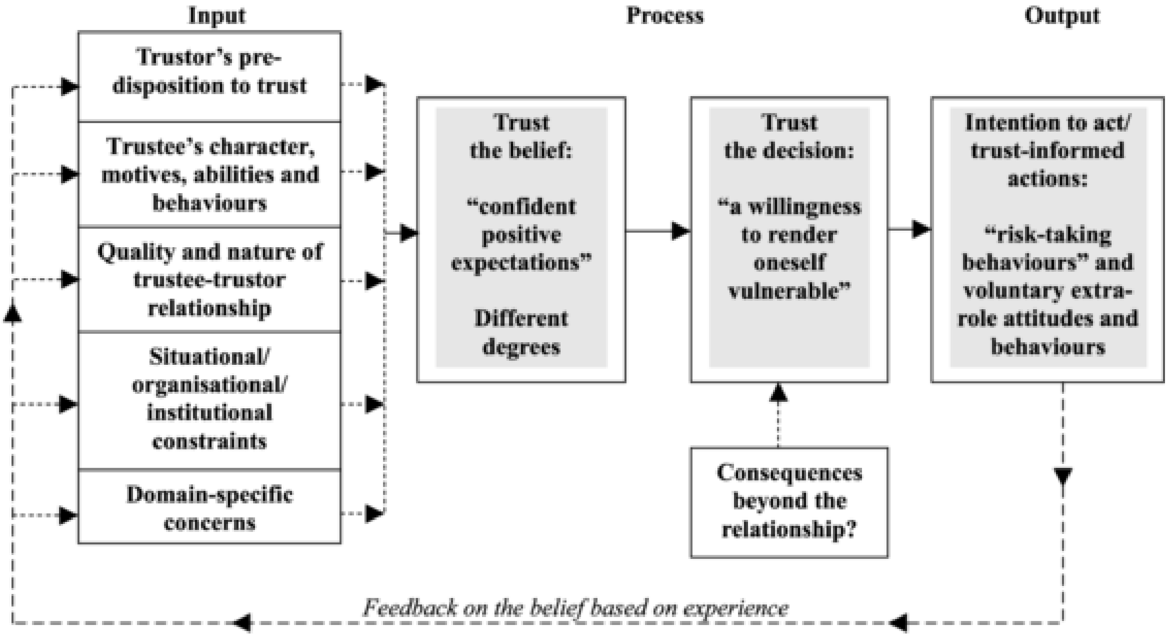
There are numerous validated measures in the literature that assess trust in terms of the willingness to be vulnerable. Mayer and Davis’s (1999) Organisational Trust Inventory (OTI) examines a trustor’s willingness to be vulnerable; it was designed to operationalise the integrative model of organisational trust set out by Mayer and colleagues (1995). This measure is widely used in the organisational literature (e.g., Baer et al., in press; Mayer & Gavin, 2005). The OTI combines trust and distrust items, treating low scores on distrust as equivalent to high trust. The majority of the OTI behavioural intentions items focus on monitoring, checking, documenting, questioning, and being cautious. For example, items include: “I really wish I had a good way to keep an eye on top management” and “I would be comfortable giving top management a task or problem which was critical to me, even if I could not monitor their actions” (Mayer & Davis, 1999, p. 136). The Behavioural Trust Inventory (BTI), devised by Gillespie (2003), was designed specifically for the purpose of measuring the decision or willingness to be vulnerable and engage in trusting behaviour. McEvily and Tortoriello (2011) suggest that the BTI offers an effective means of fully assessing the second stage of the trust process while also providing a proxy measure for a more behavioural form of trust (stage three). The items on the BTI are worded as behavioural intentions (“how willing are you to [undertake specific actions]” [McEvily &

Tortoriello, 2011, p. 63]). The BTI is multidimensional and measures two facets of trust: reliance and disclosure. Reliance involves a willingness to rely on another person's work-related skills, abilities, and knowledge, while disclosure entails a willingness to disclose sensitive work or personal information to another (Gillespie, 2003). The BTI has been used in several prominent studies of organisational trust to date (e.g., Alexopoulos & Buckley, 2013; van der Werff & Buckley, 2017).

To conclude, an individual's assessment of his/her decision to trust is a speculative one. This decision implies only an intention to act and is not a guaranteed behavioural response. For example, the Gillespie (2003) items denote a willingness to trust; they are not indicators that behaviours have taken or will definitely take place (Dietz & den Hartog, 2006; McEvily & Tortoriello, 2011). If, however, the other party generates confident positive expectations (i.e., is deemed trustworthy) and the risk is manageable, but still the risk-taking act does not come, that suggests that 'trust' is not really present (Schoorman et al., 2007). As Lewis and Weigert (1985) have pointed out, "one may trust cognitively without necessarily trusting behaviourally" (p. 977). For A to demonstrate unequivocally her/his trust in B, A must follow through on this decision by engaging in trust-informed, risk-taking behaviours. Hence, the behavioural manifestation or enactment of trust must be considered to fully assess the trust process (Dietz & den Hartog, 2006).

3. Trusting behaviours. The third and final stage of the trust process involves the trust action (i.e., the manifestation of risk-taking behaviours). Lewis and Weigert explain that "the behavioural content of trust is the undertaking of a risky course of action on the confident expectation that all persons involved in the action will act competently and dutifully" (1985, p. 971). Nienaber, Hofeditz, and Romeike (2015) note that vulnerability is central to this action. Vulnerability can be defined as the condition of being open to harm, criticism or attack (Oxford Dictionary, 2002). This vulnerability leaves the trustor open to the possibility of disappointment or betrayal. While the trust decision (stage two) involves the willingness to be vulnerable, the trust action involves actual vulnerability. Deb and Chavali (2010) assert that "without vulnerability of the trustor upon the trustee, trust becomes irrelevant" (p. 44). This aspect of the process is fundamental in order to understand "whether the intention to act is translated into actual risk-taking behaviours" (Dietz & den Hartog, 2006, p. 572). Li (2007) claims that trust only matters if it involves trusting behaviours that make the trustor vulnerable to the trustee. The differentiations between factors that cause trust, trust itself, and the outcomes of trust are points of contention in the literature, with some scholars arguing that the trust action is not necessary for trust to occur. For example, Mayer and colleagues (1995) separate trust from its associated behaviours in their model. Similarly, Schoorman, Mayer, and Davis point to a distinction between trust as an attitude and risk-taking as a behaviour that is a potential consequence of trust. These authors note: "Trusting involves no action on the part of the trustor, RTR [risk-taking in the relationship] does" (2016, p. 92). Despite recognition of the importance of this stage of the trust process, few trust studies have explicitly measured the actual act of being vulnerable (Dietz & den Hartog, 2006; Nienaber et al., 2015).

Figure 2.1: The Trust Process



Source: Dietz & den Hartog, 2006

2.3 Definition of Trust in this Study

Most research on trust has neglected to link the conceptual definition of trust with its operational definition (Currall & Judge, 1995; Gillespie, 2003). Given the construct's multifaceted nature, it is essential for researchers to ensure their operationalisation of trust fits with the theoretical definition proposed (Fulmer & Gelfand, 2012; McEvily et al., 2003). In line with Mayer and colleagues (1995) integrative model, as well as published reviews (Dietz & den Hartog, 2006; McEvily et al., 2003) and meta-analyses (Colquitt et al., 2007), this study distinguishes *trust* (i.e., a willingness to be vulnerable) from *trustworthiness beliefs*, *propensity to trust*, and *trusting behaviour*. There is wide convergence in the literature around the definition of trust proposed by Mayer et al. (1995). These scholars define trust as:

> The willingness of a party to be vulnerable to the actions of another party based on the positive expectations that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party. (p. 712)

The acceptance of this definition is evident in the volume of citations the paper has received to date (over 18,000 citations according to Google Scholar). This definition of trust is consistent with earlier theorising (e.g., Zand, 1972). Other work has drawn upon the definition proposed by Rousseau, Sitkin, Burt, and Camerer (1998) (who drew on Mayer et al.'s [1995] work) to define trust as "a psychological state comprising the intention to accept vulnerability based upon positive expectations of the interactions or behaviour of another" (p. 395).

This study adopts the definition of trust proposed by Mayer and colleagues (1995). While both Mayer et al.'s and Rousseau et al.'s definitions encompass two primary elements—positive expectations and a willingness to be vulnerable (Colquitt et al., 2007; Dietz & den Hartog, 2006; McEvily & Tortoriello, 2011)—the latter view trust strictly as a psychological state. This study adopts a multidimensional view of trust, incorporating the behavioural action, or leap of faith, involved in the trust process (i.e., the actual act of being vulnerable). Hence, it operationalises trust as a three-stage process, consisting of perceptions of CEO trustworthiness, a willingness to accept risk and be vulnerable to the CEO in terms of reliance and disclosure, and a risk-taking act (McEvily et al., 2003). McEvily and Tortoriello acknowledge that perceptions of trustworthiness lead to decisions regarding the willingness to be vulnerable, which in turn translate into a variety of trusting behaviours (the results of the trusting encounter then update the foundational assessment). Nevertheless, these authors affirm that they "know of few studies that actually validate this entire causal chain of relationships" (McEvily & Tortoriello, 2011, p. 40). This study seeks to fill that gap.

2.4 Foci of Trust

For the theory of trust to hold true, "the trustee must be specific, identifiable and perceived to act with volition" (Mayer & Davis, 1999, p. 124). While the referent or target of trust may be an individual or a collective, the referent must be clearly identified (Dirks & Ferrin, 2002; Mayer & Davis, 1999). When the focus of trust is interpersonal, the target is typically the leader, the immediate manager, a subordinate, a peer, or a team member. On the other hand, when the focus of trust is a group, the target often includes a team, a department, management, or the organisation. Meta-analyses of trust research report that the effects of trust on employee outcomes differ depending on the specific trust referent under investigation (e.g., Colquitt et al., 2007; Dirks & Ferrin, 2002). Research also indicates that trust in different referents influences positive outcomes through different mediating mechanisms (Chughtai & Buckley, 2013). The focus of this study is interpersonal relationships; thus, trust is examined at the individual level. The trustors in this study are family and nonfamily executives in the TMT of family firms, and the trustee is the CEO.

2.5 Bases of Trust

Within the literature, scholars have proposed a number of different types of trust. For example, *contract trust*, *competence trust*, and *goodwill trust* (Sako, 1992), *calculus-based*, *knowledge-based*, and *identification-based* trust (Lewicki & Bunker, 1996). These various types of trust are held to have distinctive origins and dynamics. Moreover, it is widely accepted in the literature that interpersonal trust has both cognitive and emotional bases (Lewis & Weigert, 1985; McAllister, 1995). Hence, an individual's trust in another depends on rational assumptions about his/her behaviour and/or on emotional relations with that person (Drolet & Morris, 2000). The first form, cognition-based trust, refers to a judgement based on experiences of another's competence, reliability, and dependability (Chua et al., 2008; McAllister, 1995). Referred to as "trust from the head" (Chua et al., 2008, p. 436), cognition-based trust is akin to Mayer et al.'s (1995) ability dimension. The development of cognition-based trust in another person is influenced by extrinsic factors, assessed with an appraisal of the other's track record (e.g., their professional credentials). Alternatively, affect-based trust is established based on emotional bonds between individuals (Chua et al., 2008; McAllister, 1995). This form of trust is relationship-based and recognises one's genuine care and concern for another's well-being. Affect-based trust develops when one person attributes the other person's behaviour to selfless and sincere motives (McAllister, 1995). Also referred to as "trust from the heart" (Chua et al., 2008, p. 436), affect-based trust is similar to Mayer et al.'s (1995) dimension of benevolence. It is rooted in intrinsic factors that develop along with concern for another's welfare (Lewis & Wiegert, 1985). Moreover, these two bases for trust are thought to be similar to Gillespie's (2003) *professional* and *personal* trust distinctions.

Research investigating the idiosyncrasies of cognition- and affect-based trust has received substantial empirical support in recent years (e.g., Fryxell, Dooley, & Vryza, 2002; Levin & Cross, 2004). In a field study of 194 managers and professionals, McAllister (1995) found that ratings of trust-related items reduced to two factors—cognition and affect—rather than one in a confirmatory factor analysis. This distinction was consistent with findings from lab-based studies investigating these trust dimensions (e.g., Ng & Chua, 2006). While these different forms of trust are held to have distinctive origins and dynamics, Dietz (2011) explains that while the basis for trust may vary, it is "still the same process" (p. 216).

2.6 Feeling Trusted

Feeling trusted, or *felt trust*, refers to perceptions that another party is willing to accept vulnerability to one's actions (Baer et al., 2015). While trust and felt trust are often related, they are not equivalents; they are two separate constructs (Brower, Lester, Korsgaard, & Dineen, 2009). In a relationship, for example, A can trust B, but B may not trust A. In organisations, research suggests that placing trust in employees is an important signal to them that they are valued (Pfeffer, 1998); employees who feel trusted by their supervisor perceive that he/she is willing to assume risk with them. Three separate empirical studies have linked feeling trusted to increased job performance (Brower et al., 2009; Lau et al., 2014; Salamon & Robinson, 2008). Furthermore, Baer and colleagues (2015) found that employees' positive perceptions of feeling trusted can have other consequences. These authors demonstrated that feeling trusted by supervisors can cause employees to feel proud of themselves and their work. On the other hand, they also found feeling trusted to be a double-edged sword for job performance. For instance, in their field study using a sample of public transit bus drivers they found that feeling trusted can promote concerns among employees about workload and reputation maintenance—burdens for exhaustion and performance.

In comparison to the literature on trusting, feeling trusted is a nascent area of inquiry (Baer et al., 2015). Recent research advances the need to assess trust not only from the trustor's perspective, but also from the trustee's perspective (de Jong et al., 2016). Leaders can demonstrate trust in employees in different ways; for example, by delegating important tasks, relying on employees' expertise, or sharing sensitive information with them. These behaviours are all manifestations of trust, yet are likely to have different impacts on employee outcomes. Scholars have called on future research to examine multiple types of leader risk-taking behaviour to determine their effects on employees (Baer et al., 2015).

2.7 Conclusion

In this chapter I presented a discussion of the various conceptualisations and definitions of trust, organised into four broad categories: (1) trust as a personality characteristic; (2) trust as a choice; (3) trust as a psychological state; and (4) trust as a process. Following a critique of these various perspectives, I adopted the conceptualisation of trust as a sequential three-stage process involving a belief, a decision, and an action. This trust-as-process perspective allows me to consider both psychological and behavioural conceptualisations of trust and explore trust as a multidimensional construct. However, the manner in which trust is typically measured in the organisational literature has meant that the study of such a process perspective is difficult. Most measures of trust only consider the belief component of the trust process, relating to perceptions of trustworthiness. This is problematic, because trustworthiness does not equate to trust, and just because A perceives B to be trustworthy, it does not mean that A will actually trust B. Other research considers the willingness to be vulnerable. Yet an individual's assessment of his/her decision to trust is a speculative one. This decision implies only an intention to act and is not a guaranteed behavioural response. In this respect, I measure trustworthiness beliefs, the willingness to be vulnerable, and the manifestation of trust through action in this study. Hence, I focus on interpersonal trust between an individual trustor and trustee—TMT members and CEOs in family firms. The next chapter, Chapter 3, examines organisational trust within the specific context of family firms.

Table 2.1 Common Definitions of Trust

	Psychology and Sociology
Deutsch (1958, p. 265)	"An individual may be said to have trust in the occurrence of an event if he expects its occurrence and his expectations lead to behaviour which he perceives to have greater motivational consequences if the expectation is not confirmed than positive motivational consequences if it is confirmed."
Deutsch (1973, p. 161)	"The confidence that one will find what is desired from another, rather than what is feared."
Cook & Wall (1980, p. 39)	"The extent to which one is willing to ascribe good intentions to and have confidence in the words and actions of other people."
Boon & Holmes (1991, p. 194)	"A state involving confident positive expectations about another's motives with respect to oneself in situations entailing risk."
	Management
Zand (1972, p. 230)	"Actions that (a) increase one's vulnerability, (b) to another whose behaviour is not under one's control, (c) in a situation in which the penalty (disutility) one suffers is greater than the benefit (utility) one gains if that person does not abuse that vulnerability."
Gambetta (1988, p. 217)	"The probability that a person with whom we are in contact will perform an action that is beneficial or at least not detrimental is high enough for us to consider engaging in some form of cooperation with him."
Currall & Judge (1995, p. 153)	"Behavioural reliance on another person under a condition of risk."
Fukuyama (1995, p. 26)	"The expectation that arises within a community of regular, honest, and cooperative behaviour based on commonly shared norms on the part of other members of that community."
Mayer et al. (1995, p. 712)	"The willingness of a party to be vulnerable to the actions of another party based on the positive expectations that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party."
McAllister (1995, p. 25)	"The extent to which a person is confident in, and willing to act on the basis of, the words, actions and decisions of another."
Creed & Miles (1996, p. 17)	"The specific expectation that another's actions will be beneficial rather than detrimental and the generalised ability to take for granted…a vast array of features of the social order."
Rousseau et al. (1998, p. 395)	"Trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviors of another."
Lewicki et al. (1998, p. 439)	"Confident positive expectations regarding another's conduct."

Whitener, Brodt, Korsgaard, & Werner (1998, p. 513)	"…reflects an expectation or belief that the other party will act benevolently."
Zaheer, McEvily, & Perrone (1998, p. 143)	"The expectation (1) can be relied on to fulfil obligations, (2) will behave in a predictable manner, and (3) will negotiate fairly when the possibility for opportunism is present."
Castaldo, Premazzi, & Zerbini (2010, pp. 665–666)	"(a) An expectation (or a belief, a reliance, a confidence, and synonyms/aliases) that a (b) subject distinguished by specific characteristics (honesty, benevolence, competencies, and other antecedents), (c) will perform future actions aimed at producing (d) positive results for the trustor (e) in situations of consistent perceived risk and vulnerability."

Chapter 3

The Family Firm

3.1 Introduction

In this chapter, I introduce the research context: family firms. Family firms are the dominant form of business organisation worldwide and their significance to economies and societies is well-documented. This chapter is structured as follows: First, I discuss the prevalence of family firms globally, outlining the foundational developments pertaining to the growth of family business as an academic discipline and the increased interest in the field from international institutions. I move on to describe the definition of family firms adopted in this study. Next, I build on Chapter 2, which examined the literature on organisational trust, to discuss trust within the specific context of family firms. Moreover, I examine the distinct features that facilitate mutual trust in family firms, as well as factors which can contribute to low levels of trust within these firms. I conclude this chapter by presenting literature pertaining to the evolution of trust across generations of the family firm.

3.2 Family Firms

Throughout much of history, the term family business was redundant since nearly all commercial activity was done through families. Today, despite substantial change in the global marketplace, families continue to play a major role in the economies of every nation (Aldrich & Cliff, 2003; Business Families Foundation, 2015). In fact, family firms are the dominant form of commercial organisation worldwide (Family Firm Institute, 2016; La Porta et al., 1999). Family firms account for approximately two-thirds of all businesses globally, generating more than 70% of gross domestic product and providing over 50% of employment (European Family Business, 2012; Family Firm Institute, 2016). Furthermore, the majority of the world's largest economies are dominated by family firms. In the United States, family firms account for around 90% of all businesses (Anderson & Reeb, 2003) and advance gross national product by up to 60% (Astrachan & Shanker, 2003). In Europe, family firms constitute approximately 85% of all businesses and provide close to 60% of private-sector employment (European Parliament, 2015). Although these firms are often defined and characterised as small businesses, not all family businesses are small; in fact, many of these family firms are global leaders in their respective industries. For example, three out of four of the renowned *Mittelstand* companies in Germany are family-owned and two-thirds of these firms are managed by members of the owning family. The Mittelstand phenomenon involves a class of highly specialised companies, referred to as the "hidden champions," which represent the backbone of Germany's national economy (The Economist, 1998). Hence, family firms are an important and significant cohort of enterprise worldwide.

A substantial body of research indicates that family firms outperform nonfamily firms across a range of performance indicators. For example, family firms have been found to outperform in terms of profitability (Anderson & Reeb, 2003; Martínez, Stöhr, & Quiroga, 2007), sales growth (Chrisman, Chua, & Steier, 2002; Lee, 2006; Zahra, 2003), and efficiency (McConaughy, Matthews, & Fialko, 2001). Furthermore, evidence suggests that family firms are typically perceived more favourably than other forms of enterprise. For example, the 2017 Edelman Trust Barometer, an annual trust survey involving over 15,000 general population respondents from 12 countries, found that family firms are the most trusted form of business organisation globally. The study found that family firms outperform other types of companies in all main trust drivers especially when it comes to philanthropic efforts which impact society (Edelman, 2017). This finding is consistent with Edelman's earlier study on trust in institutions, which also found family firms to come out on top in terms of public trust perceptions (Edelman, 2014). Furthermore, participants in the Edelman

Trust Barometer indicated that they were three times more likely to pay more for products and services if they knew that the selling firm was family-owned (Edelman, 2017). Stakeholders may also perceive family firms as being more benevolent than other firms (an important aspect of trustworthiness) based on their long-term corporate philosophies, concern for stakeholder satisfaction, and ethical company policies (Craig et al., 2008; Hauswald & Hack, 2013; Krappe, Goutas, & von Schlippe, 2011).

Unsurprisingly, interest in family business as an arena of academic research has gained significant momentum since its founding three decades ago (Short, Sharma, Lumpkin, & Pearson, 2016; Yu, Lumpkin, Sorenson, & Brigham, 2012). The establishment of the Family Firm Institute in 1986 and its accompanying journal *Family Business Review* (*FBR*) in 1988 instigated formal academic research on family firms. Prior to this point, there was little or no recognition that family firms were conceptually distinctive; in fact, family firms were generally regarded as simply "a business with a family attached" (Lansberg, 1993, p. 316). By 2016, *FBR* had an impact factor of 4.229 (the frequency with which its average article was cited that year) and was ranked 15th amongst 121 business journals within the Journal Citation Report (Clarivate Analytics, 2017). Furthermore, in 2016, *FBR* received 264 submissions from first authors based in 43 countries, the highest number of submissions received in a single year to date—evidence of the growing interest in both the field and the journal. It is estimated that this decade will see over 8,000 new peer-reviewed journal articles on family firms added to the global knowledge pool (Short et al., 2016). As observed by Craig, Moores, Howorth, and Poutziouris (2009), family business research is at a "tipping point."

The prevalence of the family firm has also captured the attention of international audiences in recent years, including policymakers and educational institutions. For example, the role of family firms in creating inclusive economic growth was a central topic at the 2016

World Economic Forum Annual Meeting in Davos (World Economic Forum, 2017) and the European Parliament recently approved a detailed report examining family firms in Europe, with a view to "boosting the competitiveness and growth of the EU economy by 2020" (European Parliament, 2015, para. 40). Business schools globally have also assumed an interest in family firms, recognising the need for next-generation leaders to obtain a rounded business education as well as the specific expertise that family firms require (Sharma, 2004). Family business programmes are now widespread and competition to attract the sons and daughters of family business dynasties is intense. For example, at Babson College, the business school famed for its entrepreneurship teaching, half of the undergraduate students and half of the MBA students come from family firms, according to Matthew Allen, faculty director of the Institute for Family Entrepreneurship (Financial Times, 2017). To accommodate demand, Babson College recently set up a specialised hub dedicated to family entrepreneurial education.

Furthermore, international research initiatives have been established with the aim of strengthening the research, practice, and understanding of family firms. One such initiative is the Successful Transgenerational Entrepreneurship Practices (STEP) project, which explores entrepreneurship within business families globally. This international project was founded by Babson College in 2005 and now includes 37 affiliate universities across the globe.[2] The STEP project is currently under the stewardship of James Davis, Professor of Management at Utah State University. Aside from this prominent research initiative, which has led to important inquiry at the confluence of entrepreneurship and family business (e.g., Nordqvist & Zellweger, 2010; Sieger, Zellweger, Nason, & Clinton, 2011; Zellweger, Nason, & Nordqvist, 2012), family firms have largely been overlooked in other major research domains. For example, besides entrepreneurship, family firm research has primarily been

[2] Dublin City University is the Irish affiliate university to the STEP project.

confided to fields such as finance (e.g., Anderson & Reeb, 2003; Villalonga & Amit, 2006) or economics (e.g., Chen, Chen, Cheng, & Shevlin, 2010; Pérez-González, 2006). Other prominent fields, such as organisational behaviour, have the potential to produce rich insights into family firms, yet their neglect is exceedingly evident. Recently, scholars have called for further research in the organisational behaviour domain in an effort to build a more fine-grained understanding of the behavioural dynamics in family firms (e.g., Ceja-Barba, 2014; Gagné et al., 2014). Gagné, Sharma, and De Massis argue that "business practice portrays the family as an important group of individuals within family firms with the potential to strongly influence organisational behaviour processes and outcomes…[and] this necessitates strong research at the interface of organisational behaviour and family business" (2014, p. 652).

3.3 Definition of Family Firms

In the inaugural issue of *FBR*, the editors, Lansberg, Perrow, and Rogolsky (1988), decided against providing a definition as to what a family business is; instead, they called on the ensuing dialogue of *FBR* to set the parameters of the field. Since this foundational piece, family business research has expanded significantly, both theoretically and empirically (see Section 3.2). Yet, despite immense progress over the past three decades, definitional clarity regarding precisely what constitutes a family firm remains unclear (Diaz-Moriana, Hogan, Clinton, & Brophy, in press; Evert, Martin, McLeod, & Payne, 2016; Sharma, 2004). This lack of definitional consensus emphasises the complexity and heterogeneity of family firm research as well as the development of a field that is still emerging (Benavides-Velasco, Quintana-García, & Guzmán-Parra, 2013).

In this study, a firm is considered to be family-owned if the following two conditions are met: (a) two or more directors/senior managers have a family relationship (Daily &

Dollinger, 1993); and (b) family members own or control at least 20% of the business's shares, units, or capital (La Porta et al., 1999). Individuals are considered to have a family relationship if they are members of the same descendent group or hold affinity through marriage (Zeitlin, 1974; see also Lansberg & Astrachan, 1994). This includes father, mother, brother, sister, son, daughter, spouse, in-law, uncle, aunt, nephew, niece, and/or cousin. Consensus does not exist regarding a precise ownership cut-off point to define a firm as family owned; this study adopted the threshold of 20% family stock ownership as recommended by La Porta et al. (1999), since theirs is one of the most rigorous, detailed, and comprehensive studies on firm ownership structures to date (see also Neubaum et al., 2017).

3.4 Trust in the Family Firm

"In families you have to trust, even if you don't. You have to display trust and act as if you trust. You can't afford not to trust" (Nooteboom, cited in Möllering, 2015, p. 178).

While trust is important for all organisations, issues of trust are especially salient in family firms. In fact, research suggests that the very prevalence of the family firm relates to the fact that familial ties facilitate the production of trust (Fukuyama, 1995; Moores et al., 2018; Steier, 2001; Sundaramurthy, 2008; Ward & Aronoff, 1991). Davis and colleagues (2010) highlight the importance of trust in family firms and demonstrate that among family employees, commitment and trust are positively related, and agency perceptions are negatively related to stewardship perceptions. Yet family firms are complex entities. Although they comprise distinct features that can facilitate trust, family firms are particularly vulnerable to forces that can lead to the dissolution of trust (Steier, 2001; Sundaramurthy, 2008). In her study, Sundaramurthy examined calculus-based, knowledge-based, and identification-based trust (Lewicki & Bunker, 1996) and presented a model of sustaining trust across generations of family firms. The basic premise of her model is that trust is dynamic and multiple dimensions of trust need to be developed through structures and processes to sustain interpersonal trust inherent in the early stages of the family firm. She suggests that the initial familial-based trust prominent within family firms at the founding stages can be sustained through the development of additional bases of trust. In this regard, the model draws attention to the complementary role of different dimensions of trust within family firms (e.g., competence trust—the belief that the parties entrusted with a job are not only willing, but capable of performing the job effectively [Mishra, 1996]). In her conceptual study, Sundaramurthy (2008) argues that the difficulties associated with transgenerational survival, and hence the scarcity of second- and third-generation family firms, can be explained by a lack of interpersonal trust within the family firm (see also Ward, 2004). Hence, as Ward points out, family firms "depend on trust" (2004, p. 71). These sentiments are alluded to by Nooteboom in the preceding quotation, where he states that "in families you have to trust" (Möllering, 2015, p. 178).

The differential character of family firms lies in the embeddedness of the family and business systems (Tagiuri & Davis, 1996); in other words, family members participate in family and business relationships simultaneously. The dual nature of such relationships means that these firms are laden with emotion, which can be both a strength and a weakness. For example, intense emotional bonds can serve to either foster or impede trust in both the family and business domains. High levels of trust within the family can facilitate trust within the business, and trust within the business is strengthened by familial trust. On the other hand, however, a lack of trust within the family will negatively affect business relationships and a breach of trust in the business can adversely influence relationships at home. Research suggests that business families often concentrate their trust-building efforts on the business side, while neglecting the nurturing of trust and emotional equity on the family side (Hubler, 2011). However, even if interpersonal trust is implicit in families, it must still be nurtured in order to endure (Hubler, 2011; Steier, 2001; Sundaramurthy, 2008).

Mutual trust in family firms. The types and significance of trust-related interactions inherent in family firms differ in important ways from those of nonfamily firms (Gagné et al., 2014; Sundaramurthy, 2008). Family firms are commonly regarded as high-trust organisations (Corbetta & Salvato, 2004; Jones, 1983), and there are three main reasons for this depiction. First, family relationships are based on strong affect and emotion. Organisational theorists typically argue that, "in professional relationships, trust does not begin with the development of intense emotionality" (Lewicki & Bunker, 1996, p. 118). However, in the case of the family firm, this assertion could not be further from reality. The presence of familial ties in the firm—between parent and child, husband and wife, and among siblings—means that family firms begin with deep levels of trust (Steier, 2001; Sundaramurthy, 2008). Moreover, this trust typically has strong affective foundations, given that these relationships are based on family ties (Chua, Morris, & Ingram, 2009). Fukuyama suggests that in family firms, high levels of mutual trust exist among members of the family. He argues that since "their cohesion is based on the moral and emotional bonds of a pre-existing social group, the family enterprise can thrive even in the absence of commercial law or stable structure of property rights" (1995, p. 63). These familial ties "transcend those of a typical employment contract" (Pearson & Carr, 2011, p. 39) and provide the family firm with increased loyalty and commitment from its members. For example, Davis and colleagues (2010) found that family employees have higher trust in leaders than nonfamily employees. Moreover, recent research suggests that trust facilitates the ability of TMT members to fully commit to the family firm in spite of uncertainties, resulting in positive performance outcomes (Allen et al., 2018).

Second, family members know what to expect from one another. Repeated and varied interactions growing up in the family home, working together, and watching each other respond to different circumstances allow family members to develop an innate understanding of what to expect from the other person (Denison, Lief, & Ward, 2004). These interactions allow family members to learn to trust each other because the other person becomes more understandable and predictable. This knowledge is a fundamental basis for trust. In fact, Lewicki, Tomlinson, and Gillespie argue that even if this increased knowledge leads a trustor to believe that a trustee is "predictably untrustworthy," this predictability "enhances trust" (2006, p. 1011). Given that trust takes a "tremendous amount of time to build between strangers and is typically built only over extended periods of repeated interactions" (Sundaramurthy, 2008, p. 93), these meaningful interactions provide a basis for especially high levels of trust in family firms.

Third, the enduring ties associated with familial relationships create a basis for deep interpersonal trust. Children receive their primary socialisation from the family during childhood and consequently gain an understanding of the values, behavioural norms, and cognitive schemes used by members of their family (Raskas, 1998). As family relationships develop, increased interdependence and interactions produce greater levels of trust based on shared norms and values (Arregle, Hitt, Sirmon, & Very, 2007; Raskas, 1998). Moreover, obligations toward family members create stability in relationships. The saying "you can't fire family" embodies these enduring social ties and obligations (Pearson & Carr, 2011). However, not all family firms enjoy high levels of mutual trust; family firms can also suffer from a distinct lack or absence of trust.

Lack of trust in family firms. Family firms are complex entities. Although these firms comprise unique features that can lead to strong mutual trust among members, family firms are also vulnerable to forces that can lead to the dilution or dissolution of trust.

Researchers often point to a lack of trust among members as a primary contributor to the high failure rates associated with family firm transgenerational survival (for survival rates across generations, see Section 1.5) (e.g., Sundaramurthy, 2008; Ward, 2004). There are three primary factors which may contribute to low levels of trust within the family firm.

First, if the history of prior interactions among family members is fraught with unhealthy relationships, familiarity may result in contempt or a lack of trust (Raskas, 1998). For example, repeated conflicts within the firm may arise among siblings who bring into the business prior histories of unresolved childhood conflicts (Kets de Vries, 1993; Ward, 2016). Moreover, the tensions and strains associated with day-to-day interaction not only in the family domain but also in the firm can breed contempt even in relationships which were high in trust when confined to the family alone. Research suggests that it is almost inevitable in a family firm that a family member will, at some point, violate the trust and integrity of the family (Pearson & Carr, 2011). This can have negative consequences for both the family and the firm because the betrayal of trust in this setting strikes a "deadly blow at the foundation of the relationship itself" (Lewis & Weigert, 1985, p. 971).

Second, strong family ties can prevent interpersonal trust from developing beyond the confines of the family. The central thesis of Fukuyama's (1995) book on trust is that intense group and family ties confine trust to within the boundaries of the group and the family. He further suggests that, "in some cases, there appears to be something of an inverse relationship between the bonds of trust and reciprocity within kinship groups and between kin and nonkin; while one is very strong, the other is very weak" (Fukuyama, 1997, p. 379). Fukuyama maintains that such an environment can negatively impact on nonfamily members in family firms. For example, a lack of trust in *outsiders* can lead to a situation where recruiting and/or promoting nonfamily members to positions of power is avoided. Moreover, these intense family ties can lead to unqualified family members (e.g., those who lack formal certification or other credentials) being hired out of familial obligations or family members being "employed for life" even when their usefulness to the company has expired. With nonfamily members constituting approximately 80% of the labour force in family firms (Mass Mutual Financial Group, 2007), such a family-first orientation can damage interpersonal trust among family–nonfamily relations (Ward, 1987).

Finally, as families evolve and circumstances change, the degree of social similarity and closeness among members may decrease. Over time, as later generations, including distant relatives, become involved in the firm, a lack of common experiences and close relationships can lead to weakening family bonds (Steier, 2001; Sundaramurthy, 2008). If members of the extended family are involved in the firm or if members are living in more than one geographic location, then the social ties among members in the firm may be no stronger than those found among nonfamily members or members of nonfamily firms (Ward, 2016). Pearson and Marler (2010) acknowledge the complexity of maintaining reciprocal stewardship among family members as the family firm's leadership becomes more dispersed and additional generations become involved. Similarly, Steier (2001) and Sundaramurthy (2008) suggest that trust evolves, and often diminishes, across generations.

Evolution of trust in family firms. The organisational trust literature suggests that trust intensifies or strengthens over time (e.g., Lewicki & Bunker, 1995, 1996). Indeed, while this may be true for some organisations, a distinct feature of family firms may be the evolution of trust. Research suggests that the interplay of the family and the firm can produce different types and outcomes of trust across different stages of family and firm development (Chrisman et al., 2007; Karra et al., 2006). Steier (2001) proposes the use of Ward's (1991) three-stage model for examining the evolution of trust in family firms. This model depicts family firms as evolving through three distinct stages, each characterised by a dominant form of ownership. Ward (1991) proposed the following three-stage model of family firm evolution: (1) the "owner-founder," (2) the "sibling partnership," and (3) the "cousin consortium." Steier (2001) argues that as firms evolve through these three stages, there are certain optimal permutations of trust.

The first generation. The first generation of the family firm involves the period in which the founder of the business (or the acquiring family member) and his/her family members are involved in making the key decisions. During this stage, Sundaramurthy (2008) argues that trust is a competitive advantage for family firms. She conceptually posits that in the founding stages, interpersonal trust is inherent and based on strong emotional ties. Specifically, she asserts that the family is a common identifying factor which serves as a critical bonding mechanism to foster interpersonal trust at this early stage in the family firm's evolution. Ward also alludes to the high levels of interpersonal trust enjoyed by family firms in the founding stages, noting that "these [family] bonds define and enrich a culture that, in the business's early stages, might be indistinguishable from the family's personal lives" (2016, para. 12). Similarly, Pearson and Carr argue that trust serves as a "powerful glue that binds the business [at the start-up stage] as it struggles to get off the ground or exploit new markets" (2011, p. 39). In such circumstances, family members often work "above and beyond" their prescribed organisational roles and may even provide personal financial capital to fund the venture. In their in-depth case study on family firms, Karra and colleagues (2006) concluded that the family firm under investigation "exhibited extraordinary levels of trust in the early stages of business relationships" (p. 871). For these reasons, Sundaramurthy (2008) argues: "What is unique about family firms is that they begin with this deep level of trust" (p. 93).

The second generation. The second-generation family firm involves active decision-making from the offspring of the first generation; this stage typically comprises a sibling partnership (Ward, 1991). The involvement of the second generation can be either in addition to, or instead of, first-generation family members. The deep trust inherent in stage one of a family firm's evolution is often replaced by conflict as firms and families naturally develop and grow (Steier, 2001; Steier & Muethel, 2014). Familial ties may gradually "become less strong and unleash forces that diminish, rather than build, trust" (Steier, 2001, p. 363). Ward (2016) explains that as a family and its firm grow, so does the distance between its members. He maintains that as the family gets older and larger, members' shared vision and closeness can wear away and run the risk of disappearing. Drozdow and Carroll (1997) argue that members of later generations may find it difficult to trust and authorise a sibling or cousin in the same way that they imagine trusting their own father or mother. Steier (2001) notes that although trust deterioration is not inevitable, it is very likely, given that trust is idiosyncratic to a particular relationship or network of relationships.

The third generation. Third-generation family firms constitute firms in which the offspring of the second generation are actively involved in the management of the business. The firm at this stage often includes cousins as the key decision-makers, and is thus referred to as a cousin consortium (Ward, 1991). Although founding family members may still be prominent figures at this stage, they are typically involved in a nonexecutive capacity, perhaps in an advisory or chairmanship role. At this stage in the family firm lifecycle, trust levels are typically much lower than founding- or second-generation family firms (Steier, 2001; Sundaramurthy, 2008) because members are not as close. Put simply, Carsrud (2006) explains: "The family social system now includes the relatives of both current and ex-spouses as well as parents, in-laws, children's spouses and children, aunts, uncles, and cousins" (p. 857). This is far more complex than when the family firm only involves parents or siblings.

3.5 Conclusion

Family firms are significant and important, and their differential character rests in the embeddedness of the family and business systems. As set out in this chapter, it is evident that the dual nature of such relations can serve to foster trust, but it is also apparent that the varied and often intense nature of these relationships can lead to a lack of trust. In this study, I seek to identify and explore the characteristics that influence the development of mutual trust or the absence of trust between leaders and executives in the TMTs of family firms. In the next chapter, I outline the hypotheses tested in this study. The arguments for each hypothesis are based upon the previously discussed organisational trust and family firm literatures, as well as on social psychological theories.

Chapter 4

Theory and Hypotheses Development

4.1 Introduction

In this chapter, I present the research hypotheses for this study. I begin the chapter with an outline of the principles and tenets of social identity theory and self-categorisation theory—two interrelated social psychological theories which together constitute the social identity approach. Next, I examine group membership and its relationship with trust-related perceptions and behaviours. I move on to consider group membership from a family firm perspective, examining ingroup–outgroup dynamics in the family firm context. I then propose theory-driven hypotheses in relation to (a) the trust process in family firms, (b) distinctions between family and nonfamily executives trust-related perceptions and behaviours, and (c) generational influences on trustworthiness perceptions. The arguments for these hypotheses draw upon the organisational trust and family firm literatures, as well as theories of intergroup behaviour to understand trust dynamics in family firms. Finally, I present a model delineating the underlying relationships between the variables in the study.

4.2 The Social Identity Approach

Social identity theory (SIT) and self-categorisation theory (SCT) are two related social psychological theories which together constitute the social identity approach (Reicher, Spears, & Haslam, 2010). SIT and SCT share many common assumptions and are linked through their joint focus on the process surrounding how individuals define themselves as members of social groups. The social identity approach is well-established and has been applied to the behaviour of various types of groups in society, from religious groups (Struch & Schwartz, 1989) to different nationalities (Brown, Vivian, & Hewstone, 1999) to business organisations (Ashforth & Mael, 1989). This study adopts the social identity approach, specifically SIT and SCT, to examine trust-informed perceptions and behaviours and their impact on family firms. The next section introduces the core principles of SIT.

4.3 Social Identity Theory (SIT)

The foundational premise of SIT is that psychological processes play out in a manner that is dependent upon social context (Tajfel, 1974; 1981). SIT was first developed to explain the results of a set of studies carried out to examine specific conditions that lead to negativity toward outgroups. Referred to as the *minimal group studies* (Tajfel, Billig, Bundy, & Flament, 1971), these experiments are among the most prominent and influential in social psychology today. The initial studies involved the allocation of participants into groups on the basis of arbitrary criteria; participants had no prior interaction and there was no contact between group members. Participants were then required to allocate points to members of their own group (hereafter referred to as the *ingroup*) and to members of the other group (referred to as the *outgroup*). The participants favoured members of their ingroup over those of the outgroup to a significant degree, allocating increased points to ingroup members compared to outgroup members, despite the lack of any apparent reasoning for doing so. Furthermore, participants were prepared to allocate relatively few points to either group if it allowed them to maximise the extent to which they favoured their ingroup. Based on the findings, the researchers concluded that group formation and intergroup discrimination had occurred as a result of social categorisation. Later studies replicated these results (Allen & Wilder, 1975; Tajfel, 1974).

Henri Tajfel, in collaboration with his graduate student John Turner, developed SIT as a means to make sense of the results of the minimal group studies. In seeking to explain the results, these researchers argued that individuals come to define themselves in terms of their group membership. The researchers proposed that individuals strive to achieve or maintain a positive social identity, defined as “that part of an individual’s self-concept which derives from his knowledge of his membership in a social group (or groups) together with the value and emotional significance attached to that membership” (Tajfel, 1978, p. 63). This positive social identity can be achieved through an appropriate intergroup social comparison. Accordingly, SIT is concerned with intergroup relations; that is, how people come to see themselves as members of one group or category in comparison to another, and the consequences of this categorisation (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987).

4.4 Self-Categorisation Theory (SCT)

SCT moves beyond the intergroup focus of SIT to focus on intragroup processes (Turner et al., 1987; Turner, Oakes, Haslam, & McGarty, 1994). SIT contends that individuals categorise themselves in specific ways relating to social categories or classifications. Through this process, known as *self-categorisation* (Turner et al., 1987), a social identity is formed—a person’s perception that he/she belongs to a specific social category or group (Hogg & Abrams, 1988). This social group comprises a set of individuals who hold a common social identity, viewing themselves as members of the same social category. Social categorisation is the foundation upon which social identity is based (Tajfel & Turner, 1986; Turner et al., 1987). It suggests that through a social comparison process, people categorise themselves and similar others to form an ingroup and categorise dissimilar others to form an outgroup. The extent to which a person identifies with a specific social category reflects the degree of similarity between the qualities attributed to that particular category and the qualities that the person incorporates in his or her self-concept (Dutton, Dukerich, & Harquail, 1994).

Social identity formation comprises two fundamental processes: self-categorisation and social comparison (Hogg & Abrams, 1988). Self-categorisation involves an accentuation of the perceived similarities between oneself and other ingroup members and an accentuation of the perceived differences between oneself and outgroup members. The theory suggests that this accentuation occurs for all dimensions believed to be associated with the relevant intergroup categorisation (e.g., attitudes, values, beliefs, behavioural norms, and affective responses). Meanwhile, the social comparison process involves a selective application of the accentuation effect, predominantly to those dimensions that will result in self-enhancing outcomes. Specifically, a person's self-esteem is enhanced by evaluating the ingroup and outgroup based on dimensions that result in the ingroup being judged positively and the outgroup being judged negatively (Stets & Burke, 2000).

Social identity develops through membership in, and emotional attachment to, the group. Importantly, individuals believe their own group is distinct in positive ways from other groups (Hogg, 2003; Tafjel, 1982; Tafjel & Turner, 1979). Research suggests that a basic need for positive self-esteem will cause people to evaluate ingroup members more positively than outgroup members (Brewer, 1979; Mullen, Brown, & Smith, 1992). Consistent with this perspective, ingroup members are generally allocated more rewards (Tajfel, 1970) and are more likely to be helped (Piliavin, Dovidio, Gaertner, & Clark, 1981) in comparison to outgroup members. This positive bias toward one's ingroup can advance the performance and functioning of the ingroup, which may create long-term benefits for the individual (Brewer, 1999). However, this intergroup bias may also create feelings of deprivation and resentment in outgroup members, who may respond with hostility toward the discriminating ingroup (Dovidio & Gaertner, 2010).

The social identity literature proposes various factors that increase people's tendency to distinguish between "us" and "them" (i.e., ingroups and outgroups). For instance, research suggests that individuals will only act upon a social categorisation if they psychologically identify with it (Ellemers, Spears, & Doosje, 2002; Tajfel & Turner, 1986). These groups offer defined beliefs, structure and meaning in life, and predictable social interactions that reduce threat and uncertainty (Hogg, Meehan, & Farquharson, 2010). Ashforth and Mael (1989) applied this theoretical perspective to membership in organisations, proposing that, through organisational identification, organisational membership reflects on the self-concept, just as other social group memberships do (Hogg & Terry, 2000). Thus, organisational identification reflects “the perception of oneness with or belongingness to an organisation, where the individual defines him/herself in terms of the organisation(s) in which he or she is a member” (Mael & Ashforth, 1992, p. 104). The central thesis of SIT is that members of an ingroup will seek to find negative aspects of an outgroup, thus enhancing their self-image. This perspective has been applied in the literature pertaining to interpersonal trust. SIT, as it relates to trust, is discussed next.

4.5 Group Membership and Trust

Social identity theory suggests that individuals perceive themselves and similar others as forming a positively valued ingroup and dissimilar others as forming a less valued outgroup. A social identity is assumed when a person considers him/herself as a member of a valued group and views things from the group’s perspective (Ashforth & Mael, 1989). Kramer (1999) argues that trust is linked with group membership and develops as individuals identify with the goals espoused by particular groups. Lewicki and Bunker (1996) further note that “in these situations, salient group identification greatly enhances the frequency of cooperation” (p. 122).

Social categorisation theory suggests that people typically hold positive perceptions regarding the trustworthiness of other ingroup members and, consequently, demonstrate cooperative behaviour toward them (Brewer, 1979; Brewer & Kramer, 1985; Kramer & Brewer, 1984). Individuals gain self-esteem from favourable perceptions of the groups to which they belong and associate liking and trust with members of those ingroups (Brewer & Brown, 1998). Brewer (1981) was the first to theorise on the relationship between shared group membership and trust. She proposed that shared group membership "serves as a rule for defining the boundaries of low-risk interpersonal trust that bypasses the need for personal knowledge and the costs of negotiating reciprocity" (p. 356). Brewer later went on to suggest that individuals tend to attribute positive characteristics such as trustworthiness, honesty, and cooperativeness to other ingroup members as a result of the positive cognitive consequences of ingroup categorisation (Brewer, 1996). Other researchers such as Platow, McClintock, and Liebrand (1990) support this view, demonstrating that ingroup members perceive each other as more trustworthy than outgroup members. Research suggests that these positive beliefs toward ingroup members influence trust, cooperation, and efficacy (De Cremer & van Vugt, 1998; Williams, 2001). In addition, the affect associated with a social group may influence trustworthiness perceptions. For example, Williams (2001) suggests that people's perceptions of their own interdependence with other groups influences both their beliefs about group members' trustworthiness and their affection for group members, and this in turn affects interpersonal trust development.

On the other hand, when people do not belong to a particular group, they often perceive members of that outgroup to be less trustworthy than members of their ingroup (Brewer & Brown, 1998; Kramer, 1994; Kramer & Messick, 1998). Social categorisation theory suggests that dissimilar group membership is associated with lower positive affect or even the absence of positive affect toward others (Brewer & Brown, 1998). Factors that influence liking and positive affect also influence trust (Jones & George, 1998). Research indicates that it is generally difficult to develop trust across membership groups because individuals frequently perceive those from dissimilar groups as adversaries with differing beliefs, aspirations, or styles of interacting which may threaten their own goals (Kramer & Lewicki, 2010; Williams, 2001, 2007). For these reasons, Kramer (1999) argued that distrust emerges as a function of social group membership, whereby ingroup members are presumed to distrust outgroup members. Moreover, Williams (2016) found that membership in dissimilar groups is negatively associated with perceptions of trustworthiness and team trust. Despite this theorising, Williams (2001) suggested that the similarity–trust, dissimilarity–distrust paradigm that has shaped previous literature is inadequate for explaining how trust may develop between members of dissimilar groups. She suggested that cooperative and competitive outgroup interdependence is more critical than ingroup identification for understanding the range of influences that dissimilar group membership can have on trust development because outgroup interdependence may generate either positive or negative beliefs and feelings about an outgroup.

4.6 Family Business, Group Membership, and Trust

In the family firm, strong ingroup–outgroup dynamics typically exist (Barnett & Kellermanns, 2006; Carmon et al., 2010; Eddleston & Kidwell, 2012; La Chapelle & Barnes, 1998; Marler & Stanley, 2018). Eddleston and Kidwell (2012) suggest that family firm ingroups are based on familial relations because these relationships are formed prior to employment in the firm. In their study, which focuses on parent–child dyadic relations in family firms, these authors argue that "in a family where all PCRs [parent–child relationships] are relatively strong, one could imagine a scenario where all children working in the firm would be in-group members, which has been a standard assumption in the family firm literature" (Eddleston & Kidwell, 2012, p. 370). Similarly, Marler and Stanley advocate that "in-group family members are those who belong to or have high quality interactions with the firm's leadership group" (2018, p. 3). Zellweger, Eddleston, and Kellermanns (2010) maintain that, due to their familial status in the firm, family members often enjoy heightened trust and communication. Lastly, La Chapelle and Barnes (1998) found that family executives experience difficulties in trusting nonfamily executives because they do not share the bond and history of family background. They suggest that this typically leads to "an us-versus-them situation" between family and nonfamily members in the firm (La Chapelle & Barnes, 1998 p. 15). Hence, given the increased trust, greater prestige, more desirable job assignments, and the high-quality leader interactions associated with familial membership (Marler & Stanley, 2018), family members will likely perceive themselves as ingroup members in family firms.

However, the advantages bestowed upon family members in family firms often have negative consequences for nonfamily members (Barnett & Kellermanns, 2006; Carmon et al., 2010; Dyer, 2006; Vardaman et al., 2018). For example, because they are part of the business but not part of the family, Carmon and colleagues suggest that "nonfamily member employees struggle to find their 'place' within the family business" (2010, p. 210). Likewise, Dyer maintains that nonfamily employees often view themselves as being "second-class citizens" (2006, p. 264). In addition, research suggests that nonfamily members are more likely to perceive their treatment in the family firm as inequitable compared to their family counterparts (Barnett & Kellermanns, 2006) and experience *bifurcation bias* (i.e., asymmetric treatment of family and nonfamily members [Verbeke & Kano, 2012]). Often, nonfamily members perceive themselves as being ineligible for advancement opportunities and other benefits that family members enjoy. Such adversarial treatment can lead to feelings of resentment toward the family group. Hence, nonfamily members often perceive themselves as outgroup members in family firms (e.g., Carmon et al., 2010).

4.7 Hypotheses Development

This section presents the hypotheses examined in this study and their underlying theoretical arguments. The hypotheses are informed by the organisational trust and family firm literatures and are organised as follows: First, I present the development of hypotheses 1 to 6, which predict the relationships in the proposed research model. These hypotheses relate to the first research question and examine the impact of trusting and feeling trusted on TMT members' voice behaviour, commitment, and performance in family firms. Table 4.1 presents a list of these hypotheses. The research model is a mediation model. The second set of hypotheses seek to understand whether family and nonfamily executives differ in their trust informed beliefs, decisions, and actions. These hypotheses relate to the second research question. Finally, the last hypothesis predicts differences in trustworthiness perceptions of CEOs across first- second- and third-generation family firms. This final hypothesis relates to the third research question. Table 4.2 presents a list of these hypotheses.

The Trust Process. As set out in Chapter 2, Section 2.2, a growing stream of research identifies trust as a process involving three stages: a belief, a decision, and an action (e.g., Dietz, 2011; Dietz & den Hartog, 2006; McEvily et al., 2003; McEvily & Tortoriello, 2011; Skinner et al., 2014). Researchers acknowledge that perceptions of trustworthiness lead to decisions regarding the willingness to be vulnerable, which in turn translate into a variety of trusting behaviours (McEvily & Tortoriello, 2011). These outcomes then feed back information which update the assessment on the other's trustworthiness, and so trust's cyclical dynamic continues. Yet, while trustworthiness beliefs and the decision to trust have been examined in detail in the organisational literature, the behavioural action of trusting is less well understood.

The behavioural content of trust, also referred to as a leap of faith, involves the trustor being vulnerable to the trustee (Dietz & den Hartog, 2006). More specifically, it encompasses a risky action based on the confident expectation that the other person will act competently and dutifully (Deb & Chavali, 2010; Lewis & Weigert, 1985). As discussed in Chapter 2, vulnerability is central to this action because it leaves the trustor open to the possibility of disappointment and/or betrayal (Nienaber et al., 2015). To understand the behavioural content of trust I consider how employees can be vulnerable to the leader in organisations. One important trust-informed action that requires vulnerability on the part of the employee is voice behaviour.

Trustworthiness beliefs, feeling trusted, and voice behaviour. Employees face choices on a daily basis about whether to engage in different types of behaviour that makes them vulnerable at work. One such choice is the decision of whether to convey or withhold potentially valuable information to a supervisor. Employee voice, defined as “voluntary and open communication directed toward individuals within the organization that is focused on influencing the context of the work environment” (Maynes & Podsakoff, 2014, p. 88; see also Van Dyne & LePine, 1998), is a salient risk-related behaviour for organisational members. For example, employees can decide whether to share or keep to themselves opinions about work-related issues that differ from the views of others, whether to speak up or stay quiet about the fact that their co-worker is slacking off, or whether to disclose new ideas for process improvement (Morrison, 2011). The manner in which employees resolve these choices (i.e., whether to speak up or remain silent) can have important consequences for individuals and their organisations. Hence, voice involves speaking out and challenging the status quo with the intent of changing or improving a situation, rather than merely criticising it (Van Dyne & LePine, 1998).

Since voice often involves criticisms of the status quo and because the targets of upward voice hold reward and sanction power, leader behaviours are likely to be particularly salient cues that subordinates use in evaluating whether voicing unsolicited comments is personally dangerous (Detert & Burris, 2007; Milliken, Morrison, & Hewlin, 2003). TMT members will be more willing to speak out and challenge the status quo if they feel that they will not be punished for doing so. When executives are free of fears and concerns about expressing their opinions, the perceived costs of speaking up are minimised. Detert and Burris (2007) examined the impact of psychological safety (i.e., the extent that individuals believe that they will not be punished or misunderstood for taking risks) on voice. They found that psychological safety plays a mediating role in the leader behaviour–voice relationship. Hence, leader behaviours are key inputs to employee assessments about potential costs and benefits of speaking up, which in turn affect ultimate voice behaviour.

Similarly, if TMT members feel trusted by the CEO they will be more willing to offer their opinions. Executives who feel trusted perceive that the CEO is willing to rely on them, given the risk of opportunism or harm associated with doing so (Baer et al., 2015; Lau et al., 2014; Williams, 2016). When executives feel that they are important and valued, they will want to achieve a high quality of work which challenges the status quo. Mishra and Mishra (2012) proposed that leaders who trust their employees will enhance employees' feelings of competence. Baer and colleagues (2015) demonstrate that feeling trusted fills employees with pride, while also increasing perceived workload and concerns about reputation maintenance. It may also make employees feel more responsible for their work, giving them a sense of ownership over their jobs. Salamon and Robinson (2008) found that responsibility norms mediated the relationship between collective felt trust and store performance in terms of sales and customer service. Hence, if executives feel trusted they will be more willing to engage in "constructive change-oriented communication" (LePine & Van Dyne, 2001, p. 330).

Likewise, when TMT members perceive that the CEO is trustworthy and has their best interests at heart, the risk of speaking up will not seem so great. When trustworthiness beliefs are lacking, executives will feel that they cannot freely express themselves, and these fears and concerns will cause them to avoid publicly expressing their opinions and concerns.

Hence, the notion of voice stems from the idea that employees recognise a source of dissatisfaction or opportunity for improving their own and/or the organisation's well-being. Speaking up in such situations can feel risky and thus, involves vulnerability. TMT members will be more willing to speak up if they hold the belief that engaging in risky behaviours like voice will not lead to personal harm. Therefore, TMT members will be more likely to render themselves vulnerable and engage in voice behaviour with the CEO when they believe that he/she is trustworthy and when they feel trusted by him/her. Hence,

H1. Perceptions of CEO trustworthiness are positively related to TMT members' voice behaviour.

H2. Feeling trusted by the CEO is positively related to TMT members' voice behaviour.

Trustworthiness beliefs, feeling trusted, and affective commitment. Employee commitment is essential for the survival and effectiveness of firms (Buchanan, 1974). Commitment is a psychological state or mind-set that binds a person to an organisation (Meyer & Herscovitch, 2001). Affective commitment is considered to be the highest form of commitment (Cohen, 2007) and it refers to an individual's emotional attachment to, identification with, and involvement in the organisation (Meyer & Allen, 1991). In the context of family firms, commitment has been studied extensively (e.g., Allen et al., 2018; Davis et al., 2010; Kotlar & De Massis, 2013; Memili, Zellweger, & Fang, 2013; Sharma & Irving, 2005; Zahra, Hayton, Neubaum, Dibrell, & Craig, 2008). Affective commitment is considered to be important in family firms and it is recognised as a "pivotal prerequisite for the prosperity and, in the long term, the very survival" of family firms (Memili et al., 2013, p. 444).

Employees who trust their leader are likely to be more committed to their firm. In their meta-analysis, Dirks and Ferrin (2002) report that trust in leadership has a strong association with organisational commitment. Researchers have demonstrated that trust in team members or team leaders results in higher levels of commitment to the organisation and its goals (Nyhan, 1999). In family firms, Allen et al. (2018) argued that trust facilitates the ability of TMT members to fully commit to the organisation resulting in positive performance outcomes. These authors propose that commitment represents a risk on the part of TMT members, because individual team members allow themselves to become emotionally attached to the organisation in spite of uncertainties regarding the personal benefits of such an attachment. They demonstrate that trust allows team members to put themselves at risk in becoming affectively committed to the organisation. Hence, I expect that positive perceptions of the CEO's trustworthiness will be associated with higher levels of TMT affective commitment in family firms.

Similarly, employees who feel trusted will likely be more committed to the firm. Baer and colleagues (2015) demonstrate that feeling trusted can make employees feel an increased sense of pride in themselves and their work—a feeling that can have cognitive and affective benefits (Fredrickson, 2001). When a supervisor delegates an important task or shares sensitive information with employees it sends a signal to them that they are valued. In a sample of 18 schools in southern China, Lau and colleagues (2014) showed that teachers who perceived that principals trusted them demonstrated higher levels of organisation-based self-esteem. In the family firm, Davis and colleagues (2010) demonstrate that trust is related to a sense of stewardship in family firms. Given these findings, executives will be more committed to the firm when they feel trusted. Moreover, when they feel trusted, executives will believe in and accept the organisation's goals, and want to contribute to these goals. Therefore, TMT members will be more committed to the family firm when they perceive the CEO to be trustworthy and when they feel trusted by him/her. Hence,

H3. Perceptions of CEO trustworthiness are positively related to TMT members' affective commitment to the family firm.

H4. Feeling trusted by the CEO is positively related to TMT members' affective commitment to the family firm.

Trustworthiness beliefs, feeling trusted, and affective commitment: The mediating role of disclosure. TMT members' willingness to disclose to the CEO, that is, share work-related or personal information of a sensitive nature with the leader, will likely impact on the relationship between trustworthiness beliefs, feeling trusted, and commitment. Gillespie (2003) proposed common disclosure behaviours to include such actions as communicating one's views openly and honestly, sharing sensitive information, sharing problems and feelings (both work and personal domains), and admitting mistakes and a lack of knowledge. When TMT members believe that their leader is trustworthy and feel trusted by him/her, they will disclose more accurate, relevant, and complete information and more fully share their thoughts and feelings with the CEO. This should have a positive influence on their commitment to the organisation. Hence,

H5a. Disclosure mediates the positive effect of trustworthiness beliefs on affective commitment.

H5b. Disclosure mediates the positive effect of feeling trusted on affective commitment.

Trustworthiness beliefs, feeling trusted, and job performance: The mediating role of reliance. Employees who are willing to be vulnerable to the leader are enhanced in their ability to contribute to their organisation. Mayer and Gavin (2005) found that trust in supervisors is associated with employees' ability to focus attention on value-producing activities and that this focus relates to organisational citizenship behaviours. Moreover, in the absence of trust in leaders, employees will divert energy from activities that contribute to the organisation toward "covering their backs," which detracts from their work performance (Mayer & Gavin, 2005). This reasoning implies that a leader's perceived trustworthiness impacts on an employee's willingness to be vulnerable and rely on him/her for important tasks.

When employees feel trusted by the leader they will be more willing to be vulnerable to the leader. Employees who feel that their leader relies on them, will be more willing to reciprocate and rely on that leader. I propose that positive perceptions of CEO trustworthiness and feeling trusted will impact on executives' willingness to rely on the CEO's skills, knowledge, judgments or actions and that this reliance will be related to performance. Hence,

H6a. Reliance mediates the positive effect of CEO trustworthiness beliefs on TMT job performance.

H6b. Reliance mediates the positive effect of feeling trusted on TMT job performance.

Bound by Blood? The first series of hypotheses endeavoured to examine the first research question in this study: How does trusting, and feeling trusted by the CEO, impact on TMT members' voice behaviour, commitment, and performance in family firms? While existing trust literature suggests that the relationship between these hypothesised variables should be consistent regardless of employee type, similar to Davis and colleagues (2010) this study examines whether this theorising holds in the family firm context. The second research question seeks to understand whether family and nonfamily TMT members differ in their trust informed beliefs, decisions, and actions. Specifically, it queries: How does trust operate between family and nonfamily TMT members in family firms? Hence, I now examine potential differences between family and nonfamily executives in terms of their trustworthiness beliefs, trust-related intentions (reliance and disclosure), behaviours (voice), and feelings of being trusted. This set of hypotheses draw upon social identity theory and its ingroup–outgroup distinctions, as set out in Section 4.5 and Section 4.6.

Trustworthiness beliefs. Trust is driven by perceptions of three essential characteristics that the trustor sees in the trustee: ability, benevolence, and integrity (Mayer et al., 1995). Hypotheses for each of these trustworthiness dimensions, with respect to family and nonfamily TMT members' perceptions of their CEO, are discussed next.

Perceptions of ability. Perceived ability refers to the belief that another party is competent within a specific domain and has the skills and attributes required to carry out a certain task (Gabarro, 1978; Mayer et al., 1995). Hence, trust in the CEO depends, at least in part, on perceptions that he/she has the ability required to accomplish his/her role requirements. As such, ability as a dimension of trustworthiness is context specific, dependent upon the needs of a given situation (Mayer et al., 1995). According to SIT, cognitive processes which give rise to ingroup/outgroup hostility often cause individuals to view ingroup members as worthy and efficacious, and view outgroup members as unworthy and incapable (Tajfel, 1982).

Founders of family firms typically want to retain family control of the firm once their tenure ends (Astrachan, Allen, & Spinelli, 2002), a reflection of their desire to perpetuate a legacy or pursue a transgenerational vision (Chua, Chrisman, & Sharma, 1999; Miller, Steier, & Le Breton-Miller, 2003; Ward, 2016). This desire for continuity often influences transition decisions in family firms, including the choice of successor. Lubatkin and colleagues (2005) suggest that the choice of a family successor is linked to parental altruism, a characteristic that connects parents' welfare to that of their children, and leads to nepotism through the selection of key personnel based on family ties rather than on competence or skill. Such practices can lead to a situation whereby the CEO is appointed based on family status rather than on the basis of his/her merit or ability. For example, a family member could be considered unqualified for the CEO position in terms of formal qualifications or experience, but obtain the position based on his/her capacity as a member of the family ingroup (Handler, 1990; Lee, Lim, & Lim, 2003; Pérez-González, 2006). Such practices are likely to have a negative impact on nonfamily executives' perceptions, as they will likely view the family CEO as unqualified for, or incompetent in, his/her position.

Family members are often exposed to the family firm from an early age; they typically grow up onsite, are educated as children about the family's legacy through stories, participate in the firm through summer jobs (Hatak & Roessl, 2015; Memili, Chrisman, Chua, Chang, & Kellermanns, 2011), and join in "at-the-dinner-table" business conversations with their parents at home (Denison et al., 2004, p. 64). As a result, family members often develop an innate understanding of a family CEO's capabilities and accomplishments as they grow up (Hatak & Roessl, 2015). This can, in turn, lead to positive perceptions from members of the family of the family CEO's ability. Therefore, due to family members having greater knowledge of the CEO's ability, resulting from greater involvement in the firm over its life course, I hypothesise that:

H7a. A TMT member's perception of the ability of the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.

Perceptions of benevolence. Perceived benevolence reflects a trustor's belief that the trustee genuinely cares about his/her needs and will act in a manner that intends to do good with regard to the trustor (Mayer et al., 1995). This means that trust in the CEO also depends, in part, on perceptions that he/she will act in ways that are beneficial to TMT members, even if he/she does not directly benefit from doing so. At its most basic level, SIT suggests a preference for ingroup members over outgroup members based on the simple observation that "one can expect to be treated more nicely by ingroup members than by outgroups" (Brewer, 1999, p. 435). From the perspective of SIT, shared group membership provides a compelling basis for the expectation of benevolence in another.

Unsurprisingly, in the family firm literature a large body of evidence suggests elevated levels of benevolence-based behaviours and attitudes toward members of the business family. Evidence suggests that family owners make decisions that are intended to serve the affective needs of the family (Miller & LeBreton-Miller, 2014). This evidence is largely based on family leaders' tendency to focus on preserving noneconomic benefits for the family, even if these decisions hurt the firm financially; this is referred to as socioemotional wealth (SEW) (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). Examples of such practices include the promotion of a familial successor or managerial altruism toward other family members (Gómez-Mejía et al., 2011). Moores and colleagues (2018) drew on the work of Adam Smith to explain these decisions, explaining that, in *The Theory of the Moral Sentiments*, Smith (1976) acknowledged irrational motives for decision-making, including love and benevolence toward those with whom one is intimately related, such as family members. Lubatkin and colleagues (2005) argue that parents, "as head of the firm, and in control of its resources" (p. 320), have an even greater capacity to be altruistically generous toward their children in the firm. Hence, benevolent behaviours and attitudes such as mutual caring, altruism, and empathy play an important role among family members in family firms.

When family members are perceived to receive preferential treatment, nonfamily executives are likely to view the firm's leadership as unfair, which can damage trust (Eddleston et al., 2010; Lewicki et al., 1998; Van der Heyden, Blondel, & Carlock, 2005). SIT suggests that individuals with conflicting goals are not expected to act in ways that are benevolent or helpful (Tjosvold, 1988); thus, any preferential treatment toward family members in this way can undermine nonfamily executives' perceptions of CEO benevolence. Hence, given that affective attachments form the basis for caring and benevolent behaviours, I hypothesise that:

> *H7b.* A TMT member's perception of the benevolence of the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.

Perceptions of integrity. Perceived integrity refers to a trustor's belief that a trustee adheres to a set of principles and values that he/she finds acceptable (Mayer et al., 1995). Hence, trust in the CEO also depends, in part, on perceptions that he/she has integrity. This means that the CEO will act according to a set of accepted principles regardless of preferences or needs, and, importantly, regardless of external regulations or controls. According to SIT, identification can increase the salience of group goals and values and enhance perceptions that a person's own goals and values are similar to those of other members of their ingroup (Kramer & Brewer, 1984; Kramer et al., 1996). Williams (2001) suggested that “when ingroup members perceive similarities in goals and values, they believe that other ingroup members are more likely to behave in accordance with these values” (p. 382).

There is strong support in the literature that family firms function out of a strong values base. For instance, Miller and Le Breton-Miller (2005), in their study of long-lived family firms, argued that family firms prioritise values such as integrity and honesty. Other research suggests that family firms are known for their deep-seated integrity and commitment to relationships and emphasise personal and family values over corporate values (La Chapelle & Barnes, 1998; Lyman, 1991; Ward, 2004). Moreover, integrity is thought to be the most important attribute of a potential successor in family firms (Chrisman, Chua, & Sharma, 1998; Sharma & Rao, 2000).

Yet nonfamily executives may perceive a family CEO as being low in integrity if they do not perceive his/her decision processes and outcomes to be fair or just (Barnett & Kellermanns, 2006). Unfavourable treatment or incongruent core values are likely to undermine perceptions of a CEO’s integrity because the CEO does not adhere to principles that nonfamily members find acceptable. Sitkin and Roth (1993) pointed out that perceptions of value incongruence with another person can lead to initial distrust in that person. Lubatkin and colleagues (2005) suggested that “many nonfamily managers have learned, much to their regret, that incentives to promote a family member are powerful and often cause the COs [controlling owners] to violate their promise to promote the dutiful (nonfamily) executive to the chief executive position upon the CO’s retirement” (p. 320). Given that positive perceptions of integrity are influenced by a shared set of values or sound, acceptable principles (Mayer & Davis, 1999), and that family relationships are typically associated with shared values and norms, I hypothesise that:

H7c. A TMT member's perception of the integrity of the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.

Perceptions of overall trustworthiness. While trust may, in some instances, be driven by one main dimension of perceived trustworthiness (Cruz et al., 2010), it is generally accepted in the trust literature that all three dimensions of ability, benevolence, and integrity are necessary for a trustor to be willing to make themselves vulnerable to the trustee (Schoorman et al., 2007). Thus, in light of the previous arguments and hypotheses relating to family executives' perceptions of the CEO's ability, benevolence, and integrity, I propose that:

H7d. A TMT member's perception of the overall trustworthiness of the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.

Trusting intentions. The decision to trust involves the willingness to render oneself vulnerable to another person (Mayer et al., 1995; Rousseau et al., 1998) and it occurs following the assessment of the other party's trustworthiness (see Chapter 2). In their study examining trust in family firms, La Chapelle & Barnes (1998) observed strong us-versus-them dynamics between family and nonfamily executives. Moreover, they found that ingroup members (family) experienced difficulties in trusting outgroup members (nonfamily). They noted: "Many family participants…revealed concerns about their ability to build trust with and successfully integrate nonfamily members into their organizations" (La Chapelle & Barnes, 1998, p. 15). Moreover, Cruz and colleagues (2010) suggested that, because behavioural uncertainty is lower when both the CEO and TMT members are family, they should be more willing to be vulnerable to each other (Cruz et al., 2010). In other words, since they have grown up together, family executives typically have much greater and more accurate information about each other as opposed to nonfamily executives (Litz, 1995); thus, they know what to expect from each other. For these reasons, it is expected that family members will be more willing to be vulnerable to one another and engage in reliance-based behaviours and open disclosure (Gillespie, 2003). For these reasons, I propose the following two hypotheses regarding TMT trusting intentions toward the CEO:

> *H8a.* A TMT member's willingness to rely on the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.
>
> *H8b.* A TMT member's willingness to disclose sensitive information to the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.

Trusting behaviours. The behavioural content of trust, also referred to as a leap of faith, involves the trustor being vulnerable to the trustee (Dietz & den Hartog, 2006). More specifically, it involves the undertaking of a risky action based on the confident expectation that the other person will act competently and dutifully (Deb & Chavali, 2010; Lewis & Weigert, 1985). As discussed in Chapter 2, vulnerability is central to this action because it leaves the trustor open to the possibility of disappointment and/or betrayal (Nienaber et al., 2015). In terms of SIT, a fundamental assumption is that the nature of the membership between parties is the most proximal cause of behaviour. In other words, people choose their actions, in large measure, on the basis of the type of attachment they have with the other person. In line with this reasoning, ingroup members will be more likely to engage in behaviours that make them vulnerable to another when that other person is also an ingroup member. On the other hand, outgroup members will be less likely to be vulnerable to ingroup members and hence refrain from engaging in such risk-taking actions. As set out in hypothesis 1, TMT voice behaviour is an important trust-informed action that requires vulnerability on the part of executives in family firms. Hence, I propose the following hypothesis in relation to TMT voice behaviour:

> *H9.* A TMT member's voice behaviour toward the family CEO will be greater when he/she is a family member, compared to when he/she is a nonfamily member.

Feeling trusted. Feeling trusted, or felt trust, refers to perceptions that another person is willing to accept vulnerability to one's actions (Baer et al., 2015). Employees who feel trusted by their leader perceive that he/she is willing to rely on them, given the risk of opportunism or harm associated with doing so (Baer et al., 2015; Lau et al., 2014; Williams, 2016). Feeling trusted, as discussed in Chapter 2, can increase employees' ability to focus on their core tasks (Mayer & Gavin, 2005). On the other hand, when employees feel that they are not trusted, or feel that they are under scrutiny, they are less able to focus on their tasks and spend time ruminating over this lack of trust (Mayer & Gavin, 2005). Moreover, when a person does not feel trusted, he/she is more likely to interpret ambiguous behaviours as sinister acts (Kramer, 1994). Consistent with SIT, given their capacity as "insiders" with a shared identity, loyalty, and emotional connections, ingroup members are more likely to feel trusted by other ingroup members as opposed to by members of the outgroup.

In their study, Lau and colleagues (2014) assessed "feeling trusted" by asking employees whether their managers were willing to share personal feelings with them and rely on their work-related judgements (Williams [2016] also examined feeling trusted in this way). In the family firm, mutual social obligations create common objectives among family managers. Ward (2004) suggested that family members are more willing to engage in trust-related behaviours with other family members. For example, he suggested that family executives are typically protective of information they view as private or sensitive and will usually refrain from sharing this information with outsiders. This information, Ward suggested, can include such matters as company earnings or employee compensation. However, when leaders do not share such information, they set a precedent of secrecy and disinformation. Given the possibility of opportunistic behaviour, family executives may be less willing to be vulnerable to nonfamily executives (Cruz et al., 2010). This can foster feelings of mistrust among nonfamily executives. For these reasons, I propose the following hypothesis regarding TMT members' feelings of being trusted by the CEO:

> *H10a.* A TMT member's perceptions of being trusted by the family CEO in terms of their work-related judgements will be greater when he/she is a family member, compared to when he/she is a nonfamily member.
>
> *H10b.* A TMT member's perceptions of being trusted by the family CEO in terms of their willingness to disclose sensitive information will be greater when he/she is a family member, compared to when he/she is a nonfamily member.

Generational Differences. The previous set of hypotheses aimed to answer the second research question; whether family and nonfamily TMT members differ in their trust informed beliefs, decisions, and actions. The third research question asks: What effect does family firm generation have on perceptions of CEO trustworthiness? Hence, the final hypothesis is presented next and it seeks to address this question. All hypotheses for this study are presented in Table 4.1 and Table 4.2.

As set out in Section 3.4, a distinct feature of family firms may be the evolution of trust. Research suggests that the interplay of the family and the firm can produce different types and outcomes of trust and trust perceptions across different stages of family and firm development (Chrisman et al., 2007; Karra et al., 2006). In the first generation of the family firm, the family is a common identifying factor which serves as a critical bonding mechanism for members (Sundaramurthy, 2008). At this stage in the family firm lifecycle, family members often work "above and beyond" their prescribed organisational roles. However, as the firm evolves into the second- and third-generation of family membership, familial ties gradually weaken (Steier, 2001; Sundaramurthy, 2008). Drozdow and Carroll (1997) argue that members of later generations may find it difficult to trust and authorise a sibling or cousin in the same way that they imagine trusting their own father or mother. Hence, with regard to leader trustworthiness perceptions, I propose the following hypothesis regarding TMT members' trustworthiness beliefs about family firm leaders:

H11. Positive perceptions of CEO trustworthiness will diminish as the family firm evolves through the first-, second-, and third-generation of family ownership.

Table 4.1: Hypotheses Table 1: Main Model

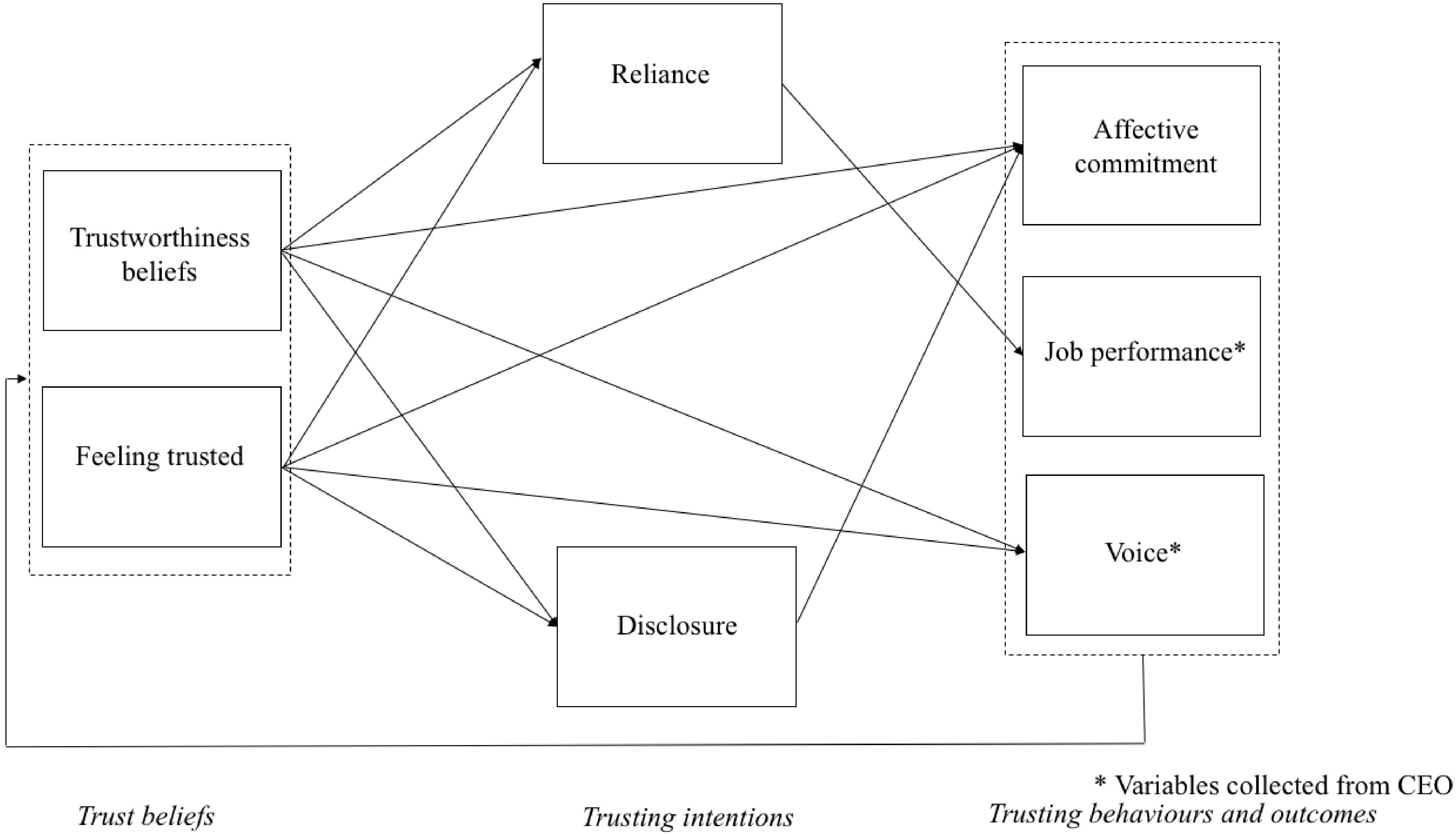
H1.	Perceptions of CEO trustworthiness are positively related to TMT members' voice behaviour.
H2.	Feeling trusted by the CEO is positively related to TMT members' voice behaviour.
H3.	Perceptions of CEO trustworthiness are positively related to TMT members' affective commitment to the family firm.
H4.	Feeling trusted by the CEO is positively related to TMT members' affective commitment to the family firm.
H5a.	Disclosure mediates the positive effect of trustworthiness beliefs on affective commitment.
H5b.	Disclosure mediates the positive effect of feeling trusted on affective commitment.
H6a.	Reliance mediates the positive effect of CEO trustworthiness beliefs on TMT job performance.
H6b.	Reliance mediates the positive effect of feeling trusted on TMT job performance.

Table 4.2: Hypotheses Table 2: Family-Nonfamily and Generational Comparisons

H7a.	A TMT member's perception of the ability of the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.
H7b.	A TMT member's perception of the benevolence of the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.
H7c.	A TMT member's perception of the integrity of the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.
H7d.	A TMT member's perception of the overall trustworthiness of the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.
H8a.	A TMT member's willingness to rely on the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.
H8b.	A TMT member's willingness to disclose sensitive information to the family CEO will be higher when he/she is a family member, compared to when he/she is a nonfamily member.
H9.	A TMT member's voice behaviour toward the family CEO will be greater when he/she is a family member, compared to when he/she is a nonfamily member.
H10a.	A TMT member's perceptions of being trusted by the family CEO in terms of their work-related judgements will be greater when he/she is a family member, compared to when he/she is a nonfamily member.
H10b.	A TMT member's perceptions of being trusted by the family CEO in terms of their willingness to disclose sensitive information will be greater when he/she is a family member, compared to when he/she is a nonfamily member.

H11.	Positive perceptions of CEO trustworthiness will diminish as the family firm evolves through the first-, second-, and third-generation of family ownership.

Figure 4.1 The Research Model



4.8 Conclusion

In this chapter, I presented the research hypotheses and their underlying theoretical arguments. The hypotheses were informed by the organisational trust and family firm literatures. The first set of hypotheses relate to the first research question and examine the impact of trusting and feeling trusted on TMT members' voice behaviour, commitment, and performance in family firms. The research model is a mediation model. The second set of hypotheses seek to understand whether family and nonfamily executives differ in their trust informed beliefs, decisions, and actions. The arguments for these hypotheses draw upon the principles and tenets of social identity theory and self-categorisation theory—two interrelated social psychological theories which together constitute the social identity approach. The final hypothesis addresses the third research question in the study and examines trustworthiness beliefs across generations in family firms. I presented the research model delineating the underlying relationships between the variables in the study in Figure 4.1. Importantly, although not directly measured in this research investigation, I included a feedback loop in Figure 4.1. In this study, TMT members' trust intentions are demonstrated by accepting risk and being vulnerable with respect to their dealings with the CEO. The outcome from doing so then feeds back information which updates the assessment on the CEO's trustworthiness, and so trust's cyclical dynamic continues. The next chapter, Chapter 5, presents the research methodology used to test the proposed theory-driven hypotheses.

Chapter 5

Research Methodology

5.1 Introduction

The previous chapters outlined the background to this study, defined the research problem, reviewed the literature on organisational trust and family firms, and described the theoretical framework and research hypotheses. In this chapter, I present the research methodology used in the study. I begin by providing an outline of the philosophical foundations of the study and a detailed account of its methodological design. I present the research design, including the target population and sampling frame, the survey instruments, pretesting techniques, and the administration procedures utilised. Finally, I present a summary of the variables and scale items utilised.

5.2 Research Philosophy

"All research is based on assumptions about how the world is perceived and how we can best come to understand it" (Uddin & Hamiduzzaman, 2011, p. 658). The social sciences are no different and the exploration of philosophical assumptions in this arena is important, because philosophy has fundamental theoretical and methodological implications (Isaeva, Bachmann, Bristow, & Saunders, 2015). Despite this, there is a widespread tendency among social scientists to avoid examining and questioning their own philosophical assumptions of research (Tsoukas & Chia, 2011). Moreover, recently published work (e.g., Isaeva et al., 2015) suggests that an understanding of the philosophical assumptions of research paradigms is particularly pertinent in the trust field, given that trust is seen as a multidimensional, dynamic construct, which is often tacit and ambiguous (Lewis & Weigert, 1985; Li, 2011; Mayer et al., 1995).

A research paradigm connotes a loose collection of logically related assumptions, concepts, or propositions that orient thinking and research. It broadly consists of four attributes: (1) A conception of reality through philosophical ideas about how reality is constructed; (2) a conception of science, the knowledge gained through education, giving the concepts or beliefs about the objects studied; (3) a scientific ideal, expressions of what the research aims to achieve; and (4) an ethical/aesthetical basis to the researcher's claim to what is morally acceptable/suitable and what is unacceptable or unsuitable (Arbnor & Bjerke, 2008). Guba (1990) suggests that a research paradigm can be categorised based on how the researcher responds to three basic questions relating to ontology, epistemology, and methodology (see Table 5.1).

Table 5.1: Ontological, Epistemological, and Methodological Questions

Ontological	What is the nature of the 'knowledge'?
Epistemological	What is the nature of the relationship between the knower (the inquirer) and the known (or knowable)?
Methodological	How should the inquirer go about finding out knowledge?

Source: Guba, 1990

The dominant epistemological approach in the social sciences is positivism (Isaeva et al., 2015; Üsdiken, 2010). Positivism is based on a naïve realist ontology that assumes an objective reality exists which is independent of human behaviour; in other words, social reality is not a creation of the human mind. The term positivism was first introduced in the 19th century by French philosopher August Comte, who suggested that all real knowledge should be derived from human observation of objective reality. Smith (1998) provides a useful insight into positivist thinking within the social sciences, describing the positivist approach as assuming that things can be studied as hard facts and the relationship between these facts can be established as scientific laws. The world and the universe are considered to be deterministic, in that they operate by laws of cause-and-effect that are discernible through scientific method. Smith (1998) argues that such laws have the status of truth and social objects can be studied in much the same way as natural objects. This epistemological approach involves the accumulation of data that are objective, discernible and measurable and its aim is to cleanse scientific knowledge of speculative and subjective viewpoints. It attempts to do this with the use of mathematics and formal logic to provide analytical statements regarding the observed world using the process of induction as a means of establishing generalisations and laws (Abbott, 1990). The methodology employed in positivist research typically involves the collection of quantitative data to verify hypotheses.

As the dominant philosophy in the social sciences, positivism has attracted sustained critique from proponents of alternative perspectives. Critics of the positivist approach argue that it does not provide the means to examine human beings and their behaviours in an in-depth manner (Bronowski, 1956; Popper, 1959). These opponents argue that humans are "not objects…[and] are subject to many influences on behaviour, feelings, perceptions, and attitudes" that positivists reject as irrelevant (Crossan, 2003, p. 51). Hence, critics contend that the positivist approach yields useful but limited data that offer a superficial view of the phenomenon it investigates. In response to these limitations, a new philosophy emerged; post-positivism (Popper, 1959). Post-positivism offers an alternative to the traditions and foundations of positivism for conducting disciplined inquiry. It views reality as "multiple, subjective and mentally constructed by individuals" (Crossan, 2003, p. 54). Hence, the post-positivism approach typically explores in-depth phenomena using a qualitative research methodology. This includes interviews or diary studies to generate broad themes to understand phenomena and usually provides research participants with opportunities for unique personalised responses. In order to select the most appropriate methodological design for this study, I considered the purpose of the research enquiry, as outlined by the questions guiding the study (Edmondson & McManus, 2007). The next section outlines the purpose of enquiry for this study.

5.3 Purpose of Enquiry

As outlined in Chapter 1, this research seeks to examine interpersonal trust, and its antecedents and consequences within the TMT of family firms. More specifically, this study seeks to address the following three research questions:

1. How does trusting, and feeling trusted by the CEO, impact on TMT members' voice behaviour, commitment, and performance in family firms?
2. How does trust operate between family and nonfamily TMT members in family firms?
3. What effect does family firm generation have on perceptions of CEO trustworthiness?

Traditionally the positivist approach suggests that researchers can study only that which is observable; yet, there has been widespread acceptance in recent years of inference as a way of making inner-psychological processes observable. For example, organisational scholars typically use multi-item survey scales to observe the individual attitudes and perceptions of participants. Statistical techniques are then utilised to create latent variables from the observed item responses on each scale. This general acceptance has enabled organisational psychologists to study variables of interest, while maintaining a positivist approach. In organisational trust research, the positivist approach is the dominant paradigm used by researchers (Isaeva et al., 2015). Yet, while early trust research predominately relied on a strict positivist experimental method (e.g. Axelrod, 1984), most recent research examining trust in organisations uses observational field-based methods such as questionnaires (Mantere & Ketokivi, 2013). The use of qualitative research in the trust literature is limited in comparison to quantitative studies. Despite this, qualitative research in the trust field has lent itself to in-depth investigations using smaller samples of participants and has been effective in supplementing and guiding quantitative studies (e.g. Colquitt, LePine, Zapata, & Wild, 2011; Gillespie, 2003).

This study proposes a series of theory-driven hypotheses (see Chapter 4) relating to the nature of the trust process in a family firm context. Hence, the design of this research has been guided by the ontological, epistemological and methodological principles of a positivist philosophy. The remainder of this chapter discusses the methodological design of the study.

5.4 Target Population

The target population for this study was TMT members and CEOs of family firms. This population was chosen for three main reasons. First, the influence of family involvement on trust is likely to be reflected in the group dynamics of the firm's key decision-makers; hence, the top management team was selected for examination. Moreover, by narrowing the perimeters of the study to TMT–CEO relationships, important information could be obtained on interpersonal trust dynamics. Research examining CEO-TMT relations in family firms is "almost nonexistent" (Cruz et al., 2010, p. 70). Theoretically, the family firm TMT–CEO relationship provides a uniquely rich setting to study interpersonal trust. The interdependence of membership groups in family firms (as family, as owners, and as managers) provides a complex environment in which members are highly vulnerable to one another (Tagiuri & Davis, 1996). For example, a CEO father and his executive-owner son are both members of the family group, are both members of the ownership group and are both members of the management group. The significant overlap of these membership groups means that any decision or action taken as a member of one group (e.g., the ownership group) can have substantial consequences for another (e.g., the family group). Because a breach of trust in this instance would cause severe difficulty both professionally and personally, the perceived risk associated with such a loss creates a strong incentive to build and sustain trust in this context.

Second, family firm research often neglects considerations of the nonfamily employee (Barnett & Kellermanns, 2006). Holt, Madison, and Kellermanns stress that the field must move beyond the examination of "shared and varied assessments among family members" and instead explore "family-nonfamily relationships within family firms" (2017, p. 75). These researchers propose the top management team, where there is both family and nonfamily involvement, as a suitable setting in which to examine such relationships. Furthermore, given that nonfamily executives are part of the management group, but are not part of the family group, nonfamily members face a complex and uncertain working environment. In the family firm, strong ingroup-outgroup dynamics typically exist (Barnett & Kellermanns, 2006; Carmon et al., 2010; Eddleston & Kidwell, 2012; Marler & Stanley, 2018). Family firm ingroups are usually based on familial relations, because these relationships are formed prior to employment in the firm, while nonfamily members are typically perceived as outgroup members (Carmon et al., 2010; Eddleston & Kidwell, 2012). Recent family firm research suggests that family-nonfamily affiliations influence interpersonal perceptions, behaviours, and interactions (Barnett & Kellermanns, 2006; Marler & Stanley, 2018); thus, the top management team, where there is family and nonfamily involvement, is a setting in which trust is likely to be especially important and meaningful.

Third, the CEO was selected to assess and report on the job performance and the voice behaviour of TMT members. The CEO holds a unique position because of his/her close proximity to the TMT, as well as the firm-specific knowledge associated with the CEO position. Moreover, the use of observer report data helps to prevent common-method bias (Podsakoff, MacKenzie, & Podsakoff, 2012) (see also Section 5.6). Hence, the use of observer report data is strongly encouraged in organisational trust research (e.g., Baer et al., in press; Baer et al., 2015; Mayer & Gavin, 2005). For these reasons TMT members and CEOs of family firms were considered to be the most appropriate target population for this study.

5.5 Sampling Frame

Obtaining a reliable sampling frame of family firms presents serious challenges for researchers. Because the majority of family firms worldwide are privately held with no legal obligation to disclose information, established databases are seldom available (Bettinelli, 2011; Sharma, Chrisman, & Chua, 2003). In Ireland, a national database of family firms does not exist; thus, I compiled a database of firms, CEOs and their contact details using a combination of sources. I created an initial sample using the database of the Centre for Family Business, which is affiliated with Dublin City University. This mailing list comprised 1,905 contacts; however, because CEOs were the initial point of contact for this research (required to gain permission and support for organisational participation), I removed all other contacts. After removing duplicates (numerous members of the same organisation), service firms, students, and any contact with a title other than “CEO” or “Managing Director,” a database of 391 contacts remained.

To avoid sample selection bias (i.e., the presence of significant associations between the characteristics of organisations [Tomaskovic-Devey, Leiter, & Thompson, 1994]), I added to this database. It is unlikely that individuals would differ in their trust-influenced perceptions and behaviours simply because of their membership in an association; after all, membership in the aforementioned family business centre is free and non-members can easily become members simply by filling in an online form. Nevertheless, sample selection bias cannot be completely ruled out; therefore, I added to the database by searching newspapers and websites for articles about family businesses (208), as well as through LinkedIn searches (50) and utilising personal contacts (35). I used data from the Companies Registration Office[3] and Bureau van Dijk's Fame database to confirm ownership structures and CEO information in these firms. This precaution improved the representativeness of the sample (see Section 6.4 for sample representativeness tests).

I employed a mixed-mode strategy to minimise coverage error. Research indicates that including a prenotice postal contact can be effective in increasing response rates for web-based surveys (Dillman, 2000; Dillman, Smyth, & Christian, 2014). Consequently, I required two types of contact details for potential respondents; CEO postal and e-mail addresses. This information was listed for approximately one-third of contacts; therefore, I made pre-contact by way of a telephone call to a receptionist or assistant to confirm contact details in cases where this information was unknown and/or incomplete. These calls also served to confirm the accuracy of existing data (e.g., the identity of the CEO). This approach yielded a sampling frame of 684 firms, which was then reduced to 611 following the removal of firms with "undeliverable addresses" (31), responses of "not a family business" (15), and/or expressions of disinterest (27). After initial and follow-up contact, 161 completed CEO surveys were returned, representing a CEO response rate of 26.4% (see Table 5.2). This is substantially above the response rate of 10–12% typically achieved in studies targeting executives in the upper echelons (Geletkanycz, 1997) and that attained in similar studies targeting executives in family firms (e.g., a response rate of 12% was obtained by Allen et al., 2018, and a response rate of 11% was obtained by Cruz et al., 2010). In addition, this

[3] The Companies Registration Office is the central repository of public statutory information on Irish companies and business names.

response rate is consistent with other studies targeting organisations for survey research in Ireland. For instance, in their study of Irish health service organisations, Conway and Monks achieved a response rate of 20% and concluded that this rate “appears in line with that being achieved in many similar studies, particularly in Ireland where the relatively small number of organizations in existence means that there are particular pressures on survey research” (2008, p. 76).

Table 5.2: Summary of Surveys Sent and Returned

Source[a]	CEO Sent (Online & Postal)	CEO Returned (Online)[b]	CEO Returned (Postal)[b]	Total CEO Responses	TMT Family Returned (Online)	TMT Family Returned (Postal)	Total TMT Family Responses	TMT Nonfamily Returned (Online)	TMT Nonfamily Returned (Postal)	Total TMT Nonfamily Responses	Total TMT Family & Nonfamily Responses
CFB	391	66	21	87	55	3	58	81	1	82	140
Media	208	25	7	32	21	0	21	30	1	31	52
LinkedIn	50	27	0	27	16	0	16	18	0	18	34
Personal	35	15	0	15	9	1	10	8	1	9	19
Total	**684**	**133**	**28**	**161**	**101**	**4**	**105**	**137**	**3**	**140**	**245**

a CFB: Centre for Family Business at Dublin City University
Media: Web searches, newspapers, advertisements
LinkedIn: Searches through LinkedIn
Personal: Family businesses known to me
b Includes “undeliverable addresses” (31), responses of “not a family business” (15), and/or expressions of disinterest (27)

CEOs nominated 308 TMT members to complete the second survey. Following the removal of those who expressed disinterest (6), 302 respondents remained. Initial and follow-up contact led to 245 completed TMT surveys (105 from family TMT members and 140 from nonfamily TMT members), representing a TMT response rate of 81.1% (see Table 5.2). However, in order to be included in the final dataset a completed survey is required from the CEO, a family TMT member, and a nonfamily TMT member from the same family firm. Obtaining responses from multiple informants within the same firm, specifically both family and nonfamily managers, enables the testing of convergence or divergence in individual perceptions; an approach which may help to explain the nuances of the family firm (Holt et al., 2017). This method reduced the sample size to 79 matched organisational triads for an overall response rate of 12.9%. This response rate is considered respectable given the highly sensitive nature of the topic and the difficulty encountered by earlier researchers seeking to empirically investigate trust dynamics in family firms.

In her study of trust in family firms, Raskas noted: "It became apparent in speaking to a number of family business owners that resistance to having to complete the scale several times for each of the members of the group, would be considerable, once again due to the delicate and intrusive nature of the questions" (1998, p. 68). She continued that "such resistance was likely to be especially high in the family business setting where family members would be assessing dimensions of trust for their fellow family members" (Raskas, 1998, p. 68). For these reasons Raskas utilised single respondent data to explore trust in a higher level unit (the top management group) in the family firm. More specifically, rather than examining individual perceptions of trust-related dimensions, Raskas adopted a referent-consensus model whereby respondents were asked to indicate the extent to which they agreed or disagreed with statements relating to the group. For example, "Members of the group trust each other" (Raskas, 1998, p. 73). Given that trust is often defined as a psychological state, many scholars argue that trust is most accurately assessed at the individual level. For example, Dietz and den Hartog (2006) contend that it is unclear whether respondents are sufficiently informed and experienced to accurately make complex judgements regarding trust on behalf of others in a group. Similarly, McEvily and Tortoriello raise questions about "the ability of respondents to report accurately on behalf of a counterpart in a relationship or on behalf of others' view of the counterpart" (2011, p. 56). The current study collects data from three respondents in each family firm: the CEO, a family and a nonfamily TMT member, and investigates trust dynamics at the individual level of analysis.

The use of such a multi-informant method is rare in family firm research (Holt et al., 2017) and to date just one other study in the field has collected matched triadic data. Madison, Kellermanns, and Munyon (2017) gathered data from CEOs, family employees, and nonfamily employees in 77 family firms to empirically examine the distinct and combined influences of agency and stewardship theories. Of the employee responses, 43 (28%) respondents held positions of director or above, while 111 (72%) held positions of manager or below. The study obtained a response rate of 3.8% (see Madison, 2014). Similar to Madison and colleagues (2017), this research also collects triadic survey data. However, this study goes one step further to include only those family and nonfamily members that are part of the family firm TMT. Hence, in the current study, of the employee responses, 158 (100%) respondents held positions of senior manager or above, with the vast majority indicating director status. Moreover, as discussed in the preceding paragraphs, the overall response rate of 12.9% for this study exceeds that achieved in similar studies in the family firm field.

5.6 Survey Instruments

Common-method bias (i.e., variance that is attributable to the measurement method rather than to the constructs the measures represent) is a major concern in behavioural research (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Observed relationships between variables may be artificially inflated when the same instrument is used to measure them, especially when the measures are assessed by the same participant (Podsakoff et al., 2012). In an effort to minimise concerns of common-method bias in this study, I collected data from different sources. Data on perceived trustworthiness, feeling trusted, trust intentions (reliance and disclosure), and affective commitment were assessed by TMT members. CEOs provided observer report data, assessing TMT members' trust-related behaviours and job performance. All firm-level data (e.g., generation, firm size, age, industry) were collected from the CEO and cross-checked using Bureau van Dijk's Fame database. Additional details regarding the variables and scale items used in this study can be found in the Measures section (see Section 5.9). As such, two surveys were developed: one for the CEO and a second for TMT members. Following TMT recruitment procedures recommended by Pitcher and Smith (2001), I asked CEOs to nominate two participants from their firm—a family and a nonfamily TMT member—to also partake in the study (see Appendix A). In line with previous research examining CEO–TMT relationships (e.g., Carmeli, Schaubroeck, & Tishler, 2011), I emphasised that nominees should be "direct reports" to the CEO and actively involved in strategic decision-making at the firm.

In organisational research, it is essential that the designated respondent receives, and subsequently responds to the survey request. If the survey or portions of it are delegated to others in the organisation to fill out, responses can be biased or inaccurate (Tomaskovic-Devey et al., 1994). In this study, the target population of TMT members and CEOs of family firms was carefully chosen for important reasons (see Section 5.4). It was therefore essential that the surveys were completed by these designated respondents. I took several precautions to ensure this. First, all correspondences emphasised the nature of the respondent-type required for each of the two surveys. For example, invitation e-mails and cover letters contained a section titled "Who should complete this survey?" with the appropriate respondent type listed. This information was also detailed in a plain language statement at the beginning of each survey (see Appendix B). Second, prior to completing the CEO survey, respondents were required to complete an "eligibility check" to verify their position as the CEO or co-CEO. Finally, because contact details for TMT nominees were provided by the CEO in the Nomination Form (see Appendix A), I could independently verify each respondent's position in the firm (e.g., through the company website or LinkedIn searches). TMT members were also required to indicate their family membership status and relationship to the CEO in their survey. I undertook an additional check of this data through manual surname matching.

Following survey pretesting, I decided to use a tailored mixed-distribution approach (Dillman, 2000) (see Section 5.7). I collected the majority of responses online (84% of CEO responses (n = 66) and 96% of TMT responses (n = 151)) and obtained the remainder using hard-copy surveys. I used the web-based survey platform Qualtrics to collect online responses. This software automatically registered the date and time each participant started and completed the survey. It also allowed respondents to log in multiple times and to resume the survey session from the point where they had stopped.

5.7 Pretesting Survey Instruments

Many studies fail to achieve their objectives because surveyors either do not conduct survey pretesting or they limit it to close colleagues (Dillman et al., 2014). For this study, I conducted an in-depth pretest of the surveys and procedures with nine members of the survey population: three CEOs and six TMT members (three family and three nonfamily TMT members) of family firms in Ireland. To assess the face validity of the survey questions, participants were sent a link to the web-based survey and asked to identify any questions that were unclear, difficult to answer or potentially subject to bias. I then conducted face-to-face interviews with participants to confirm that questions were interpreted as expected, to identify improvements to the format and to ensure surveys could be completed within the expected time frame. To help prevent response bias, the wording of certain items in the surveys were reversed in their original scales. Thus, these questions were given special attention during this stage of pretesting. All survey items were obtained from previously validated scales; therefore, minimal edits were required.

During pretesting, the pretest participants suggested that some potential respondents may be infrequent users, or even nonusers, of e-mail. It was thought that this might be especially applicable to members of the senior generation in family firms. Family CEOs hold their position for three to five times longer, on average, than CEOs of nonfamily firms (Lansberg, 1999; Ward, 2004). The ownership and status associated with family leadership often affords them the power to remain in their jobs for longer periods. These executives may also have an incentive to hold office until the next generation are ready to take over (Le Breton-Miller & Miller, 2006). For this reason, I decided to also distribute hard-copy surveys through a postal mailing. Hence, responses were collected using both web-based and hard-copy surveys. Mixed-mode designs have been found to enhance response rates and reduce nonresponse error (Dillman et al., 2014). Mixed-mode designs improve response rates because, by giving respondents a choice of response mode, researchers can increase their involvement in the interaction and it becomes more difficult for potential respondents to refuse participation (Tomaskovic-Devey et al., 1994). Moreover, mixed-mode designs can expand coverage when a single mode cannot adequately cover the population of interest, or when contact information is not available to enable the desired mode of data collection (Dillman et al., 2014). This was particularly beneficial in this study because, as detailed in Section 5.5, direct e-mail addresses were not accessible for a portion of the sampling frame.

Despite its benefits, employing a mixed-mode survey design presented additional complexities and challenges compared to those associated with a single-mode survey. For instance, it was crucial that a unified visual design was achieved across the web-based and hard-copy surveys. I paid careful attention to ensuring standardised formatting for questions and common scale end points were used. Because even a slight variation in formatting would have produced different results across modes, I enlisted an expert panel of two professors and three postgraduate students to provide feedback on the surveys' alignment. I also worked with a graphic designer to produce a unified visual format across modes and ensure a professional appearance for all communications regarding the study. These considerations have also been shown to develop a survey appeal that will motivate response (Dillman et al., 2014).

I received ethical approval for this research from Dublin City University Research Ethics Committee in March 2017. The study was certified as a low-risk social research project in compliance with the university's ethical standards (see Appendix C). In terms of confidentiality, all firm and individual respondent names were removed from the data collection instruments. Online surveys were disseminated using unique URLs and hard-copy surveys contained unique identification codes. These identifiers corresponded to an encrypted data file which contained contact details for each respondent. This encrypted data file was stored separately from survey responses. Prior to participation in the study, all participants were provided with the following information: (1) a brief description about the research and its procedures, (2) contact details for me (as the researcher) and my supervisor, (3) a declaration that participation is voluntary and respondents have the right to withdraw from the study at any time and without penalty, (4) an assurance of confidentiality, and (5) contact details for the Dublin City University Research Ethics Committee Officer, should the participant have concerns about the study and wish to contact an independent person (see Appendix B and Appendix G). These confidentiality and data-protection procedures are in line with the highest standards of research integrity (DCU Research Support Office, 2017).

5.8 Survey Administration Procedures

I used the tailored design approach, guided by social-exchange norms, to enhance response rates and obtain high-quality data (Dillman et al., 2014). Tailored design refers to the customisation of survey procedures to a specific situation based upon the topic, respondent type, resources and time-frame available. Consistent with the tailored design approach, design efforts were guided by social-exchange principles (Blau, 1964), which postulate that individuals are more likely to comply with requests from another party if they believe and trust that the benefits accrued from complying with that request will eventually exceed the costs. These survey procedures assist in reducing sampling, coverage, measurement, and nonresponse errors. The use of multiple modes to communicate with potential participants increases the opportunities to present the survey request and reasons for responding to it, thus maximising response rates, improving coverage, and minimising nonresponse error (Dillman et al., 2014).

I sent a formal prenotice letter to family firm CEOs using the Irish postal service in May 2017. This letter was endorsed and signed by Dr. Eric Clinton, Director of the Centre for Family Business, which is affiliated with Dublin City University (see Appendix D). The aim of the prenotice letter was not to provide the conditions or details of participation, but rather to build interest and anticipation in the study and convince respondents of its importance. I personalised the letters (using individual and company names, dates, addresses and real signatures) and printed them on Centre for Family Business letterhead to enhance credibility (Dillman et al., 2014). The letter did not request an immediate response, but specified that an e-mail would follow in the coming days containing a URL to an important survey. I stapled a modest incentive to each letter (a branded tea bag from a well-known Irish family business) and invited participants to "enjoy a cup of tea" as they completed their survey. In a recent review of the literature on incentives in surveys, Singer and Ye (2013) found that incentives increase response rates to surveys in all modes and reduce the potential for nonresponse error. Providing this small "token of appreciation" in advance of survey completion served two important functions: First, it introduced social-exchange norms, encouraging sample members to reciprocate the goodwill gesture by completing the survey. Second, it provided a novel, unexpected reward, increasing the likelihood of sample members reading and considering the survey request rather than simply discarding it.

One week after I posted the prenotice letters (see Table 5.3 for distribution timeline), I sent an e-mail invitation to CEOs containing an embedded URL to the CEO survey (see Appendix E). Each URL was unique to the recipient, allowing me to track responses. The e-mail reiterated the salience of the survey and outlined the benefits of participation: participating firms would receive a report of the study's findings as well as an invitation to a workshop[4] where the results would be discussed. I outlined the requirement for the involvement of the CEO and his/her senior team; CEOs were required to complete one survey and, as part of this survey, identify and nominate a family and a nonfamily member of the TMT—characterised as those individuals regularly involved in strategic decision-making at the firm—to complete a second survey. The online survey platform Qualtrics allowed for the use of "piped text" whereby, following the inputting of the nominated TMT members'

[4] A workshop based on the study's results will be held for participants in 2018, in partnership with Dublin City University Centre for Family Business.

details by the CEO at the beginning of the survey, the remainder of the survey was customised to refer to these specific individuals. This feature was useful in ensuring accuracy of responses when referring to multiple team members.

Table 5.3: Timeline of Distribution (CEOs)

- **Day 1: Prenotice letter -** I posted a prenotice letter (see Appendix D) to CEOs. It noted that an e-mail would follow in the coming days containing a URL to an important web-based survey and that their participation would be appreciated. A small incentive was included with this request.
- **Day 7: E-mail with survey URL -** I sent the first e-mail (see Appendix E), which built upon the information contained in the prenotice letter, to the CEOs. This e-mail contained a unique URL to the web-based CEO survey.
- **Day 14: Reminder e-mail -** I sent a reminder e-mail request to nonrespondents.
- **Day 28: Letter with survey -** I posted a cover letter, hard-copy survey, and pre-addressed stamped envelope to CEOs who had not yet responded. The letter indicated that I had not yet received the recipient's completed survey and urged participation.
- **Day 35: Telephone call -** I made a final follow-up call requesting participation via telephone.

I requested that CEOs send a memo to nominated managers, indicating support for the study and encouraging participation. CEOs were required to provide contact details for nominees so that I could correspond directly with TMT members. This procedure allowed nominated respondents to return their completed surveys with the assurance that their responses would not be seen by the CEO. This was important given the highly sensitive nature of the survey questions. I provided my contact details and encouraged participants to make contact if they had queries or concerns. I sent a reminder e-mail to nonrespondent CEOs one week after the first e-mail contact. In some instances, the CEO's e-mail address was unknown, or the receptionist or assistant provided a general company e-mail address at the precontact stage (see Section 5.5). In such cases, I used LinkedIn as a tool for contacting potential participants. Through LinkedIn's InMail feature, I sent CEOs a brief message asking for their participation in an important family business study and, if interested, requested that they respond with their e-mail address (see Appendix F). I then sent additional details regarding the study (including an electronic copy of the personalised prenotice letter), as well as the web-based survey URL directly to the CEO's e-mail.

In line with the mixed-mode approach, I also assembled survey packets to optimise response rates. I posted these packets to nonrespondents two weeks after the second e-mail reminder. In this postal mailing I expressed appreciation for those who had already completed the survey and indicated that if the recipient had not yet responded, a hard-copy of the CEO survey was enclosed. Each packet included the following materials: (a) a personalised cover letter outlining the survey process (again using individual and company names, dates, addresses and real signatures) printed on Centre for Family Business letterhead; (b) a hard-copy of the CEO survey, professionally designed by a graphic designer and colour printed using high-quality gloss pages and booklet formatting for ease of completion; and (c) a preaddressed, stamped envelope for returning the survey directly to me.

The survey booklet consisted of ten pages. The first page of the survey booklet contained a plain language statement, comprising clear instructions for completion and a statement of confidentiality (see Appendix B). The second page contained a Nomination Form, whereby the CEO was asked to provide the details (name, e-mail address and position) for two TMT participants to also partake in the study (see Appendix A). Each survey was numbered with a unique identification code. One week after sending the survey packets, I made a final contact to nonrespondents by telephone. I recorded all notes and detailed instructions relating to this process on a master file to keep track of each contact with respondents. For example, if a CEO was in a meeting or out-of-office, I noted details regarding appropriate alternative days and times for follow-ups.

Upon receiving a completed CEO survey, I sent an e-mail invitation to the nominated TMT members requesting participation in the survey (see Table 5.4 for distribution timelines). This e-mail outlined the nature of the study, indicated the CEO's support for the project and assured confidentiality. Importantly, I included the full name of the CEO who had nominated the TMT member and indicated that participants should refer to this named individual in the leadership section of the survey. This was required to ensure accuracy of responses in firms with co-CEOs (6% of participating firms). I numbered surveys alike for each organisation in order to match TMT and CEO responses from the same firm. Because I sent all survey invitations directly, confidentiality concerns were reduced and respondents' roles in the firm could be verified (i.e., a member of the TMT). Again, a reminder e-mail was sent to nominated managers one week later, followed by a survey packet (containing a hard-copy of the TMT survey, a personalised cover letter and a postage-paid return envelope).

The TMT survey booklet consisted of eight pages. Similar to the CEO survey, the first page of the TMT survey booklet contained a plain language statement, comprising clear instructions for completion and a statement of confidentiality (see Appendix G). Finally, I made a follow-up telephone call to individuals who had not responded within two weeks of the survey packets being posted. TMT members received up to five contacts: one from the CEO to legitimise the firm's involvement, a contact with the link to the web-based survey, an e-mail reminder, a contact by post containing a hard-copy of the survey, and a final reminder by telephone. Survey responses were not collected by telephone, but this medium served an important role in helping to achieve a high response rate in this research.

Table 5.4: Timeline of Distribution (TMT Members)

- **Day 1: E-mail with survey URL -** I sent an e-mail to TMT members detailing the purpose of the survey, the voluntary nature of participation and assurance of confidentiality. The e-mail stated the CEO's permission and support for the study. This e-mail contained a unique URL to the web-based TMT survey.
- **Day 7: Reminder e-mail -** I sent a reminder e-mail request to nonrespondents (see Appendix H).
- **Day 14: Letter with survey -** I posted a cover letter, hard-copy survey, and pre-addressed stamped envelope to TMT members who had not yet responded. This allowed participants to return the completed survey directly to me. The letter indicated that I had not yet received the recipient's completed survey and urged participation.
- **Day 28: Telephone call -** I made a final follow-up call requesting participation via telephone.

Despite the highly sensitive nature of the surveys, I attribute the high response rates (26.4% for CEOs and 81.1% for TMT members) to the carefully devised mixed-mode survey design utilised. According to Dillman and colleagues, mixed-mode designs provide "an important and perhaps unprecedented opportunity" in survey research (2014, p. 47). However, due to the considerable complexities associated with their design and implementation, such approaches are rarely utilised. This study employed a mixed-mode design in both the recruitment and data-collection phases of the study to appeal to different types of sample members, thereby enhancing survey response and reducing the potential for nonresponse error.

The mixed-mode approach assisted with CEO recruitment: As set out in the previous paragraphs, I used two different contact procedures depending on the contact information available for each potential respondent. CEOs whose postal and direct e-mail addresses were known received a prenotice letter in the post with an enclosed incentive, followed by an e-mail containing a URL to the online survey. The mixed-mode procedure allowed for the incentive to be delivered, offered a reward for participation and promoted trust, which would not have been possible using a web-based single-mode survey design. CEOs whose postal and/or direct e-mail addresses were unavailable were contacted using a different medium. For these members, gatekeepers made direct access difficult; often in organisations, the individual who opens executive post and/or e-mails screens requests for survey participation. To overcome this challenge, I used LinkedIn—specifically its InMail feature—to contact CEOs directly, thus bypassing gatekeepers. Through InMail, I sent CEOs a brief message requesting their participation in an important family business study and, if they were interested, asked that they respond with their e-mail address where I could send additional details.

As a medium for data collection, specifically data of a sensitive nature, LinkedIn was particularly effective because it offered trust-inducing elements. It was important that participants had confidence that their responses would remain confidential, thus establishing trust was critical. Other than participants from the Centre for Family Business database, none of the other sample members knew of or had previously met me. Through LinkedIn, CEOs were able to click on my profile to confirm my position as a PhD scholar, view shared connections, read endorsements, etc. This provided a signal to potential respondents that the survey request was legitimate and could be trusted, increasing the likelihood of a response. Conversely, it also provided an opportunity for me to confirm the participant’s position (i.e., as CEO) and company so that I could track responses.

The mixed-mode approach provided an alternative response mode for participants. As outlined in Section 5.7, feedback from the pretesting phase indicated that some potential participants may be inaccessible through one mode but accessible through another; thus, it was decided that responses would be collected using both web-based and postal surveys. This approach proved especially effective as the second mode provided a different stimulus for respondents (Dillman et al., 2014). For instance, some sample members responded to the web-based survey only after receiving the hard-copy survey. This was likely the case for two reasons: First, the hard-copy survey acted as a gentle reminder for participants to respond to the survey. Second, the hard-copy survey allowed respondents to preview the survey questions, which can make responding easier than an online survey which unfolds one question at a time. Because it provided an alternative response mode for participants, the mixed-mode approach assisted in improving response rates and reducing nonresponse error.

5.9 Measures

This section outlines the operationalisation of the variables in the research model. The dependent variables are described first, followed by the independent, mediator, and control variables. The respondent type for each variable is also outlined (for example, the CEO or TMT members). Previously validated, multi-item scales were utilised to measure all variables in this study. A summary of the variables, measures, and data sources is provided in Table 5.5.

Table 5.5: Summary of Variables, Measures, and Data Sources

Variable	Measure	Data Source
Dependent Variables:		
Trusting behaviours (voice)	6-item scale Van Dyne & LePine (1998)	CEO (with reference to TMT)
Affective commitment	5-item scale (adapted) Allen & Meyer, 1990	TMT
Job performance	4-item scale MacKenzie, Podsakoff, & Fetter (1991)	CEO (with reference to TMT)
Independent Variables:		
Trustworthiness beliefs	17-item scale Mayer & Davis, 1999	TMT (with reference to CEO)
Feeling trusted	10-item scale (adapted) Gillespie, 2003	TMT (with reference to CEO)
Mediators:		
Trusting intentions (reliance and disclosure)	10-item scale Gillespie, 2003	TMT (with reference to CEO)
Controls:		
Propensity to trust	4-item scale Frazier, Johnson, & Fainshmidt, 2013	TMT

Dependent Variables

The use of observer report data helps to prevent common-method bias (Podsakoff et al., 2012). Hence, CEOs rated TMT members on two outcome variables—trusting behaviours (measured through voice behaviour) and job performance. CEOs were instructed to answer the first set of questions in relation to the first TMT member, followed by the second set of questions in relation to the second TMT member. The “piped text” feature in Qualtrics customised the online survey questions to refer specifically to each individual. Both of these outcome variables are discussed next.

Trusting behaviours. I measured voice as a form of trusting behaviour. I used a six-item employee voice scale, developed and validated by Van Dyne and LePine (1998), to measure challenging–promotive voice behaviour. CEOs indicated how frequently each statement fitted the focal TMTs' behaviour using a Likert Scale (e.g., 1 = *strongly disagree,* 5 = *strongly agree*) to rate their responses. Items include: (1) This person develops and makes recommendations concerning issues that affect this organisation; (2) This person speaks up and encourages others in this organisation to get involved in issues that affect the organisation; (3) This person communicates his/her opinions about work issues to others in this organisation even if his/her opinion is different and others in the organisation disagree with him/her; (4) This person keeps well informed about issues where his/her opinion might be useful to this organisation; (5) This person gets involved in issues that affect the quality of work life in this organisation; and (6) This person speaks up in this organisation with ideas for new projects or changes in procedures. The Cronbach alpha coefficient was .86.

Job performance. CEOs assessed TMT job performance using a four-item scale adapted from MacKenzie, Podsakoff, and Fetter (1991) and used in prior work to assess managerial performance (see Baer et al., 2015). I asked CEOs to indicate on a Likert Scale (e.g., 1 = *strongly disagree,* 5 = *strongly agree*) the extent to which they agreed or disagreed with four statements about each manager. Items included: (1) All things considered, they are outstanding at their job; (2) Compared to their peers, they are an excellent worker; (3) They are one of the best at what they do; and (4) They are very good at their daily job activities. Baer and colleagues (2015) reported a Cronbach alpha coefficient of .90 for this measure in their study. In the current study the Cronbach alpha coefficient was .89.

TMT members self-reported on one outcome variable: affective commitment. This measure is outlined next.

Affective commitment. I assessed TMT members' affective organisational commitment using Allen and Meyer's (1990) scale, which was re-validated and refined by Meyer, Allen, and Smith (1993). The original scale was created with six items—however, I adapted the scale to the family firm context by dropping the item "I do not feel like 'part of the family' at my organization" since the word "family" has a specific meaning in my setting and goes beyond the metaphoric reference to the company. Therefore, the final scale for affective commitment contained five items. TMT members indicated on a Likert Scale (e.g., 1 = *strongly disagree,* 5 = *strongly agree*) the extent to which they agreed with five statements. Items included: (1) This organisation has a great deal of personal meaning for me; (2) I really feel as if this organisation's problems are my own; (3) I would be very happy to spend the rest of my career with this organisation; (4) I do not feel "emotionally attached" to this organisation; and (5) I do not feel a strong sense of belonging to my organisation. According to Allen and Meyer (1990), the affective commitment scale has good internal consistency, with a Cronbach alpha coefficient reported of .87. In the current study, the Cronbach alpha coefficient was .70.

Independent Variables

TMT members reported on two predictor variables: perceived CEO trustworthiness and feelings of being trusted by the CEO. Perceived trustworthiness involves TMT members' perceptions of CEO ability, benevolence, and integrity. Feeling trusted consists of felt reliance and felt disclosure. Each of these variables is discussed next.

Trustworthiness beliefs. I measured perceptions of CEO trustworthiness using a 17-item scale developed by Mayer and Davis (1999). Items were adapted to reflect the CEO referent in this research. Each of the 17 items was rated by TMT members on a five-point Likert Scale (e.g., 1 = *strongly disagree,* 5 = *strongly agree*). This scale included measures for perceived ability, perceived benevolence and perceived integrity. I assessed perceived ability with six items: (1) The CEO is very capable of performing his/her job; (2) The CEO is known to be successful at the things he/she tries to do; (3) The CEO has much knowledge about the work that needs done; (4) I feel very confident about the CEO's skills; (5) The CEO has specialised capabilities that can increase our performance; and (6) The CEO is well qualified. The Cronbach alpha coefficient for perceived ability was .92.

I measured perceived benevolence with five items: (1) The CEO is very concerned about my welfare; (2) My needs and desires are very important to the CEO; (3) The CEO would not knowingly do anything to hurt me; (4) The CEO really looks out for what is important to me; and (5) The CEO will go out of his/her way to help me. The Cronbach alpha coefficient for perceived benevolence was .93.

Finally, I measured perceived integrity with six items: (1) The CEO has a strong sense of justice; (2) I never have to wonder whether the CEO will stick to his/her word; (3) The CEO tries hard to be fair in dealings with others; (4) The CEO's actions and behaviours are not very consistent; (5) I like the CEO's values; and (6) Sound principles seem to guide the CEO's behaviour. The Cronbach alpha coefficient for perceived integrity was .86. Mayer and Davis' (1999) trustworthiness scale has been widely used by trust researchers and has consistently shown high psychometric properties (Schoorman et al., 2007).

Feeling trusted. Consistent with Williams (2016) and Lau et al. (2014), I assessed feeling trusted by asking TMT members if they felt their CEO was willing to rely on their judgement and share personal feelings with them. I measured these dimensions using an adapted version of the 10-item Behavioural Trust Inventory (BTI) (Gillespie, 2003). All items were adapted to reflect TMT members' perceptions that their CEO was willing to accept vulnerability to them. Respondents were asked to indicate on a Likert Scale (e.g., 1 = *not at all willing*, 5 = *completely willing*) the extent to which they felt the CEO was willing to engage with them in a number of behaviours relating to reliance and disclosure. Items for felt reliance include: (1) Rely on your task related skills and abilities; (2) Depend on you to handle an important issue on his/her behalf; (3) Rely on you to represent his/her work accurately to others; (4) Depend on you to back him/her up in difficult situations; and (5) Rely on your work-related judgements. The Cronbach alpha coefficient for felt reliance was .85.

Items for felt disclosure include: (1) Share his/her personal feelings with you; (2) Discuss work-related problems or difficulties with you that could potentially be used to disadvantage him/her; (3) Confide in you about personal issues that are affecting his/her work; (4) Discuss how he/she honestly feels about his/her work, even negative feelings and frustration; and (5) Share his/her personal beliefs with you. Lau, Lam, and Wen (2014) indicated the good psychometric properties of this scale to measure felt trust, with a Cronbach alpha of .92 for felt reliance and .93 for felt disclosure. The Cronbach alpha coefficient for felt disclosure was .92, suggesting good internal consistency.

Mediating Variables

TMT members reported on their intentions to engage in trusting behaviour with the CEO with regard to two behaviours: reliance and disclosure. Each of these variables is discussed next.

Trusting intentions. I measured TMT members' intentions to engage in trusting behaviour with the CEO using the 10-item Behavioural Trust Inventory (BTI) (Gillespie, 2003). This scale measures two domains of trust; reliance on others, and disclosure of sensitive information to others, each comprising five items for which respondents were asked to indicate on a Likert Scale (e.g., 1 = *not at all willing,* 5 = *completely willing*) "How willing are you to…." This two dimensional model of trust is consistent with the view that people choose to trust in some ways but not in others (Lewis & Weigert, 1985). The reliance dimension of the BTI represents a cognitive form of trust, while the disclosure dimension measures an affective form of trust (Gillespie, 2003). Reliance is defined as "relying on another's skills, knowledge, judgements or actions including delegating and giving autonomy" and disclosure as "sharing work-related or personal information of a sensitive nature" (Gillespie, 2012, p. 183). This two dimensional model of trust builds on earlier work by Zand (1972), which identified accepting influence and interdependence, and sharing information as behavioural expressions of trust. Items for reliance include: (1) Rely on the CEO's task related skills and abilities; (2) Depend on the CEO to handle an important issue on your behalf; (3) Rely on the CEO to represent your work accurately to others; (4) Depend on the CEO to back you up in difficult situations; and (5) Rely on the CEO's work-related judgements. The Cronbach alpha coefficient for reliance was .92.

Items for disclosure include: (1) Share your personal feelings with the CEO; (2) Discuss work-related problems or difficulties with the CEO that could potentially be used to disadvantage you; (3) Confide in the CEO about personal issues that are affecting your work; (4) Discuss how you honestly feel about your work, even negative feelings and frustration; and (5) Share your personal beliefs with the CEO. The Cronbach alpha coefficient for disclosure was .91. The BTI has consistently demonstrated high reliabilities. The BTI was specifically designed to measure trust in leader-member and peer relationships, and has been well validated (see Dietz & den Hartog, 2006). In the initial validation of the scale, Gillespie

(2003) reported Cronbach's alphas of .92 and .91 for reliance and disclosure. Similarly, in their four-wave longitudinal field study examining new co-workers' intentions to engage in trust behaviours, van der Werff and Buckley (2017) reported Cronbach's alphas ranging from .85 and .92 for reliance and disclosure, respectively. In a recent review of trust measures, McEvily and Tortoriello (2011) report the BTI as one of five high-quality trust measures based on the processes used in its development, its multidimensional conceptualisation and its extensive and rigorous validity analyses.

TMT members reported on their family membership, relationship with the CEO, and generation. Each of these variables is discussed next.

Family member status. One of the main purposes of this research is to determine whether family TMT members perceive trust antecedents and outcomes differently than nonfamily TMT members. Family member status was a dichotomous variable: 1 represented family TMT members and 2 represented nonfamily TMT members.

Related. TMT members indicated their relationship with the CEO with a response of yes (coded "1") or no (coded "2") to the question "Are you related to the CEO?".

Generation. Generation was measured as the generation currently managing the organisation.

Control Variables

Demographic information was collected from all respondents with respect to their gender, age, education. I also collected data on job tenure and interaction frequency (between TMT members and CEOs). Initial data screening confirmed that these variables did not correlate with the variables in my research model. Therefore, following the recommendations of Spector and Brannick (2011), these control variables were omitted from further analyses to prevent any possible misinterpretation of the results. Omitting control variables that are unrelated to the dependent variable also decreases Type I errors while maintaining maximum levels of statistical power (Kraimer, Seibert, Wayne, Liden, & Bravo, 2011). I controlled for trust propensity using the scale developed by Frazier, Johnson, and Fainshmidt (2013).

Propensity to trust. I measured individual differences in trust propensity using a scale developed by Frazier et al. (2013). TMT members were asked to indicate on a Likert Scale (e.g., 1 = *strongly disagree,* 5 = *strongly agree*) how much they agreed with four items. Items include: (1) I usually trust people until they give me a reason not to trust them; (2) Trusting another person is not difficult for me; (3) My typical approach is to trust other people until they prove I should not trust them; and (4) My tendency to trust other people is high. The Cronbach alpha coefficient was .83. Although a number of alternative propensity to trust scales were considered for use, the Frazier et al. (2013) scale represented the best face validity for this context.

As a professional courtesy, I contacted authors for permission before using or adapting a particular scale.

5.10 Conclusion

In this chapter, I outlined the philosophical foundations of the study and provided a detailed account of its methodological design. I began the chapter with an overview of the prevalent philosophical paradigms in the organisational literature. The design of this research has been guided by the ontological, epistemological, and methodological principles of a positivist philosophy. I moved on to discuss how the variables of interest were operationalised and tested using quantitative methods. I presented the methodological design, including the target population and sampling frame, the survey instruments, pretesting techniques, and the administration procedures utilised. I collected triadic survey data from the TMT of 79 family firms across Ireland (N = 237). Each organisational triad consisted of a response from the CEO, one family, and one nonfamily TMT member from the same firm. As such, participants in this study were CEOs (*n* = 79) and TMT members (*n* = 158) of family firms in Ireland. I conducted an in-depth pretest of the surveys and procedures with nine members of the survey population. Following the Tailored Design Method (Dillman et al., 2014), I employed various techniques in an attempt to increase response rates, including prenotice letters, incentives, and personalisation. In addition, I utilised several contact modes, including postal, e-mail, LinkedIn and telephone communications. To improve population coverage, I collected responses using both web-based and hard-copy surveys. I implemented rigorous confidentiality and data-protection procedures to maximise open and honest response reporting. I concluded the chapter with an account of the variables, measures, and data sources for each of the constructs in the research model. The next chapter, Chapter 6, presents an account of the analyses carried out to test the proposed hypotheses and the results of the hypotheses tests.

Chapter 6

Data Analyses and Results

6.1 Introduction

In this chapter, I provide a detailed account of the analyses carried out to test the proposed hypotheses and the subsequent results of the study. I used IBM SPSS Statistics 24 and AMOS Graphics 24 to conduct all statistical tests for this study. I begin this chapter with a description of the data preparation techniques I used. This process involved identifying and appropriately addressing errors, outliers, and missing data; reversing negatively worded items; computing total scale scores; and restructuring the data file to facilitate multi-informant data analysis. I then move on to discuss the preliminary analysis of the data, including bias and diagnostic tests. I performed several diagnostic tests to ensure the data met assumptions of normality, linearity, and homoscedasticity. I use structural equation modelling (SEM) to test the proposed hypotheses, and I subsequently describe the measurement model and the procedure carried out to confirm the structure of the factors and the internal consistency of the measures in the study. Next, I discuss the psychometric characteristics of the measures, including assessments of reliability and validity. I then outline the descriptive statistics and relationships among variables. Finally, I test the structural model and hypothesised relationships proposed in Chapter 4, and outline the results.

6.2 Data Preparation

I used the statistical analysis software IBM SPSS Statistics 24 to analyse the data in this study. Prior to conducting analysis, however, it was necessary to first prepare the data. This process involved four main steps: First, I examined the data for errors and outliers.

Second, I inspected the data for missing values and created and implemented a strategy to rectify issues with missing data. Third, I reversed negatively worded items and computed total scale scores. Finally, I restructured the data file to facilitate multi-informant data analysis. I describe these data preparation steps in further detail next.

Errors and outliers. As outlined in Chapter 5, the majority of participants submitted their survey responses online through Qualtrics, as opposed to by post (84% of CEOs [*n* = 66] and 96% of TMT members [*n* = 151] completed the survey online). Qualtrics facilitated ease of data transfer from its online platform to IBM SPSS Statistics 24 through the *export data* feature. The remainder of responses were completed using hard-copy surveys and returned by post; thus, I inputted these data into IBM SPSS Statistics 24 manually. It was important to check for errors in data entry, as entering an incorrect value (e.g., a value of 35 instead of a value of 3) could severely distort the results. I ran Descriptives using IBM SPSS Statistics 24 for each item in the data file to detect any out-of-range scores. All variables (except for demographic variables such as age or tenure) were measured using Likert scales containing five intervals (e.g., 1 = *strongly disagree,* 5 = *strongly agree*); thus, detection of error values was straightforward (e.g., any values greater than five on Likert scales). To check for univariate outliers, I produced box plots for each variable. In a box plot output, outliers appear at the extreme ends of the diagram. Again, the use of Likert scales meant that outliers were unlikely in this dataset; answering at the extreme ends of the scale (the lowest score of 1 or the highest score of 5) is not representative outlier behaviour. Following a careful examination of the output, I concluded that errors and univariate outliers were not an issue in the data file.

Missing data. In survey research it is rare to obtain complete data from every respondent, particularly when the research topic is of a sensitive nature. I ran Descriptives on the data file to calculate percentages of missing values for each variable in the study. The output from this procedure revealed minimal levels of missing data in the dataset. Specifically, the percentage of missing data for variables ranged from 0% missing to 2.53% missing. Furthermore, there were no observable patterns of missing values. In survey research, the greater the percentage of missing data, the more important the rectification technique becomes in order to minimise bias. As the portion of missing data approaches 15–20%, the technique utilised to deal with the issue can have substantial implications (Allison, 2001). On the other hand, few missing values (i.e., less than 5% on a single variable) is of little concern. In such instances, the risk posed by imputation techniques "is pretty much arbitrary in that the method used does not tend to make much difference" (Kline, 2011, p. 55). The minimum missing-data threshold of less than 5% was achieved across all variables in this research; thus, imputation is unlikely to cause major issues. Accordingly, I followed the approach set forth by Allison (2001) and imputed missing data using the mean imputation method (i.e., missing values were replaced with the overall sample mean for that item). An example of this procedure for the *perceived ability* variable is as follows: There were 948 possible responses for the *perceived ability* variable ([6 items × 79 family TMT responses] + [6 items × 79 nonfamily TMT responses]). The data contained 942 actual responses and 6 missing values; thus, the 6 missing values were imputed with the mean score of the item across all respondents. This imputation technique is in line with procedures employed in similar studies involving multiple informants, and where the preservation of sample size is essential to achieve statistical power for advanced statistical analyses (e.g., Madison, 2014). Table 6.1 displays the missing data statistics and the method of imputation used for each variable in the study.

I used various techniques to increase the probability that respondents would respond to all of the questions on the survey. First, I developed robust instructions. For example, in all correspondence I stated, "Your opinion is important to us." I also outlined that there are no “right” or “wrong” answers, and assured respondents that people have different opinions about the issues addressed in the survey. To further increase the respondents’ motivation to answer the questions fully and accurately, I conveyed the fact that the information would benefit their organisation. Promising feedback to organisations can motivate them to respond more accurately so that they can gain a better self-understanding. I also increased motivation by securing senior management’s (i.e., the CEO’s) endorsement of the study.

Table 6.1: Missing Data Statistics

Dependent variables	**Possible responses**	**Actual responses**	**Missing (%)**	**Imputation method**
Voice behaviour	948	942	0.63	mean replacement
Affective commitment	790	789	0.13	mean replacement
Job performance	632	628	0.63	mean replacement
Independent variables	**Possible responses**	**Actual responses**	**Missing (%)**	**Imputation method**
Perceived ability	948	942	0.63	mean replacement
Perceived benevolence	790	785	0.63	mean replacement
Perceived integrity	948	942	0.63	mean replacement
Felt reliance	790	780	1.27	mean replacement
Felt disclosure	790	780	1.27	mean replacement
Mediators	**Possible responses**	**Actual responses**	**Missing (%)**	**Imputation method**
Reliance	790	782	1.01	mean replacement
Disclosure	790	784	0.76	mean replacement

Negatively worded items and total scale scores. Some of the scales used in this research contained items that were negatively worded. The use of negatively worded items is common practice in survey research to assist in the prevention of unengaged responses (Podsakoff et al., 2012). For instance, in the *perceived integrity* scale (Mayer & Davis, 1999), item one was worded in a positive direction (i.e., high scores indicated high perceived integrity): "The CEO has a strong sense of justice," whereas item four was negatively worded (i.e., high scores indicated low perceived integrity): "The CEO's actions and behaviours are not very consistent." I reversed the scores for all negatively worded items using the *transform* function in IBM SPSS Statistics 24 (e.g., for item four on the *perceived integrity* scale, a score of 5 was transformed into a score of 1, a score of 4 was transformed into a score of 2, and so forth). Following the transformation procedure, I carefully examined the scores for all negatively worded items to ensure accuracy in computation. Finally, I calculated total scale scores for all variables measured on Likert scales using the *compute* function in IBM SPSS Statistics 24. I ran Descriptives on these variables to ensure all new values were computed correctly.

Data restructuring. To prepare the data for analysis, it was necessary to restructure the data file. As outlined in Section 5.7, surveys administered to participants contained identifiers to enable the matching of multiple responses from the same firm. Online surveys were disseminated using unique URLs and hard-copy surveys contained unique identification codes. These identifiers corresponded to an encrypted data file which contained contact details for each respondent (again, as detailed in Section 5.7, respondents were informed of this process and all data were treated with strict confidentiality and data-protection procedures). To prepare the data for analysis, I restructured the data file so that each TMT response represented a *case*, and each case contained a matched CEO response. Cases were grouped according to a variable termed *Firm ID*, which differentiated between firms.

6.3 Diagnostic Tests

Following data preparation, it was necessary to check that the data met the assumptions of the major statistical tests. I performed a range of diagnostic tests to ensure the data met assumptions of normality, linearity, and homoscedasticity. Each of these diagnostic tests is described next.

Normality. Normality refers to the distribution of data for a particular variable. It implies that the greatest frequency of scores for variables should lie in the middle, with smaller frequencies toward the extremes. Normality is assessed in three main ways: shape, skewness, and kurtosis (Hair, Black, Babin, & Anderson, 2010). Normally distributed data is represented by a symmetrical, bell-shaped curve on a histogram. Skewness refers to the symmetry of the distribution. A skewness value of +1.00 indicates a positive skew (i.e., most of the scores are below the mean), while a skewness value of −1.00 indicates a negative skew (i.e., most of the scores are above the mean). A skewness value of 0 indicates a normal distribution. Kurtosis refers to the 'peakedness' of the distribution. Similarly, kurtosis of ±1.00 indicates lack of sufficient variance and potentially problematic kurtosis.

Table 6.2 presents the skewness and kurtosis values for each of the variables in the study. A visual representation of these results was also inspected in the form of histograms and normal probability plots. The histograms display the distribution of the data and include a bell-shaped curve to indicate normality, and the normal probability plots display the observed values plotted against the expected values from a normal distribution (a reasonably straight line indicates normality). As seen in Table 6.2, skewness and kurtosis values appear to be reasonably normally distributed for all variables. A visual inspection of the histograms and normal probability plots further supported this finding.

Table 6.2: Normality Statistics

Dependent variables	**Skewness**	**Std. Error**	**Kurtosis**	**Std. Error**
Voice	**−0.47**	**0.19**	**−0.1**	**0.38**
Voice 1	−1.01		0.64	
Voice 2	−0.79		0.22	
Voice 3	−1.14		2.37	
Voice 4	−1.06		1.69	
Voice 5	−0.77		0.46	
Voice 6	−0.84		0.42	
Affective commitment	**−0.62**	**0.19**	**−0.36**	**0.38**
Affective commitment 1	−1.97		4.27	
Affective commitment 2	−1.21		1.19	
Affective commitment 3	−1.10		0.82	
Affective commitment 4	−1.7		2.64	
Affective commitment 5	−1.27		1.42	
Performance	**−0.9**	**0.19**	**0.422**	**0.38**
Performance 1	−1.18		2.49	
Performance 2	−1		0.54	
Performance 3	−0.9		0.36	
Performance 4	−1.05		0.58	
Independent variables	**Skewness**	**Std. Error**	**Kurtosis**	**Std. Error**
Ability	**−1.15**	**0.19**	**0.46**	**0.38**
Ability 1	−1.36		1.69	
Ability 2	−1.49		2.15	
Ability 3	−1.41		1.59	
Ability 4	−1.51		1.92	
Ability 5	−1.11		0.34	
Ability 6	−1.45		1.59	
Benevolence	**−0.59**	**0.19**	**−0.28**	**0.38**
Benevolence 1	−0.72		−0.27	
Benevolence 2	−0.44		−0.3	
Benevolence 3	−1.5		2.73	
Benevolence 4	−0.52		−0.09	
Benevolence 5	−0.71		−0.38	
Integrity	**−0.77**	**0.19**	**−0.28**	**0.38**
Integrity 1	−0.97		0.25	
Integrity 2	−1.33		0.96	
Integrity 3	−0.95		0.1	
Integrity 4	−0.97		0.09	
Integrity 5	−1.03		0.56	

Integrity 6	−0.7		−0.04	
Felt reliance	**−0.95**	**0.19**	**0.07**	**0.38**
Felt reliance 1	−1.1		0.21	
Felt reliance 2	−1.13		0.36	
Felt reliance 3	−1.12		0.49	
Felt reliance 4	−1.49		1.59	
Felt reliance 5	−0.7		−0.43	
Felt disclosure	**−0.16**	**0.19**	**−1.15**	**0.38**
Felt disclosure 1	−0.4		−0.91	
Felt disclosure 2	−0.38		−0.94	
Felt disclosure 3	0.02		−1.35	
Felt disclosure 4	−0.37		−1.1	
Felt disclosure 5	−0.57		−0.78	

Mediator variables	**Skewness**	**Std. Error**	**Kurtosis**	**Std. Error**
Reliance	**−0.78**	**0.19**	**−0.52**	**0.38**
Reliance 1	−0.98		0.46	
Reliance 2	−0.71		−0.77	
Reliance 3	−0.93		−0.17	
Reliance 4	−1.15		0.46	
Reliance 5	−0.78		−0.6	
Disclosure	**−0.29**	**0.19**	**−0.94**	**0.38**
Disclosure 1	−0.37		−0.86	
Disclosure 2	−0.72		−0.31	
Disclosure 3	−0.19		−1.21	
Disclosure 4	−0.48		−0.78	
Disclosure 5	−0.78		0.13	

Linearity and homoscedasticity. Linearity refers to the consistent slope of change that represents the relationship between an independent and a dependent variable. Homoscedasticity refers to a variable's residual and the assumption that it exhibits consistent variance across different levels of the variable (Hair et al., 2010). Linearity and homoscedasticity can both be assessed by a scatterplot. For the former, variables should be clustered in a straight line as opposed to curvilinear, whereas for the latter, variables should follow a cigar-shaped pattern. A careful inspection of the scatterplots indicated that the data do not appear to violate the assumptions of linearity or homoscedasticity.

Multicollinearity. Multicollinearity was tested by calculating the Variable Inflation Factor (VIF) for all of the dependent variables simultaneously. All VIF scores were less than 3, indicating that the dependent variables are all distinct; thus, multicollinearity is not a concern in this research.

6.4 Bias Tests

Following confirmation that the data met the assumptions of the various diagnostic tests outlined in the previous section, I performed a final set of tests prior to conducting statistical analyses. These tests were carried out to check for potential biases in responses and included checks for nonresponse bias, common-method bias, and sample representativeness. I discuss each of these tests next.

Nonresponse bias. I checked for potential nonresponse bias using two procedures. First, I conducted *t*-tests to compare late respondents with early respondents along key individual and firm characteristics. The assumption behind this test is that the profile of nonrespondents is likely to be more similar to that of late respondents than that of early respondents, given that the late respondents would have fallen into the *nonrespondent* category had the final appeal for a response not been made (Kanuk & Berenson, 1975). I differentiated between the 20% earliest respondents (i.e., respondents in the 80th percentile) and the 20% latest respondents (i.e., respondents in the 20th percentile). These comparisons yielded no significant differences between groups. As an additional test, I compared online and paper-based survey data. The results of this test yielded one significant difference between groups. Respondents who completed the paper-based survey were older than those respondents who completed the survey online. These results are in line with the findings from the pretest (see Section 5.7). During pretesting, the pretest participants suggested that some potential respondents may be infrequent users, or even nonusers, of e-mail. It was thought that this might be especially applicable to members of the senior generation in family firms. Hence, responses were collected using both web-based and hard-copy surveys. Mixed-mode designs enhance response rates and reduce nonresponse error (Dillman et al., 2014). While this finding confirms the importance of pretesting, the difference in group ages is not considered to be a concern for potential nonresponse bias in this study. The difference in group ages was marginal—the average age for CEOs who completed the online survey was 50.3, while the average age for CEOs who completed the paper was 59.4. Table 6.3 presents the results of the bias tests for the CEO surveys.

Table 6.3: Nonresponse Bias (CEOs)

	Timing of response					Response method				
CEO characteristics	**Early**	**Late**	***t***	***df***	***p***	**Online**	**Paper**	***t***	***df***	***p***
Age	50.2	52.5	−0.84	77	0.4	50.32	59.38	−2.73	77	0.01
Education	4.42	4.6	−0.71	77	0.48	4.52	4.69	−0.56	77	0.58
Gender	1.25	1.11	1.61	77	0.11	1.15	1.15	−0.02	77	0.98
Tenure as CEO (years)	15.7	16.6	−0.3	77	0.77	15.69	19.42	−1.05	77	0.3
Organisational tenure (years)	23.75	25.6	−0.62	77	0.54	24.24	29.12	−1.34	77	0.19
Firm characteristics	**Early**	**Late**	***t***	***df***	***p***	**Online**	**Paper**	***t***	***df***	***p***
Age	42.8	54.4	−1.2	77	0.24	46.32	73.69	−1.53	13.28	0.15
No. employees	190.71	123.47	1.04	77	0.3	160.32	60.54	1.24	77	0.22
Industry	2.46	2.33	0.5	77	0.62	2.31	2.62	−0.91	77	0.37
Generation	2.17	2.49	−1.12	77	0.27	2.23	3.23	−1.74	12.84	0.12

Common-method bias. Measuring two or more constructs using the same method can create biasing effects, known as common-method bias. More specifically, common-method bias refers to situations in which some of the observed covariation between the variables is due to the fact that the variables share the same method of measurement (Podsakoff et al., 2012). Following procedural remedies proposed by Podsakoff et al. (2012), I obtained data on predictor and criterion variables from two different sources: I collected data on predictor variables from TMT members and data on criterion variables from CEOs (with the exception of *affective commitment* which was assessed by TMT members). In addition, I cross-checked data on such variables as firm age, size, and industry using secondary data sources (i.e., Bureau van Dijk's Fame database).

I employed two additional procedural remedies for common-method bias relating to systematic response tendencies and common scale properties. Ambiguous items (items that are difficult to interpret) require respondents to construct their own idiosyncratic meanings when responding. This process increases the likelihood that responses will be influenced by systematic response tendencies (e.g., acquiescent, extreme, or midpoint response styles) (Podsakoff et al., 2012). To combat this issue, I used scales that were previously validated. The face validity of all questions was further assessed by participants during the pretesting phase (see Section 5.7). Common-method bias can also result from common scale properties (i.e., scale type, anchor labels). For example, Feldman and Lynch (1988, p. 427) note that method bias "will occur to the extent that the question formats are perceived to be similar by respondents" because the similarity of the response format "enhances the probability that cognitions generated in answering one question will be retrieved to answer subsequent questions." Consequently, I minimised the scale properties shared by measures. For example, I measured *trust intentions* using the 10-item BTI where respondents were asked to indicate on a five-point Likert scale how willing they are to engage in various trusting behaviours with the CEO (Gillespie, 2003). The anchor labels for this scale ranged from 1 (*not at all willing*) to 5 (*completely willing*). On the other hand, when responding to the 17-item *perceived trustworthiness* scale (Mayer & Davis, 1999), respondents rated their answers on a five-point Likert scale containing anchor labels ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

As an additional precaution, I performed Harman's single factor test to check for the potential of common-method bias. This statistical test is commonly used in family firm survey research (e.g., James, Jennings, & Jennings, 2017; Madison et al., 2017; Sardeshmukh & Corbett, 2011). Common-method bias is considered to be an issue if one factor explains the majority of shared variance for all constructs in the model (Podsakoff & Organ, 1986). The first emerging factor explained 27.53% of the variance in my model, suggesting common-method bias is unlikely to be a concern in this research.

Representativeness. While it is widely acknowledged that family firms represent the dominant type of business organisation worldwide, the identification of populations of family firms within an economy is a global challenge (Bettinelli, 2011; Sharma et al., 2003). In an Irish context, there is a lack of national statistics available regarding the number of family firms in existence (Clinton, 2012; CSO, 2005; DCU Centre for Family Business, 2016). To overcome the absence of a comprehensive database, I constructed a sampling frame of family firms, CEOs, and their contact details using a variety of sources. These sources consisted of the database from the Centre for Family Business (CFB), which is affiliated with Dublin City University (DCU); newspapers and websites; LinkedIn; and personal contacts. Overall, 406 completed surveys were returned (161 CEO surveys and 245 TMT surveys) from respondents in 161 family firms located across Ireland. This data collection effort resulted in a response rate of 26.4% at the firm level. However, because the criteria for inclusion in this study required a response from the CEO, a family TMT member and a nonfamily TMT member from each firm, my final sample was reduced to 237 participants from 79 family firms.

To mitigate any potential concerns regarding the representativeness of my sample, I conducted two separate comparison analysis tests. The first test involved comparing two sets of data—triadic and nontriadic—from the current research investigation. I compared the characteristics of respondents and firms that were part of an organisational triad with those that were not part of an organisational triad. I conducted this test to assess whether the sample included in the data analyses (i.e., the triadic data) was similar to the complete sample of respondents in the study (i.e., nontriadic data). Results of this comparison analysis are presented in Table 6.4. I received a total of 161 CEO responses, including 79 that formed part of a triad and 82 that did not (i.e., that were not used in this study). I compared CEOs based on gender, age, education, and tenure. There were no significant differences in mean scores between triadic and nontriadic CEO data. I also compared TMT members from the two groups. I received a total of 105 family TMT surveys, including 79 that were part of a triad and 26 that were not. There were no significant differences in mean scores between triadic and nontriadic family TMT data. Finally, I received a total of 140 nonfamily TMT surveys, including 79 that formed part of an organisational triad and 61 that did not. Again, there were no significant differences in mean scores between triadic and nontriadic nonfamily TMT data. I also compared firms in both groups based on age, size, industry, and generation. Once more, I found no significant differences between groups; thus, I concluded that the final sample of 79 family firms included in the data analyses is representative of the overall sample of respondents in this research.

The second assessment of representativeness involved comparing the characteristics of my sample to known data from the population of family firms in Ireland. Specifically, I compared the characteristics of individual respondents and their firms to those of a sample from one of the most extensive family business studies conducted in Ireland to date. Clinton

(2012) collected data from the upper echelon of 293 family firms in Ireland, yielding a response rate of 33%. Clinton's population was based on a stratified random sample of private family firms in Ireland, derived from Bureau van Dijk's Fame database. Table 6.5 presents a detailed comparison of descriptive statistics across the two samples. Results indicate that respondents were similar across samples in terms of age, gender composition, and education levels. However, the firms in my sample are significantly older and larger than those in Clinton's (2012) study. This disparity is likely due to three main factors concerning this study's design and focus. First, I sought a sample that comprised first-, second-, third-, and later generation family firms to enable generational comparisons of trust. Clinton excluded first-generation family firms from his study. Second, due to this study's focus on familial trust, my research design required that multiple family members be actively working in the firm. For this reason, firms in my sample may be larger to accommodate the employment of family members. Third, although not all firms in my study are members of the CFB affiliated with DCU, a large portion of firms are members (53.1%). As a consequence, these firms are likely to be older and more focused on growth than firms with no such association. Therefore, the results of this study may be more generalisable to larger and more established family firms. This finding is further discussed in Section 7.5 of Chapter 7. Similar approaches to evaluating the sample representativeness of family firms have been used in previous published research (e.g., De Massis, Kotlar, Mazzola, Minola, & Sciascia, 2016; Eddleston, Otondo, & Kellermanns, 2008).

Table 6.4: Sample Representativeness – Triadic and Nontriadic Data

CEO characteristics	**Triadic**	**Nontriadic**	***t***	**df**	***p***
Age	51.8	53.6	−1.07	158	0.29
Education	4.5	4.2	1.85	159	0.07
Gender	1.2	1.1	0.55	159	0.58
Organisational tenure (years)	25.0	26.6	−0.73	159	0.47
Tenure as CEO (years)	16.3	18.5	−1.19	159	0.24
TMT characteristics (family)	**Triadic**	**Nontriadic**	***t***	**df**	***p***
Age	41.7	41.6	0.062	106	0.951
Education	4.5	4.2	1.627	105	0.107
Gender	1.4	1.4	0.402	107	0.689
Organisational tenure (years)	15.1	17.0	−0.815	106	0.417
Tenure with CEO (years)	12.3	15.5	−1.68	106	0.096
TMT characteristics (nonfamily)	**Triadic**	**Nontriadic**	***t***	**df**	***p***
Age	44.2	47.0	−1.78	136	0.076
Education	4.5	4.8	−1.297	138	0.197
Gender	1.4	1.4	0.586	138	0.56
Organisational tenure (years)	11.4	12.9	−0.979	138	0.329
Tenure with CEO (years)	9.5	12.1	−1.7	138	0.091
Firm characteristics	**Triadic**	**Nontriadic**	***t***	**df**	***p***
Age	50.8	48.1	0.41	159	0.68
No. employees	143.9	83.5	1.87	159	0.06
Industry	2.4	2.3	0.36	159	0.72
Generation	2.4	2.3	0.52	155	0.61

Table 6.5: Sample Representativeness – Comparison of Studies

CEO characteristics	**Clinton, 2012**	**Current study**
Age	44.6	51.8
Gender	89.0	84.8
Education:		
Graduate	54.0	58.2
Certificate/diploma	14.0	21.5
Secondary school	32.0	19.0
Primary school	0.0	1.3

Firm characteristics	**Clinton, 2012**	**Current study**
Age	26.9	50.8
No. employees	46.9	144.0
Industry:		
Retail	34.0	20.3
Services	28.0	29.3
Manufacturing	18.0	11.4
Other	20.0	39.0
Generation:		
First	N/A	12.7
Second	68.0	57.0
Third	26.0	21.5
≥ Fourth	5.3	8.8

6.5 Correlation Results

In this section, I outline the descriptive statistics, including means, standard deviations, and internal consistency coefficients, as well as the bivariate correlations between the variables in the study. A correlation table with means and standard deviations is shown in Table 6.6.

TMT respondents were split 55.7% (*n* = 88) male and 44.3% (*n* = 70) female, with ages ranging from 26 to 77, with a mean of 43.0 years of age (*SD* = 10.18). At the time of survey completion, participants had been employed in their organisation for between .8 and 45.0 years, with a mean of 13.3 years (*SD* = 10.2). The maximum formal education level of TMT members was as follows: (a) .6% (*n* = 1) primary school, (b) 15.2% (*n* = 24) secondary school, (c) 31.0% (*n* = 49) certificate or diploma, (d) 34.2% (*n* = 54) bachelor's degree, (e) 17.1% (*n* = 27) master's degree, and (f) 1.9% (*n* = 3) doctoral degree. In terms of generations, family TMT participants (*n* = 79) were split as follows: (a) 15.2% (*n* = 12) founding generation, (b) 58.2% (*n* = 46) second generation, (c) 20.3% (*n* = 16) third generation, (d) 1.3% (*n* = 1) fourth generation, (e) 2.5% (*n* = 2) fifth generation, (f) 1.3% (*n* = 1) sixth generation, and (g) 1.3% (*n* = 1) eighth generation. Family TMT respondents also reported on the nature of their relationship with the CEO. CEOs held the following relationships with TMT respondents: (a) 32.4% (*n* = 24) father/mother, (b) 2.7% (*n* = 2) son/daughter, (c) 10.8% (*n* = 8) husband/wife/partner, (d) 39.2% (*n* = 29) brother/sister, (e) 2.7% (*n* = 2) in-law, (f) 5.4% (*n* = 4) aunt/uncle, (g) 1.4% (*n* = 1) nephew/niece, (h) 5.4% (*n* = 4) cousin.

CEO respondents were split 84.8% (*n* = 67) male and 15.2% (*n* = 12) female, with ages ranging from 33 to 76, with a mean of 51.8 years of age (*SD* = 11.37). At the time of survey completion, participants had been employed in their organisation for between 2.5 and 55.0 years, with a mean of 25.0 years (*SD* = 12.1) and held the CEO position for between .4

and 46.0 years, with a mean of 16.3 years (*SD* = 11.6). The maximum formal education level of the CEO sample was as follows: (a) 1.3% (*n* = 1) primary school, (b) 19.0% (*n* = 15) secondary school, (c) 21.5% (*n* = 17) certificate or diploma, (d) 41.8% (*n* = 33) bachelor's degree, (e) 15.2% (*n* = 12) master's degree and (f) 1.3% (*n* = 1) doctoral degree. Most of the sample reported to be members of the business-owning family (94.9%, *n* = 75). In terms of generations, family CEOs were split as follows: (a) 36.0% (*n* = 27) founding generation, (b) 50.7% (*n* = 38) second generation, (c) 6.7% (*n* = 5) third generation, (d) 2.7% (*n* = 2) fourth generation, (e) 2.7% (*n* = 2) sixth generation, and (f) 1.3% (*n* = 1) seventh generation. A small percentage of CEOs (8.9%, *n* = 7) reported that they are "co-CEOs".

Participating family firms have been in business for between four and 207 years, with a mean of 50.8 years (*SD* = 39.6). The firms employ between three and 2,100 employees, with a mean of 144 employees (*SD* = 264.7). Based on the sample, industry sectors were divided among the following categories: (a) 15.2% (*n* = 12) retail, (b) 11.4% (*n* = 9) production (including manufacturing, utilities, mining), (c) 11.4% (*n* = 9) accommodation and food services, (d) 6.3% (*n* = 5) agriculture, forestry and fishing, (e) 6.3% (*n* = 5) motor trade, (f) 5.1% (*n* = 4) construction, (g) 5.1% (*n* = 4) wholesale, (h) 5.1% (*n* = 4) transport and storage, (i) 5.1% (*n* = 4) professional, scientific and technical, (j) 3.8% (*n* = 3) health, (k) 1.3% (*n* = 1) property, (l) 1.3% (*n* = 1) information and communication technology, (m) 1.3% (*n* = 1) business administration and support services, (n) 1.3% (*n* = 1) arts, entertainment and recreation, and (o) 20.3% (*n* = 16) indicated "other". The family firm generation, based on the youngest generation involved in the business, ranged from first generation (founding) to eighth generation. Specifically, generational involvement was divided among the following categories: (a) 12.7% (*n* = 10) first generation (G1), (b) 57.0% (*n* = 45) second generation (G2), (c) 21.5% (*n* = 17) third generation (G3), and (d) 8.8% (*n* = 7) fourth generation or older (G4+). The G4+ category consists of (a) 2.5% (*n* = 2) fourth generation, (b) 2.5% (*n* =

2) fifth generation, (c) 2.5% (*n* = 2) sixth generation, and (d) 1.3% (*n* = 1) eighth generation family firms. The majority of firms were owned entirely by members of the business family, with 88.6% (*n* = 70) reporting 100% family ownership. Of the remaining firms, 7.6% (*n* = 6) reported 76-99% family ownership, 2.5% (*n* = 2) reported 51-75% family ownership, and 1.3% (*n* = 1) reported 26-50% family ownership.

Table 6.6: Correlation Table

		Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1	**Ability**	4.37	0.56	1.00										
2	**Benevolence**	4.27	0.69	.719**	1.00									
3	**Integrity**	3.99	0.57	.796**	.904**	1.00								
4	**Felt reliance**	3.01	0.39	.381**	.666**	.605**	1.00							
5	**Felt disclosure**	3.35	1.00	.399**	.749**	.568**	.481**	1.00						
6	**Reliance**	4.08	0.69	.688**	.679**	.678**	.567**	.484**	1.00					
7	**Disclosure**	3.56	0.96	.438**	.751**	.594**	.479**	.826**	.596**	1.00				
8	**Voice**	3.57	0.49	-0.06	.209**	0.11	.310**	.250**	0.11	0.14	1.00			
9	**Affective commitment**	3.39	0.39	.539**	.695**	.628**	.588**	.527**	.458**	.588**	.200*	1.00		
10	**Performance**	3.58	0.52	0.06	.229**	0.15	.238**	0.16	.231**	0.12	.780**	0.04	1.00	
11	**Propensity to trust**	3.83	0.68	-0.02	0.05	0.00	0.06	0.05	0.07	0.07	0.06	0.08	0.01	1.00

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Structural Equation Modelling

This study uses structural equation modelling (SEM) to test the proposed hypotheses. SEM models can be broken down into two major components: (1) the measurement model, which specifies: (a) the number of latent variables (factors), (b) how the various observed measures (indicators) are related to the latent variables, and (c) the relationships among indicator errors (i.e., a confirmatory factor analysis (CFA) model); and (2) the structural model, which specifies how the various latent factors are related to one another (e.g., direct or indirect effects, no relationship, spurious relationships) (Brown, 2006). The first component of SEM—the measurement model (or CFA model)—is described next in relation to the current study. I conducted a CFA in order to confirm the structure of the factors and the internal consistency of the measures used in the study.

6.6 Confirmatory Factor Analysis (CFA)

The purpose of CFA is to determine the relationships between observed measures (e.g., items in a survey) and latent variables. CFA is hypothesis-driven, meaning the researcher must prespecify all aspects of the model based on theory and prior research evidence. CFA analyses a priori measurement models in which both the number of factors and their correspondence with the indicators are explicitly specified; the model is then confirmed through data analysis. Consequently, CFA requires a strong conceptual and/or empirical foundation to guide the specification and evaluation of the factor model. A noteworthy strength of CFA, which is applicable to the current research, is it offers a robust analytical framework for evaluating the equivalence of measurement models across distinct groups. I used the SEM software AMOS Graphics Version 24 to perform a CFA to verify the factor structure of the measurement model. This CFA procedure for this study is described next.

Model Specification. I conducted a CFA to verify the factor structure of the hypothesised variables in my study. All latent factors were modelled using item-level indicators and each indicator was a continuous variable represented as having two causes: (1) a single factor that the indicator is supposed to measure and (2) all other unique sources of influence represented by a measurement error term (e.g., e_1, e_2, e_3). All measurement errors were independent of each other and of the factors; this implies that for indicators loading on the same latent factor, the observed covariance among these measures is explained entirely by the underlying construct; that is, there is no reason for these observed relationships other than the latent factor. All factors had between four and six indicators and all latent factors were correlated (as depicted by a bidirectional, curved arrow between the variables). Model specification also required that the metric of the latent factors was defined. This was accomplished by fixing the variance of one observed measure on each factor to 1.0.

Model Evaluation. The acceptability of the fitted CFA solution was evaluated on the basis of three major aspects: (1) overall goodness of fit; (2) the presence or absence of localised areas of strain in the solution (i.e., specific points of ill fit); and (3) the interpretability, size, and significance of the model's parameter estimates. Goodness-of-fit indices provide a global descriptive summary of the ability of the model to reproduce the input covariance matrix, while localised strain and parameter estimates provide more specific information about the acceptability and utility of the solution (Brown, 2006).

After ensuring the model was specified as intended (e.g., verifying model *df* and freely estimated, fixed, and constrained parameters), goodness-of-fit indices were examined to begin evaluating the acceptability of the model. The goodness-of-fit index ($\chi 2$) assesses the magnitude of discrepancy between the sample and fitted covariance matrices. However, $\chi 2$ is rarely used as a sole index of model fit in applied research due to its sensitivity to sample size. Consequently, in accordance with Hu and Bentler (1999), additional fit indices were utilised. Specifically, Hu and Bentler (1999) propose the following criteria to evaluate the acceptability of the model: (1) standardised root mean squared residual (SRMR) values are close to .08 or below; (2) root mean square error of approximation (RMSEA) values are close to .06 or below; and (3) comparative fit index (CFI) and Tucker-Lewis index (TLI) values are close to .95 or greater. I utilised both the $\chi 2$ test and the aforementioned fit indexes to evaluate model fit in this study.

In line with Brown (2006), I used two statistics to identify focal areas of misfit in the CFA solution and determine opportunities to improve the model—residuals and modification indices. First, the residual matrix provides specific information about how well each variance and covariance was reproduced by the model's parameter estimates. Accordingly, the standardised residuals of the CFA model were inspected. Standardised residuals should be equal to or greater than the value of 2.58 (Brown, 2006). The standardised residuals were within the recommended range, thus confirming the absence of localised areas of ill fit in the solution. Hence, I concluded that the relationships among the indicators were not substantially under- or overestimated by the model's parameter estimates. Second, I consulted the modification indices to determine if there was opportunity to improve the model fit. The practice of correlating indicator residuals is prevalent in the organisational sciences; Cole, Ciesla, and Steiger (2007) note that up to 32% of CFA models reported in top tier American Psychological Association journals allow indicator residuals to correlate. However, this procedure should only be applied when a strong theoretical reason exists for doing so (Brown, 2006). Accordingly, I correlated the residuals of item 1 and item 3, and item 2 and item 3 and on the reliance scale. I also correlated the residuals of item 2 and item 3 on the felt reliance scale, and item 3 and item 4 on the perceived ability scale. The specification of correlated measurement errors reflects the assumption that the two corresponding indicators share something in common that is not explicitly represented in the model. For example, whereas each of aforementioned indicators are related in part due to the shared influence of their latent dimension (e.g., reliance, perceived reliance, and perceived ability, respectively), some of their covariation is due to sources other than the common factor (e.g., common assessment methods or similarly worded items) (Brown, 2006). Allowing these residual errors to correlate improved the model fit.

Validity and Reliability. The internal consistency reliability of each of the measures used in this study was assessed using Cronbach's alpha. This statistic measures the degree to which responses are consistent across all items within a measure. The commonly accepted threshold for reliability is .70 (Kline, 2011). All variables demonstrated acceptable levels of reliability (See Table 6.7). Thus, I proceeded to inspecting the direction, magnitude, and significance of the parameter estimates—namely, the factor loadings, factor variances and covariance, and indicator errors.

The factor loadings for all variables were significant and averaged .76 ($p < .001$), confirming that all observed measures are related to their purported latent dimensions. In addition, the size of the factor loadings was examined to determine if all indicators can be regarded as reasonable measures of their latent constructs. Standardised factor loadings of .30 and above are commonly used to operationally define a salient factor loading or cross-loading, while a factor correlation that exceeds .85 is often used to define poor discriminant validity (i.e., the factors do not represent distinct constructs) (Brown, 2006). The factor loadings can be considered as estimates of the indicator's reliability (squared multiple correlations in AMOS). All standardised factor loadings were between the recommended values .30 and .85.

Construct validity concerns the degree to which a test measures what it claims to measure. There is no single, definitive test of construct validity, instead a range of tests are usually performed depending on the context, content, and goals of measurement (Kline, 2011). Convergent validity and discriminant validity involve the evaluation of measures against each other. A set of variables proposed to measure the same construct shows convergent validity if their intercorrelations are at least moderate in magnitude. In contrast, a set of variables presumed to measure different constructs shows discriminant validity if their intercorrelations are not too high (Brown, 2006).

The convergent validity of the model can be assessed by the average variance extracted (AVE) and composite reliability (CR). AVE measures the level of variance captured by a construct versus the level due to measurement error. AVE values above 0.5 are acceptable. CR is a less biased estimate of reliability than Cronbach's alpha; the acceptable value of CR is 0.7 and above (Hair et al., 2010). The AVE and CR values for the variables in this study are displayed in Table 6.7. All variables have a AVE value of 0.5 or above, except affective commitment which has a value of 0.3. CR values are all above 0.7, with the majority of values reaching 0.9. According to Fornell and Larcker (1981, p. 702) if AVE is less than 0.5, but the CR value is above 0.6, the convergent validity of the construct can be considered adequate. Similarly, Malhotra and Dash (2011, p. 702) note "on the basis of CR alone, the researcher may conclude that the convergent validity of the construct is adequate." Affective commitment has an AVE value of 0.3, but a CR value of 0.7; hence, in accordance with the recommendations of Fornell and Larcker (1981) and Malhotra and Dash (2011) affective commitment can be considered to have adequate convergent validity.

This model meets Hu and Bentler's (1999) criteria for a good model fit ($\chi 2$ (1225) = 1854.668, $p < .001$; CFI = .90; SRMR = .06; RMSEA = .06; TLI = .89).

Table 6.7: Reliability of Measures

Dependent Variables	Cronbach's alpha
Affective commitment	.70.
Voice behaviour	.86.
Job performance	.89.
Independent Variables	**Cronbach's alpha**
Perceived ability	.92.
Perceived benevolence	.93.
Perceived integrity	.86.
Felt reliance	.85.
Felt disclosure	.92.
Mediators	**Cronbach's alpha**
Reliance	.92.
Disclosure	.91.

Table 6.8: Validity and Reliability

Variable	CR	AVE	Perceived ability	Perceived benevolence	Perceived integrity	Felt disclosure	Disclosure	Voice	Affective commitment	Job performance	Felt reliance	Reliance
Perceived ability	0.9	0.7	**0.8**									
Perceived benevolence	0.9	0.7	0.683***	**0.9**								
Perceived integrity	0.9	0.6	0.751***	0.863***	**0.8**							
Felt disclosure	0.9	0.7	0.373***	0.712***	0.529***	**0.8**						
Disclosure	0.9	0.7	0.408***	0.712***	0.553***	0.779***	**0.8**					
Voice	0.9	0.5	-0.1	0.193*	0.1	0.232*	0.1	**0.7**				
Affective commitment	0.7	0.3	0.469***	0.610***	0.540***	0.451***	0.512***	0.178†	**0.6**			
Job performance	0.9	0.7	0.1	0.217*	0.1	0.1	0.1	0.722***	0.0	**0.8**		
Felt reliance	0.8	0.5	0.337***	0.607***	0.543***	0.430***	0.426***	0.276**	0.496***	0.210*	**0.7**	
Reliance	0.9	0.7	0.647***	0.639***	0.633***	0.451***	0.559***	0.1	0.390***	0.216*	0.511***	**0.8**

Measurement Invariance. Measurement invariance (or equivalence) is a psychometric property that involves evaluating the degree to which groups interpret and respond to measures in a similar way (Vanderberg & Lance, 2000). The capability to examine the equivalence of parameters across multiple groups is a major advantage of CFA. Measurement invariance tests are typically conducted for one or two main purposes: (1) to test if invariance exists across categorical groups (e.g., gender), or (2) to test if invariance exists within a single group across time. This study involves two categorical groups—family (n = 79) and nonfamily members (n = 79)—thus, I conducted a measurement invariance test in AMOS. When addressing an empirical question that requires the comparison of groups, the level of invariance of factor structures, factor loadings, and intercepts must be established (Cheung & Lau, 2012). Thus, three steps were adhered to in order to test for measurement invariance. At each step, increasingly stringent constraints are placed on the model to determine if these constraints result in a significant decrease in model fit. Following Brown (2006) the following steps were taken to test for measurement invariance: (1) Test the CFA model separately in each group; (2) conduct the simultaneous test of equal form (identical factor structure); (3) test the equality of factor loadings. First, I established the level of invariance of factor structures, factor loadings and intercepts in the data (Cheung & Lau, 2012).

Configural. Construct validity was examined by testing for configural invariance, following the generally accepted guidelines detailed in Byrne (2006). Configural invariance assesses whether the factor and indicator structure represented in the CFA achieves adequate fit when both groups are tested together and freely (i.e., without any cross-group path constraints). The unconstrained configural model incorporates a comparison of the data of both groups (family and nonfamily TMT members), assessed simultaneously by AMOS, with the hypothesised CFA model. This multigroup model then allows for the parameters of both groups to be estimated at the same time (Brown, 2010). This model achieved acceptable model fit ($\chi 2$ (3675) = 6149.6, $p < .001$; CFI = .813; SRMR = .079; RMSEA = .046). Thus, the model meets the criteria for configural invariance across groups (Hu & Bentler, 1999).

Metric. Metric invariance assesses the equality of factor loadings. If an item satisfies the requirements of metric invariance; different scores on the item can be meaningfully compared across groups. To test for metric invariance, I conducted a multigroup moderation test using critical ratios for differences in AMOS. Results indicate that at least one item per construct (aside from the constrained item) is metrically invariant, thus the measurement model meets the criteria for metric invariance across groups (MacKenzie, Podsakoff, & Podsakoff, 2011).

6.7 Hypotheses Testing

The first set of hypotheses, as outlined in Table 4.1, are tested in this section. I tested hypotheses 1 to 6 using SEM. More specifically, hypotheses 1 to 4 are path analyses tests, while hypotheses 5 and 6 are mediation tests. Table 6.9 and Table 6.10 illustrate the results of this series of tests.

Structural equation modelling (SEM). The first stage in hypothesis testing involved testing the structural model using SEM in AMOS. SEM was deemed appropriate for these analyses because it enables the representation of unobserved or latent constructs, corrects for measurement error, and facilitates the examination of multiple, interrelated relationships (Hair et al., 2010). I tested the structural model in AMOS using latent constructs rather than composite variables. For these analyses, I controlled for the potential effects of propensity to trust. The model fit indicates are outlined for each model.

Hypothesis 1 stated that perceptions of CEO trustworthiness will be positively related to TMT voice behaviour. I tested this hypothesis separately for perceived CEO ability, benevolence, and integrity (Mayer et al., 1995). The model demonstrated good fit ($\chi 2$ (243) = 375.46, p < .001; CFI = .949; SRMR = .048; RMSEA = .059). Results support a positive, significant relationship between perceived CEO benevolence and TMT voice behaviour (β= .459, *p* < .05), but not perceived ability (β= -.348, *p* < .05) or integrity (β= -.034, *p* > .05). Hypothesis 1 is supported for perceived benevolence. Hence, positive perceptions of CEO benevolence are positively related to TMT voice behaviour.

Hypothesis 2 stated that feeling trusted by the CEO is positively related to TMT members' voice behaviour. I tested this hypothesis separately for felt reliance and felt disclosure (Gillespie, 2003). The model demonstrated good fit ($\chi 2$ (114) = 126.595, p < .01; CFI = .990; SRMR = .048; RMSEA = .027). Results support a positive, significant relationship between felt reliance and TMT voice behaviour (β= .220, *p* < .05), but not felt disclosure (β= .137, *p* > .05). Hypothesis 1 is supported for felt reliance. Hence, feeling relied upon by the CEO is positively related to TMT voice behaviour.

Hypothesis 3 stated that perceptions of CEO trustworthiness will be positively related to TMT members' affective commitment to the organisation. I tested this hypothesis separately for perceived CEO ability, benevolence, and integrity (Mayer et al., 1995). The model demonstrated good fit ($\chi 2$ (221) = 380.852, p < .001; CFI = .934; SRMR = .060; RMSEA = .068). Results support a positive, significant relationship between perceived CEO benevolence and affective commitment (β= .533, *p* < .05), but not perceived ability (β= .104, *p* > .05) or integrity (β= .001, *p* > .05). Hypothesis 3 is supported for perceived benevolence. Hence, positive perceptions of CEO benevolence are positively related to TMT members' affective commitment to the organisation.

Hypothesis 4 stated that feeling trusted by the CEO is positively related to TMT members' affective commitment to the organisation. I tested this hypothesis separately for felt reliance and felt disclosure (Gillespie, 2003). The model demonstrated good fit ($\chi 2$ (99)

$= 113.081$, $p < .01$; CFI = .987; SRMR = .054; RMSEA = .030). Results support a positive, significant relationship between both felt reliance and affective commitment ($\beta = .371$, $p < .01$) and felt disclosure and affective commitment ($\beta = .301$, $p < .01$). Hypothesis 4 is supported for both felt reliance and felt disclosure. Hence, feeling relied upon by the CEO and feeling that he/she is willing to share sensitive information is positively related to TMT members' affective commitment to the organisation.

Table 6.9: SEM Results

Hypotheses	Result	Decision
H1. Perceptions of CEO trustworthiness are positively related to TMT members' voice behaviour.	Ability (β= -.348, p < .05)	**Reject**
	Benevolence (β= .459, p < .05)	**Support***
	Integrity (β= -.034, p > .05)	**Reject**
H2. Feeling trusted by the CEO is positively related to TMT members' voice behaviour.	Felt reliance (β= .220, p < .05)	**Support***
	Felt disclosure (β= .137, p > .05)	**Reject**
H3. Perceptions of CEO trustworthiness are positively related to TMT members' affective commitment to the family firm.	Ability (β= .104, p > .05)	**Reject**
	Benevolence (β= .533, p < .05)	**Support***
	Integrity (β= .001, p > .05)	**Reject**
H4. Feeling trusted by the CEO is positively related to TMT members' affective commitment to the family firm.	Felt reliance (β= .371, p < .01)	**Support****
	Felt disclosure (β= .301, p < .01)	**Support****

Mediation tests. Hypothesis 5a, 5b, 6a, and 6b require mediation tests. To test these hypotheses, I followed the four-step procedure recommended by Baron and Kenny (1986). The results of these tests are presented in Table 6.10. These four steps are as follows:

1. The relationship between the independent variable and the dependent variable is first tested without the mediator (X →Y). It is suggested that this relationship should be significant.
2. The relationship between the independent variable and the mediator (X→ M) should be significant.
3. The relationship between the mediator and the dependent variable (M → Y) should be significant.
4. The relationship between the independent and dependent is tested with the mediator added (X →M→ Y). The relationship should change when the mediator is added.

Hypothesis 5a stated that disclosure mediates the positive effect of trustworthiness beliefs on affective commitment. Because I measured trustworthiness beliefs according to perceived ability, benevolence, and integrity (Mayer et al., 1995), I examined their effects separately. As stated earlier, hypothesis 3 found a positive, significant relationship between perceived CEO benevolence and affective commitment ($\beta = .533$, $p < .05$), but not perceived ability ($\beta = .104$, $p > .05$) or integrity ($\beta = .001$, $p > .05$). Hence, as set out by Baron and Kenny (1986), I tested the relationship between perceived benevolence and disclosure. Results support a positive, significant relationship between perceived benevolence and disclosure ($\beta = .713$, $p < .001$). These results meet the precondition of Baron and Kenny's (1986) first two steps. Next, I tested the relationship between disclosure and affective commitment. Again, results support a positive, significant relationship between disclosure and affective commitment (β= .500, $p < .001$). After adding disclosure, the path analysis showed that the effects of perceived benevolence on affective commitment were significant (β= .498, $p < .001$). According to Baron and Kenny's (1986) procedure, this result indicates that the effect of perceived benevolence on affective commitment is partially explained by disclosure. Hence, hypothesis 5a is supported in terms of benevolence.

Hypothesis 5b stated that disclosure mediates the positive effect of feeling trusted on affective commitment. Because I measured feeling trusted according to felt reliance and felt disclosure (Gillespie, 2003), I examined their effects separately. As stated earlier, hypothesis 4 found a positive, significant relationship between both felt reliance and affective commitment (β= .371, $p < .01$) and felt disclosure and affective commitment (β= .301, $p < .01$). Hence, as set out by Baron and Kenny (1986), I tested the relationship between felt reliance and disclosure, as well as felt disclosure and disclosure. First, for felt reliance, results support a positive, significant relationship between felt reliance and disclosure (β= .424, $p < .001$). These results meet the precondition of Baron and Kenny's (1986) first two steps. Next, I tested the relationship between disclosure and affective commitment. Again, results support a positive, significant relationship between disclosure and affective commitment (β= .500, $p < .001$). After adding disclosure, the path analysis showed that the effects of felt reliance on affective commitment were significant, but reduced (β= .348, $p < .01$). According to Baron and Kenny's (1986) procedure, this result indicates that the effect of felt reliance on affective commitment is partially explained by disclosure.

Second, for felt disclosure, results support a positive, significant relationship between felt disclosure and disclosure (β= .778, $p < .001$). These results meet the precondition of Baron and Kenny's (1986) first two steps. As stated in the previous paragraph, results support a positive, significant relationship between disclosure and affective commitment (β= .500, $p < .001$). After adding disclosure, the path analysis showed that the effects of felt disclosure on affective commitment were no longer significant (β= .166, $p > .05$). According to Baron and Kenny's (1986) procedure, this result indicates that the effect of felt disclosure on affective commitment is explained by disclosure. Hence, hypothesis 5b is partially supported in terms of felt reliance and fully supported in terms of felt disclosure.

Hypothesis 6a stated that reliance mediates the positive effect of trustworthiness beliefs on job performance. Because I measured trustworthiness beliefs according to perceived ability, benevolence, and integrity (Mayer et al., 1995), I examined their effects separately. Results support a slightly significant relationship between perceived CEO benevolence and job performance (β= .387, $p < .01$), but not perceived ability (β= -.148, $p > .05$) or integrity (β= -.081, $p > .05$). Hence, as set out by Baron and Kenny (1986), I tested the relationship between perceived benevolence and reliance. Results support a positive, significant relationship between perceived benevolence and reliance (β= .640, $p < .001$). These results meet the precondition of Baron and Kenny's (1986) first two steps. Next, I tested the relationship between reliance and job performance. Again, results support a positive, significant relationship between reliance and job performance (β= .214, $p < .05$). After adding reliance, the path analysis showed that the effects of perceived benevolence on job performance were no longer significant (β= .138, $p > .05$). According to Baron and Kenny's (1986) procedure, this result indicates that the effect of perceived benevolence on job performance is explained by reliance. Hence, hypothesis 6a is fully supported in terms of perceived benevolence.

Hypothesis 6b stated that reliance mediates the positive effect of feeling trusted on job performance. Because I measured feeling trusted according to felt reliance and felt disclosure (Gillespie, 2003), I examined their effects separately. Results support a slightly significant relationship between felt reliance and job performance (β= .180, $p < .10$), but not felt disclosure (β= .069, $p > .05$). Hence, as set out by Baron and Kenny (1986), I tested the relationship between felt reliance and reliance. Results support a positive, significant relationship between felt reliance and reliance ($\beta = .512$, $p < .001$). These results meet the precondition of Baron and Kenny's (1986) first two steps. Next, I tested the relationship between reliance and job performance. Again, results support a positive, significant relationship between reliance and job performance ($\beta = .214$, $p < .05$). After adding reliance, the path analysis showed that the effects of felt reliance on job performance were no longer significant ($\beta = .132$, $p > .05$). According to Baron and Kenny's (1986) procedure, this result indicates that the effect of felt reliance on job performance is explained by reliance. Hence, hypothesis 6b is fully supported in terms of felt reliance.

Table 6.10: Mediation Results

Relationship	X → Y	X → M	M → Y	X+M→ Y	Mediation
H5a.	BEN → AC	BEN → DIS	DIS → AC	BEN+DIS→AC	(BEN) **Partial**
ABI → DIS	(β= .533)*	(β= .713)***	(β= .500)***	(β= .498)***	
→ AC.					
H5b.	FR → AC	FR → DIS	DIS → AC	FR+DIS→AC	(FR) **Partial**
FT → DIS	(β= .371)**	(β= .424)***	(β= .500)***	(β= .348)**	
→ AC.	FD → AC	FD → DIS	DIS → AC	FD+DIS→AC	(FD) **Full**
	(β= .301)**	(β= .778)***	(β= .500)***	(β= .166) n.s.	
H6a.	BEN → PERF	BEN → REL	REL → PERF	BEN+REL→PERF	(BEN) **Full**
ABI → REL	(β= .387)†	(β= .640)***	(β= .214)*	(β= .138) n.s.	
→ PERF.					
H6b.	FR → PERF	FR → REL	REL → PERF	FR+REL→PERF	(FR) **Full**
FT → REL	(β= .180)†	(β= .512)***	(β= .214)*	(β= .132) n.s.	
→ PERF.					

The second set of hypotheses, as outlined in Table 4.2, are tested in this section. I tested this set of hypotheses using independent sample *t*-tests. I used composite variables generated in AMOS during the CFA in these analyses. These composite variables more accurately represent the latent factors in these tests, because they account for the error variance. Table 6.11 illustrates the results of this series of tests.

Independent-sample *t*-tests. The next four hypotheses examine differences between family and nonfamily executives' trustworthiness beliefs, trusting intentions (reliance and disclosure), as well as feelings of being trusted. *T*-tests were used to compare family and nonfamily executives on each of these variables. For this set of tests, a dichotomous grouping variable was used as the independent variable (1 = TMT member *and* CEO are both family members, i.e., related, and 2 = TMT member *and/or* CEO is a nonfamily member, i.e., unrelated). In four cases the CEO was a nonfamily member, thus for these cases both respondents from the associated firms' TMT were assigned to the nonrelated group. Hence, for hypotheses 1 to 4 data is split $n = 74$ for related, and $n = 84$ for unrelated ($N = 158$).

Trustworthiness beliefs. Hypothesis 7a stated that an executive's perception of the ability of a family CEO will be higher when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test analysis revealed no significant differences in scores for related ($M = 4.44$, $SD = 0.51$) and unrelated ($M = 4.31$, $SD = 0.59$), $t\ (156) = 1.45$, $p \geq .05$ (two-tailed) group members. Hypothesis 7a is not supported. Hence, there is no meaningful difference between family and nonfamily executives in their perceptions of the CEO's ability.

Hypothesis 7b stated that an executive's perception of the benevolence of a family CEO will be higher when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test confirmed a significant difference in scores for related ($M = 4.47$, $SD = 0.66$) and unrelated ($M = 4.09$, $SD = 0.66$), $t\ (156) = 3.56$,

$p < .001$ (two-tailed) group members. The magnitude of the difference in the means was 0.38 with a 95% confidence interval ranging from 0.17 to 0.59. The eta squared statistic (.07) indicated a moderate effect size (Cohen, 1988). Hypothesis 7b is strongly supported. Hence, family executives perceive the family CEO as being more benevolent, compared to nonfamily executives' perceptions.

Hypothesis 7c stated that an executive's perception of the integrity of a family CEO will be higher when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test confirmed a significant difference in scores for related (M = 4.09, SD = 0.54) and unrelated (M = 3.91, SD = 0.59), t (156) = 2.06, $p < .05$ (two-tailed) group members. The magnitude of the difference in the means was 0.19 with a 95% confidence interval ranging from 0.01 to 0.36. The eta squared statistic (.03) indicated a small effect size (Cohen, 1988). Hypothesis 7c is supported. Hence, family executives perceive the family CEO as being higher in integrity, compared to nonfamily executives' perceptions.

Hypothesis 7d stated that executive's perception of the overall trustworthiness of a family CEO will be higher when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test confirmed a significant difference in scores for related (M = 13.31, SD = 1.70) and unrelated (M = 12.58, SD = 1.79), t (156) = 2.62, $p < .01$ (two-tailed) members. The magnitude of the difference in the means was 0.73 with a 95% confidence interval ranging from 0.18 to 1.28. The eta squared statistic (.04) indicated a small effect size (Cohen, 1988). Hypothesis 7d is supported. Hence, family executives perceive the family CEO as being overall more trustworthy, compared to nonfamily executives' perceptions.

Trusting intentions. Hypothesis 8a stated that an executive's willingness to rely on a family CEO will be higher when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test analysis revealed no significant differences in scores for related (M = 4.12, SD = 0.74) and unrelated (M = 4.05, SD = 0.64), t (156) = 0.69, $p \geq .05$ (two-tailed) group members. Hypothesis 8a is not supported. Hence, there is no meaningful difference between family and nonfamily executives in their willingness to rely on the CEO.

Hypothesis 8b stated that an executive's willingness to disclose sensitive information to a family CEO will be higher when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test confirmed a significant difference in scores for related (M = 3.88, SD = 0.88) and unrelated (M = 3.28, SD = 0.93), t (156) = 4.199, $p < .001$ (two-tailed) group members. The magnitude of the difference in the means was 0.61 with a 95% confidence interval ranging from 0.32 to 0.90. The eta squared statistic (.10) indicated a medium effect size (Cohen, 1988). Hypothesis 8b is strongly supported. Hence, there is a significant difference between family and nonfamily executives in their willingness to disclose sensitive information to the CEO.

Trusting behaviours. Hypothesis 9 stated that an executive's voice behaviour toward a family CEO will be greater when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test confirmed a significant difference in scores for related (M = 3.65, SD = 0.43) and unrelated (M = 3.50, SD = 0.53), t (156) = 1.998, $p < .05$ (two-tailed) group members. The magnitude of the difference in the means was 0.15 with a 95% confidence interval ranging from 0.00 to 0.31. The eta squared statistic (.02) indicated a small effect size (Cohen, 1988). Hypothesis 9 is supported. Hence, there is a significant difference between family and nonfamily executives in their voice behaviour toward the CEO.

Feeling trusted. Hypothesis 10a stated that an executive's perceptions of being trusted by a family CEO in terms of their work-related judgements will be greater when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test analysis revealed no significant differences in scores for related (M = 3.03, SD = 0.36) and unrelated (M = 3.00, SD = 0.41), t (156) = 0.60, $p \geq .05$ (two-tailed) group members. Hypothesis 10a is not supported. Hence, there is no meaningful difference between family and nonfamily executives in their perceptions of being trusted by a family CEO in terms of their work-related judgements.

Hypothesis 10b stated that an executive's perceptions of being trusted by a family CEO in terms of their willingness to disclose sensitive information will be greater when the executive is a family member, compared to when he/she is a nonfamily member. An independent-sample *t*-test confirmed a significant difference in scores for related (M = 3.69, SD = 0.93) and unrelated (M = 3.05, SD = 0.97), t (156) = 4.18, $p < .001$ (two-tailed) group members. The magnitude of the difference in the means was .64 with a 95% confidence interval ranging from 0.33 to 0.94. The eta squared statistic (.10) indicated a moderate effect size (Cohen, 1988). Hypothesis 10b is strongly supported. Hence, there is a significant difference between family and nonfamily executives in their perceptions of being trusted by a family CEO in terms of their willingness to disclose sensitive information.

The final hypothesis related to the third research question: What effect does family firm generation have on perceptions of CEO trustworthiness? To test this hypothesis, I conducted a one-way between-groups analysis of variance (ANOVA) to explore the impact of generation on perceived CEO trustworthiness. CEOs were divided into three groups according to their generation. Group 1 consisted of first-generation CEOs (n = 20). Group 2 consisted of second-generation CEOs (n = 90). Group 3 consisted of third-generation CEOs (n = 34). I compared groups in terms of perceived CEO ability, benevolence, and integrity. Both family and nonfamily TMT members were included in these analyses.

First, in terms of perceived ability, there was a statistically significant difference at the $p < .05$ level in scores for the three groups: F (2, 141) = 3.8, $p = .02$. Despite reaching statistical significance, the actual difference in mean scores between the groups was quite small. The eta squared statistic (.05) indicated a small effect size (Cohen, 1988). Post-hoc comparisons using Tukey HSD test indicated that the mean score for Group 1 (M = 4.65, SD = .28) was significantly different from Group 3 (M = 4.22, SD = .65). Group 2 did not differ significantly from either Group 1 or Group 3. Hence, these results indicate that founding CEOs are perceived to have significantly greater ability than third-generation CEOs.

Second, in terms of perceived benevolence, there was no statistically significant difference in scores for the three groups: F (2, 141) = 2.2, $p = .11$. In terms of benevolence, the mean score did not differ significantly between groups (Group 1 = M = 4.56, SD = .57; Group 2 = M = 4.21, SD = .67; and Group 3 = M = 4.25, SD = .70). Hence, these results indicate that there is no significantly significant difference in perceptions of CEO benevolence across generations.

Finally, in terms of perceived integrity, there was no statistically significant difference in scores for the three groups: F (2, 141) = 2.35, $p = .09$. In terms of integrity, the mean score did not differ significantly between groups (Group 1 = M = 4.21, SD = .44; Group 2 = M = 3.91, SD = .61; and Group 3 = M = 4.02, SD = .53). Hence, these results indicate that there is no significantly significant difference in perceptions of CEO integrity across generations. Table 6.12 illustrates the results of this series of tests.

Table 6.11: *T*-test Results Comparing Related-Unrelated TMT-CEO Members

		Related			Unrelated					
Hypothesis	**Variable**	***n***	**M**	**SD**	***n***	**M**	**SD**	***t*-test**	***df***	**Decision**
H7a	Trustworthiness beliefs (ability)	74	4.44	0.51	84	4.31	0.59	1.45	156	**Reject**
H7b	Trustworthiness beliefs (benevolence)	74	4.47	0.66	84	4.09	0.66	3.563***	156	**Support**
H7c	Trustworthiness beliefs (integrity)	74	4.09	0.54	84	3.91	0.59	2.058*	156	**Support**
H7d	Trustworthiness beliefs (ABI)	74	13.31	1.70	84	12.58	1.79	2.623**	156	**Support**
H8a	Trusting intentions (reliance)	74	4.12	0.74	84	4.05	0.64	.686	156	**Reject**
H8b	Trusting intentions (disclosure)	74	3.88	0.88	84	3.28	0.93	4.199***	156	**Support**
H9	Trusting behaviours (voice)	74	3.65	0.43	84	3.50	0.53	1.998*	156	**Support**
H10a	Feeling trusted (felt reliance)	74	3.03	0.36	84	3.00	0.41	.599	156	**Reject**
H10b	Feeling trusted (felt disclosure)	74	3.69	0.93	84	3.05	0.97	4.178***	156	**Support**

* $p < .05$, ** $p < .01$, *** $p < .001$.
Note: M = Mean; SD = Standard Deviation

Table 6.12: ANOVA Results Comparing Generations

		Gen 1			Gen 2			Gen 3					
Hypothesis	**Variable**	***n***	**M**	**SD**	***n***	**M**	**SD**	***n***	**M**	**SD**	***F*-test**	***df***	**Decision**
H11	Trustworthiness beliefs (ability)	20	4.65	0.28	90	4.34	0.57	34	4.22	0.65	3.8*	141	**Support**
H11	Trustworthiness beliefs (benevolence)	20	4.56	0.57	90	4.21	0.67	34	4.25	0.70	2.2	141	**Reject**
H11	Trustworthiness beliefs (integrity)	20	4.21	0.44	90	3.91	0.61	34	4.02	0.53	2.35	141	**Reject**

* $p < .05$, ** $p < .01$, *** $p < .001$.

Note: M = Mean; SD = Standard Deviation

6.8 Conclusion

This chapter presented the results of the study. The chapter began with a detailed description of the techniques employed to prepare the data for analysis. The chapter then moved on to discuss preliminary analysis of the data, including bias and diagnostic tests. Descriptive statistics and relationships among variables were presented. Next, the measurement model was set out and the procedure carried out to confirm the structure of the factors and the internal consistency of the measures in the study was described. The psychometric characteristics of the measures were discussed, including assessments of reliability and validity. Finally, the structural model was set out and the hypothesised relationships were tested. The next chapter, Chapter 7, concludes the study by presenting a discussion of the study's results.

Chapter 7

Discussion and Conclusion

7.1 Introduction

This chapter concludes the research investigation. The chapter is organised into five major sections. In the first section, I present an overview of the study, its stated objectives, and the research questions proposed at the outset of this study. In the second section, I provide a synthesis of the study's empirical findings, examining the results of individual hypothesis tests and integrating them. Third, I outline the contributions of the study to the literature, illuminating the most critical theoretical insights afforded by the research investigation, as well as its practical implications. In the fourth section, I discuss the limitations of the study and offer recommendations for future research on the topic of trust in family firms. Finally, section five brings closure to the study by answering the aforementioned research questions.

7.2 Overview

Trust has long been assumed to provide an advantage for family firms, yet the means through which it has its effect have been less clear. Data from 79 organisational triads comprised of family and nonfamily TMT members (n = 158) and CEOs (n = 79) demonstrate that trusting in, and feeling trusted by, the CEO of a family firm has important benefits for family firms. Moreover, this study draws on a social group membership perspective (Tajfel & Turner, 1986; Turner et al., 1987) to provide empirical support for the assertion that trust manifests differently among family and nonfamily executives. In addition, this study demonstrates that CEOs are perceived differently in terms of trustworthiness beliefs across generations of the family firm.

From the outset, I endeavoured to achieve three main objectives through this research investigation. First, I sought to test the predictions of the organisational trust literature by empirically examining the trust process within the family firm; a context largely overlooked in the organisational trust literature to date. Second, I aimed to advance understanding of interpersonal relationships in family firms by testing potential differences between trust-related beliefs, intentions, and behaviours among senior family and nonfamily executives. Finally, I endeavoured to synthesise the organisational behaviour and family firm literatures by conducting research at the interface of both domains. In addressing these objectives, I was guided by the following three research questions:

1. How does trusting, and feeling trusted by the CEO, impact on TMT members' voice behaviour, commitment, and performance in family firms?
2. How does trust operate between family and nonfamily TMT members in family firms?
3. What effect does family firm generation have on perceptions of CEO trustworthiness?

7.3 Discussion

Families throughout the world comprise naturally occurring communities that generate trust relations (Fukuyama, 1995). As such, family firms are often referred to as *high-trust* organisations (Corbetta & Salvato, 2004; Jones, 1983). The first research question in this study related to the trust process in family firms (i.e., trust as a belief, a decision, and an action) (Dietz, 2011; Dietz & den Hartog, 2006; McEvily et al., 2003; McEvily & Tortoriello, 2011; Skinner et al., 2014). With respect to the first set of hypotheses, perceived CEO trustworthiness should be positively related to TMT trusting intentions (reliance and disclosure) and behaviours, commitment, and job performance.

Results indicate that when executives felt that their CEO trusted them, both their voice behaviour and commitment to the family firm were positively affected. While the effects on voice behaviour were found only when TMTs perceived that their CEO relied upon them, and not when their CEO disclosed sensitive information to them, the effects on TMT commitment were found for both domains of feeling trusted—felt reliance and felt disclosure (Gillespie, 2003, Lau et al., 2014). These findings regarding the effects of felt trust on voice behaviour are similar to, and relevant for, the literature on psychological safety. This literature contends that psychological safety (the belief that engaging in risky behaviours will not lead to personal harm) is a key affect-laden cognition influencing voice (e.g., Detert & Burris, 2007; Edmondson, 1999). Hence, leader behaviours are key inputs to employee assessments about potential costs and benefits of speaking up, which in turn affect ultimate voice behaviour. Simply put, when TMT members feel trusted by their CEO, they will feel more comfortable in expressing information to the CEO and speaking up with suggestions or concerns. Regarding the effects of felt trust on commitment, when family firm CEOs trust TMT members, they are more willing to be committed to the firm. In their study, Allen and colleagues (2018) demonstrated that increased levels of trust are associated with increased levels of commitment in family firms. Furthermore, they found that commitment fully mediates the relationship between trust and performance. Hence, feeling trusted by leaders has important benefits for family firms.

Further, I found felt trust in terms of reliance to have a significant effect on TMT job performance, but this effect was only present when TMT members were also willing to rely on their CEO. A feeling of reliance from the CEO suggests to executives that the CEO is willing to be more laid-back in monitoring their performance. Such a willingness to be vulnerable also carries the expectation that TMT members will not exploit the CEO's vulnerability (i.e., work less because the CEO is not watching) (Lau et al., 2014). A possible explanation for the effect of reliance on the positive relationship between felt trust and TMT performance is that reliance may be driven by reciprocity, obligation, and social exchange (Konovsky & Pugh, 1994). Hence, when executives feel relied upon by the CEO, they will reciprocate this gesture and be more willing to rely upon the CEO for important tasks, thus enhancing their job performance.

The results also suggest that the effect of felt trust on affective commitment is explained by disclosure. These results suggest that not all kinds of trusting behaviour produce the same outcomes. As social psychological research on interpersonal disclosure indicates (e.g., Collins & Miller, 1994), disclosure effects are more relation-based than character-based (Dirks & Ferrin, 2002).

Another important finding of this study relates to the second research question; that is, trust manifests differently among members of the top management team of family firms. Family TMT members perceived the family CEO as significantly more trustworthy and felt significantly more trusted by the CEO than nonfamily TMT members. More precisely, in terms of trustworthiness beliefs, family TMT members viewed the CEO as more benevolent and higher in integrity than their nonfamily counterparts. While the difference in perceptions of CEO integrity only demonstrated a small effect size ($p < .05$), the difference in perceived benevolence showed strong support ($p < .001$). This finding is not surprising. Cruz and colleagues (2010) found that perceptions of benevolence are higher not only when a CEO and TMT come from the same family, but also when both parties come from outside the family that owns the firm; these perceptions reached their lowest point when the CEO and TMT differed in family status.

In family firms, it is not enough for a leader to be perceived as trustworthy; leaders must also ensure that employees feel trusted. I compared family and nonfamily groups regarding their beliefs that their CEO is both willing to rely on their expertise and share sensitive information with them (Lau et al., 2014; Williams, 2016). In terms of feeling trusted, family TMT members felt significantly more trusted by the CEO than nonfamily TMT members. More specifically, the results indicate that family TMT members believed that their CEO was more willing to share sensitive information with them than nonfamily TMT members. The data showed strong support for this finding ($p < .001$). The literature on self-disclosure suggests that when a person voluntarily discloses personal information to another person, the receiving person will tend to attribute greater liking and attractiveness to that individual (Collins & Miller, 1994). Sharing personal information or making a disclosure that reveals a vulnerability typically accompanies the formation of interpersonal attachment and expressions of care and concern. In other words, the willingness of a CEO to disclose sensitive information suggests that the CEO considers his/her relationship with the TMT to be personal (Gillespie, 2003). Hence, the finding that family TMT members felt that the CEO was more willing to be vulnerable and share sensitive information with them compared to nonfamily TMT members makes sense.

The decision to trust another person involves a willingness to render oneself vulnerable to that person (Mayer et al., 1995; Rousseau et al., 1998). In addition to perceiving the CEO as more trustworthy and feeling more trusted by him/her, results demonstrate that family TMT members are also more willing to be vulnerable to the family CEO than nonfamily executives. In terms of trust intentions, family TMT members were more willing to share sensitive information with the family CEO than nonfamily executives. The data showed strong support for this finding ($p < .001$). However, in terms of willingness to rely on the CEO for important tasks, there was no meaningful difference between family and nonfamily executives.

The third research question asked: What effect does family firm generation have on perceptions of CEO trustworthiness? The hypothesis relating to generational trust predicted that as a family and its firm naturally evolve and grow, so does the relational distance among its members, and, hence, positive trustworthiness perceptions will diminish. This hypothesis was partially supported. Results demonstrated that TMT members (both family and nonfamily) perceived first-generation CEOs as the most trustworthy leaders. Such findings are in line with the Edelman Trust Barometer, which found that family firm founders are the most trusted leaders, above second-, and third-generation CEOs, and even nonfamily CEOs. This finding is likely reflective of founding members' commitment to the firm and their willingness to make substantial sacrifices to ensure the survival and prosperity of the firm (e.g., contribution of capital and other resources to the firm or working long hours) (Gersick et al., 1997). However, results suggest that these positive CEO trustworthiness perceptions dissolve and leaders in later generations are perceived less favourably in the eyes of family and nonfamily executives than their predecessors. Results demonstrate that third-generation CEOs were perceived to be lowest in terms of their ability to manage the firm. Research suggests that family executives find it difficult to trust a cousin or an in-law in the same way that they trust their own father or mother. Therefore, as later generations join the firm, familial ties gradually weaken, unleashing forces that diminish, rather than build, trust (Steier, 2001). These findings are also in line with the Edelman Trust Barometer which found next-generation leaders to be perceived as less capable, with 63% of responding employees indicating that the next-generation would mismanage the company, 53% agreeing that they were less impressive and talented than founders, and 56% affirming that the next generation were less committed and passionate about the company than their predecessors (Edelman, 2017). Hence, family firms are complex entities, and although they comprise distinct features that can facilitate trust, these firms are particularly vulnerable to forces that can lead to the dilution or dissolution of trust (Steier, 2001; Sundaramurthy, 2008).

7.4 Contributions

This research makes contributions to the literature in five domains including; theory, context, empirical findings, methodology, and practice (Colquitt et al., 2007; Whetten, 1989). Each of these contributions is discussed next.

Contributions to trust research. This study contributes to the organisational trust literature by demonstrating why people choose to trust in some ways but not in others (Alexopoulos & Buckley, 2013; Gillespie, 2003; Lewis & Weigert, 1985). Recently, scholars have called for research to examine not simply "whether people trust each other," or "by how much," but "why" do they trust? (Dietz, 2011, p. 220). This study responds to these calls by adopting a social group membership perspective to examine "on what basis" executives trust and feel trusted by leaders in organisations (Dietz, 2011, p. 220). Results of this study demonstrate that ingroup members place higher, more personal bases of trust in fellow ingroup members. This higher form of trust is fuelled by emotional bonds. It reflects the concept of affect-based trust (McAllister, 1995) or "trust from the heart" (Chua, Ingram, & Morris, 2008) and implies amplified perceptions of trustee benevolence and integrity, which, in turn, can lead to self-disclosure behaviours (Gillespie, 2003). These findings challenge the assumption that distrust emerges as a function of social group membership, whereby ingroup members are presumed to distrust members of the outgroup (Kramer, 1999). Moreover, in line with previous conceptual work (e.g., Williams, 2001), this study empirically validates the theory that a similarity-trust, dissimilarity-distrust paradigm is inadequate for understanding how trust develops between members of dissimilar groups in organisations. Rather than exhibiting distrust toward outgroup members (i.e., "confident negative expectations" [Lewicki et al., 1998, p. 439]), results suggest that outgroup members may trust ingroup members on a professional basis. This form of trust reflects the concept of cognition-based trust (McAllister, 1995) or "trust from the head" (Chua et al., 2008). This basis for trust implies positive perceptions of a trustee's ability or competence, which may result in reliance-based behaviours in the workplace (Gillespie, 2003).

This study makes a second theoretical contribution to the organisational trust literature by examining the "leap of faith" associated with trust. Most trust research to date focuses almost exclusively on trust as a psychological state or attitude (Colquitt et al., 2007; Fulmer & Gelfand, 2012) at the expense of examining the behavioural element. This provides an incomplete understanding of trust, because "the risk-taking act is trust's defining stage" (Skinner et al., 2014, p. 208). In recent years, a growing stream of research alludes to the theory that trust is a sequential process involving three stages—(1) a belief, (2) a decision, and (3) a risk-taking act—and scholars have called out for empirical studies to examine the construct in this way (e.g., Dietz, 2011; Dietz & den Hartog, 2006; Li, 2007, 2012, 2016; McEvily et al., 2003; McEvily & Tortoriello, 2011; Skinner et al., 2014). This study answers these important calls and conceptualises trust as a three-stage process, thus capturing the holistic and contextual natures of trust (Li, 2016). In doing so, it is among the first studies to empirically examine the leap of faith involved in the act of trusting another person. This risk-taking act is measured through challenging–promotive voice behaviours in the workplace (Van Dyne & LePine, 1998). Speaking up and expressing opinions in an organisation involves vulnerability. The addition of "voice" as a dimension of trusting behaviour represents a valuable contribution to the trust literature (Whetten, 1989).

Contributions to family firm research. This study makes a contextual contribution to organisational trust research by empirically examining the trust process within a new context: the family firm. Organisational trust theorists typically argue that "in professional relationships, trust does not begin with the development of intense emotionality" (Lewicki & Bunker, 1996, p. 118). Moreover, in the workplace, trust is thought to develop and strengthen gradually over time (Lewicki & Bunker, 1995; 1996). However, evidence from this study suggests that, in complex organisational contexts such as the family firm, these predictions do not hold (Reay & Whetten, 2011; Whetten, 1989); in fact, family executive relationships start off with strong emotional ties. This study employs a generational model to examine perceptions of leader trustworthiness in first-, second-, and third-generation family firms. In the first generation, trust is a central feature and levels of trust are at their peak. However, as the firm (and family) evolves across generations, this trust dissolves and executives become less trusting of leaders in later generations. Leaders of third-generation firms were perceived to be lowest in terms of their ability to successfully manage the firm.

This study makes an empirical contribution to family firm research (Colquitt & Zapata-Phelan, 2007). Despite strong theoretical works arguing that interpersonal trust manifests differently in family firms (e.g., Eddleston et al., 2010; Eddleston & Morgan, 2014; Gagné et al., 2014; Moores et al., 2018; Sundaramurthy, 2008), trust dynamics in family firms have been the subject of little empirical investigation. This study empirically examines the impact of interpersonal trust in the family firm. In doing so, it demonstrates that the coexistence of family and firm relations produce different bases for trust between family and nonfamily executives.

Methodological contribution. Finally, this research makes a methodological contribution to the family firm literature (Whetten, 1989). This study collects multisource, triadic data to examine the perceptions and behaviours of family and nonfamily executives in family firms. The use of a multi-informant method is rare in family firm research, and studies in the family firm field often neglect considerations of the nonfamily employee (Barnett & Kellermanns, 2006; Holt et al., 2017). In examining the topic of trust, obtaining responses from both family and nonfamily executives is particularly important because the impact of trust is likely to differ between these two groups (Allen et al., 2018; Davis et al., 2010; La Chapelle & Barnes, 1998). By obtaining data from family and nonfamily executives, this research extends the emerging knowledge base exploring family versus nonfamily relations (Madison & Kellermanns, 2013; Madison et al., 2017; Vardaman et al., 2018). Moreover, this is the first study in the family firm field to capture perceptions and behaviours from matched organisational triads comprising the chief executive officer (CEO), a family top management team (TMT) member, and a nonfamily TMT member in the family firm.

Implications for practice. This research also has important implications for practice. First, this study has implications for the management of family firm continuity. The continuation of the family firm by members of the business-owning family constitutes a primary goal for family firms (Kets de Vries, 1993; Miller & Le Breton-Miller, 2005; Ward, 2004). Yet passing the business to the next generation still remains the largest threat to business survival. The probability for transgenerational family firm survival is low, with fewer than 30% of firms passing into the second generation; of those, about 12% survive to the third generation, and an estimated 4% survive to the fourth generation (Ward, 2010). Research on trust indicates that it has important performance implications at the organisational level (e.g., Davis et al., 2000). Hence, if family firms are to pursue continuity across generations, leaders must focus on developing trust among members of the TMT in order to increase commitment and in turn improve group dynamics and performance (Davis et al., 2010). Consequently, it is crucial for family firm leaders to develop an understanding of the trust process and how to manage it. When employees choose to trust their leader, they have undergone a process involving factors that can be identified, analysed, and influenced. This research sheds light on how the decision to trust a leader is made in family firms. By recognising and understanding the factors behind this decision, family firm leaders can maintain harmonious relationships with TMT members and create an environment in which trust can thrive. Given that family firms represent a significant portion of the economies of every nation (Family Firm Institute, 2016; La Porta et al., 1999), it is pivotal for both researchers and practitioners to understand the characteristics that contribute to their success or failure.

Second, this research has implications for next-generation family firm leaders. Next-generation leaders face a trust disadvantage. According to the 2017 Edelman Trust Barometer, an annual trust survey involving over 15,000 respondents across 12 countries, next-generation family firm CEOs are substantially less trusted than founders. Furthermore, next-generation CEOs are seen as less talented, less passionate, and less committed to the firm than their forebears. Respondents also perceived next-generation leaders as more likely to mismanage the company (Edelman, 2017). In line with these results, this study finds that founding CEOs are the most trustworthy leaders, in terms of their perceived ability. This finding may also support the evidence of Anderson and Reeb (2003), which indicates that family firms under the direction of the founding family outperform other firms in terms of accounting profitability metrics and market performance. Furthermore, this study found that third-generation leaders are perceived as being the least able to manage the firm. Hence, these findings suggest that the family business trust advantage is threatened by pronounced distrust of the next generation of family members. Family firms must ensure they have a higher standard of entry into the business for family members, rather than a lower one. They may require somewhat more outside work experience than they would require of nonfamily employees, or more education. This practice will encourage only the most competent family members to join the firm while also ensuring that there is room for upward career paths for able, nonfamily employees.

Table 7.1: Contributions Table

Contribution	Call for Research	This Study
Theoretical	Scholars have called for research to examine not simply "whether people trust each other," or "by how much," but "why" do they trust? (Dietz, 2011, p. 220).	This study adopts a social group membership perspective to examine on what basis executives trust and feel trusted by leaders in organisations. In doing so it challenges the assumption that distrust emerges as a function of social group membership, whereby ingroup members are presumed to distrust members of the outgroup (Kramer, 1999). This study suggests that ingroup members place higher, more personal bases of trust in fellow ingroup members. Moreover, rather than exhibiting distrust toward outgroup members (i.e., "confident negative expectations" [Lewicki, McAllister, & Bies, 1998, p. 439]), results indicate that outgroup members may trust ingroup members on a professional basis.
Theoretical	A growing stream of research alludes to the theory that trust is a sequential process involving three stages—(1) a belief, (2) a decision, and (3) a risk-taking act; yet, most empirical work fails to consider the behavioural element involved in the risk-taking act (Dietz & den Hartog, 2006). This provides an incomplete understanding of trust, because "the risk-taking act is trust's defining stage" (Skinner et al., 2014, p. 208).	This study conceptualises trust as a three-stage process. In doing so, it is among the first studies to empirically examine the "leap of faith" associated with the trust process. The addition of "voice" as a dimension of trusting behaviour represents a valuable contribution to the trust literature.
Contextual	Organisational trust theorists typically argue that "in professional relationships, trust does not begin with the development of intense emotionality" (Lewicki & Bunker, 1996, p. 118). Moreover, in the workplace, trust is thought to develop and	This study suggests that, in complex organisational contexts such as the family firm, these predictions do not hold (Reay & Whetten, 2011; Whetten, 1989), because family executive relationships start off with strong emotional ties. Moreover, by employing a generational model

	strengthen gradually over time (Lewicki & Bunker, 1995; 1996).	of trust this study suggests that trust perceptions decrease over time in family firms.
Methodological	The use of a multi-informant method is rare in family firm research, and studies often neglect considerations of the nonfamily employee (Barnett & Kellermanns, 2006; Holt et al., 2017).	This is the first empirical study to capture perceptions and behaviours from matched triads comprising the CEO, a family TMT member, and a nonfamily TMT member in the family firm. By obtaining data from family and nonfamily executives, this research extends the emerging knowledge base exploring family versus nonfamily relations (Madison & Kellermanns, 2013; Madison et al., 2017; Vardaman et al., 2018).
Empirical	Despite strong theoretical works arguing that interpersonal trust manifests differently in family firms (e.g. Eddleston et al., 2010; Eddleston & Morgan, 2014; Gagné et al., 2014; Moores et al., 2018; Sundaramurthy, 2008), trust dynamics in family firms have been the subject of little empirical investigation.	This study adopts a social group membership perspective to examine differences in trust-related perceptions and behaviours among family and nonfamily TMT members. Results indicate that family TMT members feel more trusted by the family CEO, and perceive the family CEO as more trustworthy, than nonfamily TMT members do. Furthermore, family TMT members are willing to be more vulnerable to, and engage in more trust-based behaviours toward, family CEOs.

7.5 Limitations and Future Research

This study is not without limitations. First, this research was cross-sectional and so casual inferences cannot be made. This issue is more relevant for hypotheses 1 to 6 rather than for hypotheses 7 to 11. More specifically, hypotheses 7 to 11 did not predict causality—these hypotheses compared family and nonfamily senior executives on their trust-based beliefs, reliance and disclosure intentions, and behaviours, as well as generational differences. On the other hand, hypotheses 1 to 6 examined the trust process in family firms. More precisely, these hypotheses examined how trusting, and feeling trusted, impacted on executives' trusting behaviours, commitment, and job performance. While theory supports the temporal precedence of trust (Schoorman et al., 2007), future research is warranted in the form of a time-lagged or longitudinal design to determine the direction of causality of these trust dimensions in family firms.

Second, generalisability could be considered a limitation of this study. Because family firms are typically privately held and, hence, not subject to the same disclosure requirements as other organisational forms, obtaining a reliable sampling frame presents a serious challenge for family firm researchers (Bettinelli, 2011; Sharma et al., 2003). In the absence of a national database of family firms, I used a convenience sampling approach in this study; this is a common approach in family firm research (e.g., Allen et al., 2018; Davis et al., 2010; Marshall et al., 2006). I compiled a database of firms, CEOs and their contact details using a combination of sources, including the database of the Centre for Family Business, which is affiliated with Dublin City University, searching newspapers and websites for articles about family businesses, LinkedIn searches and personal contacts. Consequently, the sample used in this study represents family firms of varying sizes and industries. Moreover, I demonstrated the representativeness of this sample using three separate analyses. These included an analysis of response rates, nonresponse bias, and sample representativeness (see Section 6.4). First, the overall response rate of 12.9% for this study exceeds that achieved in similar studies in the family firm field (e.g., a response rate of 12% was obtained by Allen et al., 2018, and a response rate of 11% was obtained by Cruz et al., 2010). Second, I compared early respondents with late respondents and found no significant differences along key individual and firm characteristics. Research suggests that nonrespondents are similar to late respondents; thus, this comparison suggests that my sample, as a whole, is similar to the nonresponding population (Kanuk & Berenson, 1975). Third, I compared the characteristics of respondents and firms in my sample with primary data from family firms not used in my analysis (i.e., not part of an organisational triad) as well as to those of a sample from one of the most extensive family firm studies conducted in Ireland to date (Clinton, 2012). Both of these comparisons found my sample to be relatively similar to other family firm samples. Yet, despite these careful efforts to obtain a representative sample, it is possible that the findings and implications of this study are not be generalisable to the general population of family firms. For these reasons, and as previously discussed in Section 6.4, results of this study are likely more representative of medium-large family firms with an established top management team, than to micro family firms. Future replication studies are required to determine how the findings of this study generalise to the broader population of family firms.

Third, the sample size in this study was quite small. I collected multisource, triadic data from 79 family firms in Ireland; each organisational triad consisted of a response from the CEO, a family, and a nonfamily TMT member from the same firm. Obtaining data from family and nonfamily executives was important because the coexistence of family and firm relations produce different bases for trust between family and nonfamily executives (Davis et al., 2010; Allen et al., 2018). Accordingly, there was a trade-off between theoretical motives and sample size; I selected theory. Obtaining triadic data from a larger number of family firms would have boosted the statistical power in the data analyses. Moreover, it is quite possible that a larger sample size would have resulted in a greater number of the proposed hypotheses being supported. Future research should aim to collect data from a larger number of family firms.

Finally, there is potential for selection bias resulting from the study's methodological design. The CEO completed the first survey and he/she was responsible for selecting the two other research participants (a family and a nonfamily TMT member) in his/her firm to complete the second survey. Hence, this sample selection process may introduce bias. In future, researchers implementing a multi-informant research design should seek to recruit all participants in an independent manner to avoid potential selection bias.

In addition to the aforementioned methodological issues that researchers should aim to address in future research investigations, there are numerous additional novel and important topics relating to trust in family firms that scholars should seek to examine. First, future research should explore the construct of generalised trust. The current research investigation, along with the majority of existing trust frameworks, focus on trust towards a specific target (e.g., Gillespie, 2003; Mayer & Davis, 1999; McAllister, 1995). In contrast to specific trust that is contained within a relationship, generalised trust (also known as dispositional trust, Kramer, 1999 and trust propensity, Mayer et al., 1995) involves a generalised expectation about the trustworthiness of others. Because generalised trust may be the key driver of the "form and shape of the leap beyond the expectations that reason and experience alone would warrant" (Colquitt et al., 2007, p. 911), it is critical to understand its development. Thus, researchers should seek to disentangle the concept of generalised trust, differentiating between the development of generalised trust as it pertains to different types of social relationships or domains, for example, family. Relatedly, it would be worthwhile to distinguish between ingroup generalised trust, as well as outgroup generalised trust.

A second topic fruitful for future research investigation is the concept of felt trust. This study demonstrated that feeling trusted has unique consequences for TMT members beyond those associated with perceived leader trustworthiness. Feeling trusted is an important, yet relatively unexplored aspect of interpersonal trust. Further research is needed to expand understanding of the dynamics of feeling trusted in family firms. Moreover, this study exclusively focuses on feeling trusted from the perspective of family and nonfamily TMT members. Future research would benefit from empirically examining the construct of feeling trusted both from the perspective of TMT members as well as from the perspective of the family firm leader.

Third, parallel to the large scholarly interest in trust, researchers in management and related disciplines have recently made the case for the importance of understanding the construct of distrust. Although trust and distrust are sometimes viewed as two ends of a continuum, evidence suggests that distrust might be better analysed as a unique construct which, while still linked to trust, is caused by different factors than trust (Bijlsma-Frankema, Sitkin, & Weibel, 2015). Fukuyama (1995) proposes that in societies where people are raised to trust their close family networks, they are also taught to distrust people outside the family, which impedes the development of formal institutions in society, for example, family firms. There is a need to conduct research regarding how family firms can identify distrust and its antecedents, and how this destructive force develops and evolves.

Fourth, family firms offer rich empirical sites within which to examine the dimensions of stakeholder trust (Steier & Muethel, 2014). In a recent thought-piece in *The Economist* (2017), Justin Craig, clinical professor of family enterprise at the Kellogg School of Management at Northwestern University, argued that one of the most effective metrics to compare the success of family and nonfamily firms is levels of public trust. The ability to generate stakeholder trust is a fundamental driver of competitive advantage for family firms.

For example, family firm research indicates that consumers perceive family businesses as having more trustworthy policies, practices, and frontline employees than nonfamily businesses (Orth & Green, 2009). These findings were further validated by the Edelman Trust Barometer which found that family firms are the *most trusted* form of business organisation globally (Edelman, 2017). Future family firm research should build on the Edelman Trust Barometer findings to deliver a more refined, scholarly approach to examining stakeholder trust. Specifically, research should consider the existence of a family firm trustworthiness effect in the eyes of consumers, and investigate how these perceptions relate to consumer purchase intentions. Such research would also make for interesting conversation to the discussion of marketing and reputation of family firms.

Fifth, in organisations, different forms of commitment can co-exist. Allen and Meyer (1990) distinguish between three types of organisational commitment—affective, continuance, and normative commitment. This study examined only affective commitment, reflecting an emotional attachment to, identification with, and involvement in the organisation. Continuance commitment is based on an individual's awareness of the perceived costs associated with leaving the firm, while normative commitment reflects a perceived obligation to remain with the organisation (Meyer & Allen, 1991). Continuance and normative commitment should also be given further attention in the family business literature.

Finally, research has started to elucidate the mechanisms responsible for negative effects of trust (Baer et al., 2015; Kong et al., 2014). In the case of family firms, there may be a dark side of trust in family relationships. Trust can lead to blind faith, amoral familism, and complacency (Banfield, 1958; Fukuyama, 1995; Steier, 2001; Sundaramurthy, 2008). Future research should focus on the limits and liabilities of trust in family firms.

7.6 Conclusion

In this study, I integrated the organisational trust and family firm literatures to examine the effects of trusting and feeling trusted in family firms. Data from 79 organisational triads comprised of family and nonfamily TMT members (n = 158) and CEOs (n = 79) demonstrate that trusting in, and feeling trusted by, the CEO of a family firm has benefits for TMT job performance, commitment, and voice behaviour. Moreover, I also examined differences in trust-based perceptions and behaviours of family and nonfamily TMT members. Are family executives bound by blood in the family firm? As the results of this study suggest, apparently so. Through this study I empirically demonstrated that trust manifests differently among family and nonfamily TMT members. More precisely, family TMT members feel more trusted by the family CEO, perceive the family CEO as more trustworthy, and are more willing to be vulnerable to the family CEO and engage in trust-based behaviours with him/her than nonfamily TMT members. I also demonstrate that perceptions of family firm leader trustworthiness differ across generations of family firms.

In a notable editorial in *FBR*, Salvato and Aldrich pose the question "What makes family business research interesting?" (2012, p. 125). The authors proceed to suggest that—besides important, valid, and well-crafted studies—research should aim to "build bridges with other fields and disciplines" (Salvato & Aldrich, 2012, p. 132). In the execution of this research study I endeavoured to achieve these four goals. By undertaking a carefully devised, in-depth examination of trust in family firms—a key under-researched phenomenon in this context—this study is positioned at the confluence of family firm and organisational behaviour. Moreover, as demonstrated throughout this study, the topic of trust in family firms is an interesting and important area for scholarly inquiry that rests on a solid foundation. I hope that this research engages like-minded scholars in a rich, robust theoretical conversation, stimulating further research on the important topic of trust in family firms.

References

Abbott, A. (1990). Positivism and interpretation in sociology: Lessons for sociologists from the history of stress research. *Sociological Forum, 5*(3), 435–458.

Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of Business Venturing*, *18*(5), 573–596.

Alexopoulos, A. N., & Buckley, F. (2013). What trust matters when: The temporal value of professional and personal trust for effective knowledge transfer. *Group & Organization Management*, *38*(3), 361–391.

Allen, M. R., George, B. A., & Davis, J. H. (2018). A model for the role of trust in firm level performance: The case of family businesses. *Journal of Business Research*, *84*, 34–45.

Allen, N. J., & Meyer, J. P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of Occupational and Organizational Psychology*, *63*(1), 1–18.

Allen, V. L., & Wilder, D. A. (1975). Categorization, belief similarity, and group discrimination. *Journal of Personality and Social Psychology, 32*(6), 971–977.

Allison, P. D. (2001). *Missing data*. Thousand Oaks, CA: Sage.

Anderson, R., & Reeb, D. (2003). Founding-family ownership and firm performance: Evidence from S & P 500. *Journal of Finance, 58*(3), 1301–1328.

Arbnor, I., & Bjerke, B. (2008). *Methodology for creating business knowledge*. Thousand Oaks, CA: Sage.

Arregle, J. L., Hitt, M. A., Sirmon, D. G., & Very, P. (2007). The development of organizational social capital: Attributes of family firms. *Journal of Management Studies*, *44*(1), 73–95.

Arrow, K. J. (1974). *The limits of organization*. New York: W. W. Norton.

Ashforth, B. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Review, 14*(1), 20–39.

Astrachan, J., Allen, I., & Spinelli, S. (2002). MassMutual/ Raymond Institute American family business survey. Retrieved from http://www.caregiverslibrary.org/portals/0/CGM.Family%20Businesses%20Changing%20 Hands%20AFBSresults.pdf.

Astrachan, J. H., & Shanker, M. C. (2003). Family businesses' contribution to the US economy: A closer look. *Family Business Review, 16*(3), 211–219.

Axelrod, R. (1984). *The evolution of cooperation.* New York: Basic Books.

Baer, M. D., Dhensa-Kahlon, R. K., Colquitt, J. A., Rodell, J. B., Outlaw, R., & Long, D. M. (2015). Uneasy lies the head that bears the trust: The effects of feeling trusted on emotional exhaustion. *Academy of Management Journal, 58*(6), 1637–1657.

Baer, M., van der Werff, L., Colquitt, J., Rodell, J. B., Zipay, K., & Buckley, F. (in press). Trusting the "look and feel": Situational normality, situational aesthetics, and the perceived trustworthiness of organizations. *Academy of Management Journal*.

Bammens, Y., Voordeckers, W., & Van Gils, A. (2008). Boards of directors in family firms: A generational perspective. *Small Business Economics, 31*(2), 163–180.

Banfield, E. (1958). *The moral basis of a backward society*. Glencoe IL: Free Press.

Barber, B. (1983). *The logic and limits of trust*. New Brunswick, NJ: Rutgers University Press.

Barnett, T., & Kellermanns, F. W. (2006). Are we family and are we treated as family? Nonfamily employees' perceptions of justice in the family firm. *Entrepreneurship Theory & Practice, 30*(6), 837–854.

Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, *51*(6), 1173–1182.

Beck, S., & Kenning, P. (2015). The influence of retailers' family firm image on new product acceptance: An empirical investigation in the German FMCG market. *International Journal of Retail & Distribution Management*, *43*(12), 1126–1143.

Benavides-Velasco, C. A., Quintana-García, C., & Guzmán-Parra, V. F. (2013). Trends in family business research. *Small Business Economics*, *40*(1), 41–57.

Bettinelli, C. (2011). Boards of directors in family firms: An exploratory study of structure and group process. *Family Business Review*, *24*(2), 151–169.

Bigley, G. A., & Pearce, J. L. (1998). Straining for shared meaning in organizational science: Problems of trust and distrust. *Academy of Management Review*, 23, 405–421.

Bijlsma-Frankema, K., Sitkin, S. B., & Weibel, A. (2015). Distrust in the balance: The emergence and development of intergroup distrust in a court of law. *Organization Science*, *26*(4), 1018–1039.

Blau, P. M. (1964). *Exchange and power in social life*. London, UK: Transaction Publishers.

Boon, S. D., & Holmes, J. G. (1991). The dynamics of interpersonal trust: Resolving uncertainty in the face of risk. In R. A. Hinde & J. Groebel (Eds.), *Cooperation and prosocial behavior* (pp. 190–211). Cambridge, England: Cambridge University Press.

Brewer, M. B. (1979). In-group bias in the minimal intergroup situation: A cognitive-motivational analysis. *Psychological bulletin*, *86*(2), 307–324.

Brewer, M. B. (1981). Ethnocentrism and its role in interpersonal trust. In M. B. Brewer & B. E. Collins (Eds.), *Scientific inquiry and the social sciences* (pp. 214–231). San Francisco: Jossey-Bass.

Brewer, M. B. (1996). In-group favoritism: The subtle side of intergroup discrimination. In

D.M. Messick & A. Tenbrunsel (Eds.), *Behavioral research and business ethics* (pp. 160–171). New York: Russell Sage Foundation.

Brewer, M. B. (1999). The psychology of prejudice: Ingroup love and outgroup hate? *Journal of Social Issues*, *55*(3), 429–444.

Brewer, M. B., & Brown, R. J. (1998). Intergroup relations (4th Ed). In D. T. Gilbert, S. T. Fiske, & G. Lindzey (Eds.), *The handbook of social psychology* (pp. 554–594). New York, NY: McGraw-Hill.

Brewer, M. B., & Kramer, R. M. (1985). The psychology of intergroup attitudes and behavior. *Annual Review of Psychology*, *36*(1), 219–243.

Bronowski, J. (1956). *The common sense of science.* London: Pelican.

Brower, H. H., Lester, S. W., Korsgaard, M. A., & Dineen, B. R. (2009). A closer look at trust between managers and subordinates: Understanding the effects of both trusting and being trusted on subordinate outcomes. *Journal of Management*, *35*(2), 327–347.

Brown, T. A. (2006). *Confirmatory factor analysis for applied research*. New York, NY: Guilford Publications.

Brown, R., Vivian, J., & Hewstone, M. (1999). Changing attitudes through intergroup contact: The effects of group membership salience. *European Journal of Social Psychology*, *29*(5-6), 741–764.

Buchanan, B. (1974). Building organizational commitment: The socialization of managers in work organizations. *Administrative Science Quarterly*, *18*, 533–546.

Burt, R. S., & Knez, M. (1996). Trust and third-party gossip. In R. M. Kramer & T. R. Tyler (Eds.), *Trust in organizations: Frontiers of theory and research* (pp. 68–69). London, UK: Sage.

Business Families Foundation. (2015). The future of family business. *Family business* *resources*. Retrieved from https://businessfamilies.org/en/education/p-the-future-of-family-business/.

Butler, J. K. (1991). Toward understanding and measuring conditions of trust: Evolution of a conditions of trust inventory. *Journal of Management*, *17*(3), 643–663.

Butler, J. K. (1999). Trust expectations, information sharing, climate of trust, and negotiation effectiveness and efficiency. *Group & Organization Management*, *24*(2), 217–238.

Butler, J. K., & Cantrell, R. S. (1984). A behavioral decision theory approach to modeling dyadic trust in superiors and subordinates. *Psychological Reports*, *55*(1), 19–28.

Carmeli, A., Schaubroeck, J., & Tishler, A. (2011). How CEO empowering leadership shapes top management team processes: Implications for firm performance. *The Leadership Quarterly*, *22*(2), 399–411.

Carmon, A. F., Miller, A. N., Raile, A. N., & Roers, M. M. (2010). Fusing family and firm: Employee perceptions of perceived homophily, organizational justice, organizational identification, and organizational commitment in family businesses. *Journal of Family Business Strategy*, *1*(4), 210–223.

Carsrud, A. L. (2006). Commentary: Are we family and are we treated as family? Nonfamily employees' perceptions of justice in the family firm: It all depends on perceptions of family, fairness, equity, and justice. *Entrepreneurship Theory & Practice*, *30*(6), 855–860.

Castaldo, S., Premazzi, K., & Zerbini, F. (2010). The meaning(s) of trust. A content analysis on the diverse conceptualizations of trust in scholarly research on business relationships. *Journal of Business Ethics*, *96*(4), 657–668.

Ceja-Barba, L. (2014). Towards a positive organizational study of family-owned businesses:

Embracing a fertile territory. *European Journal of Work and Organizational Psychology*, *23*(5), 665–668.

Chen, S., Chen, X., Cheng, Q., & Shevlin, T. (2010). Are family firms more tax aggressive than non-family firms? *Journal of Financial Economics*, *95*(1), 41–61.

Chrisman, J. J., Chua, J. H., Kellermanns, F. W., & Chang, E. P. (2007). Are family managers agents or stewards? An exploratory study in privately held family firms. *Journal of Business Research*, *60*(10), 1030–1038.

Chrisman, J. J., Chua, J. H., & Sharma, P. (1998). Important attributes of successors in family businesses: An exploratory study. *Family Business Review*, *11*(1), 19–34.

Chrisman, J. J., Chua, J. H., & Steier, L. P. (2002). The influence of national culture and family involvement on entrepreneurial perceptions and performance at the state level. *Entrepreneurship Theory & Practice*, *26*(4), 113–130.

Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the family business by behavior. *Entrepreneurship Theory & Practice*, *23*(4), 19–39.

Chua, R. Y. J., Ingram, P., & Morris, M. W. (2008). From the head and the heart: Locating cognition and affect-based trust in managers' professional networks. *Academy of Management Journal*, *51*(3), 436–452.

Chua, R. Y., Morris, M. W., & Ingram, P. (2009). Guanxi vs networking: Distinctive configurations of affect-and cognition-based trust in the networks of Chinese vs American managers. *Journal of International Business Studies*, *40*(3), 490–508.

Chughtai, A. A., & Buckley, F. (2013). Exploring the impact of trust on research scientists' work engagement: Evidence from Irish science research centres. *Personnel Review*, *42*(4), 396–421.

Clark, M. S., & Reis, H. T. (1988). Interpersonal processes in close relationships. *Annual Review of Psychology*, *39*(1), 609–672.

Clarivate Analytics (2017). 2016 Journal Citation Reports.

Clinton, E. A. (2012). *Idiosyncratic resources in multi-generational family firms: A resource management perspective.* Unpublished doctoral dissertation, University College Dublin, Dublin, Ireland.

Cohen, A. (2007). Commitment before and after: An evaluation and reconceptualization of organizational commitment. *Human Resource Management Review*, *17*(3), 336–354.

Cole, D. A., Ciesla, J. A., & Steiger, J. H. (2007). The insidious effects of failing to include design-driven correlated residuals in latent variable covariance structure analysis. *Psychological Methods, 12*(4), 381–398.

Coleman, J. S. (1990). *Foundations of social theory*. Cambridge, MA: The Belknap Press.

Collins, N. L., & Miller, L. C. (1994). Self-disclosure and liking: A meta-analytic review. *Psychological Bulletin*, *116*(3), 457–475.

Colquitt, J. A., LePine, J. A., Zapata, C. P., & Wild, R. E. (2011). Trust in typical and high-reliability contexts: Building and reacting to trust among firefighters. *Academy of Management Journal*, *54*(5), 999–1015.

Colquitt, J. A., Scott, B. A., & LePine, J. A. (2007). Trust, trustworthiness, and trust propensity: A meta-analytic test of their unique relationships with risk taking and job performance. *Journal of Applied Psychology*, *92*(4), 909–927.

Colquitt, J. A., & Zapata-Phelan, C. P. (2007). Trends in theory building and theory testing: A five-decade study of the Academy of Management Journal. *Academy of Management Journal*, *50*(6), 1281–1303.

Connell, J., Ferres, N., & Travaglione, T. (2003). Engendering trust in manager-subordinate relationships: Predictors and outcomes. *Personnel Review*, *32*(5), 569–587.

Conway, E., & Monks, K. (2008). HR practices and commitment to change: an employee-level analysis. *Human Resource Management Journal*, *18*(1), 72–89.

Cook, J., & Wall, T. (1980). New work attitude measures of trust, organizational commitment and personal need non-fulfilment. *Journal of Occupational Psychology,* 53, 39–52.

Corbetta, G., & Salvato, C. (2004). Self-serving or self-actualizing? Models of man and agency costs in different types of family firms: A commentary on "comparing the agency costs of family and non-family firms: Conceptual issues and exploratory evidence". *Entrepreneurship Theory & Practice*, *28*(4), 355–362.

Craig, J. B., Dibrell, C., & Davis, P. S. (2008). Leveraging family-based brand identity to enhance firm competitiveness and performance in family businesses. *Journal of Small Business Management*, *46*(3), 351–371.

Craig, J. B., Moores, K., Howorth, C., & Poutziouris, P. (2009). Family business research at a tipping point threshold. *Journal of Management & Organization*, *15*(3), 282–293.

Creed, W. E. D., & Miles, R. E. (1996). Trust in organizations: A conceptual framework linking organizational forms, managerial philosophies, and the opportunity costs of controls. In R. M. Kramer & T. R. Tyler (Eds.), Trust in organizations: Frontiers of theory and research (pp. 16–38). London: Sage.

Crossan, F. (2003). Research philosophy: Towards an understanding. *Nurse Researcher*, *11*(1), 46–55.

Cruz, C. C., Gómez-Mejía, L. R., & Becerra, M. (2010). Perceptions of benevolence and the design of agency contracts: CEO-TMT relationships in family firms. *Academy of Management Journal*, *53*(1), 69–89.

CSO (2005). *Family business in Ireland: Services sector 2005*. Dublin: The Stationery Office.

Currall, S. C., & Judge, T. A. (1995). Measuring trust between organizational boundary role persons. *Organizational Behavior and Human Decision processes*, *64*(2), 151–170.

Daily, C. M., & Dollinger, M. J. (1993). Alternative methodologies for identifying family-versus nonfamily-managed businesses. *Journal of Small Business Management*, *31*(2), 79.

Dasgupta, P. (1988). Trust as a commodity. In D. G. Gambetta (Ed.), *Trust: Making and breaking cooperative relations* (pp. 49–72). New York: Basil Blackwell.

Davis, J. H., Allen, M. R., & Hayes, H. D. (2010). Is blood thicker than water? A study of stewardship perceptions in family business. *Entrepreneurship Theory & Practice*, *34*(6), 1093–1116.

Davis, J. H., Schoorman, F. D., Mayer, R. C., & Tan, H. H. (2000). The trusted general manager and business unit performance: Empirical evidence of a competitive advantage. *Strategic Management Journal*, *21*(5), 563–576.

DCU Centre for Family Business (2016). Lessons in resilience and success. A Snapshot of multi-generational family businesses in Fingal. Retrieved from https://www.dcu.ie/sites/default/files/centre_for_family_business/FCC%20DCU%20CFB%20Family%20Busines%20report%20May%202016.pdf.

DCU Research Support Office (2017). https://www.dcu.ie/researchsupport/ethicsresources.shtml

Deb, M., & Chavali, K. (2010). Significance of trust and loyalty during financial crisis: A study on customer behavior of Indian banks. *South Asian Journal of Management*, *17*(1), 43.

De Cremer, D., & van Vugt, M. (1998). Collective identity and cooperation in a public goods dilemma: A matter of trust or self-efficacy. *Current Research in Social Psychology*, *3*(1), 1–11.

Deephouse, D. L., & Jaskiewicz, P. (2013). Do family firms have better reputations than nonfamily firms? An integration of socioemotional wealth and social identity theories. *Journal of Management Studies*, *50*(3), 337–360.

De Massis, A., Kotlar, J., Mazzola, P., Minola, T., & Sciascia, S. (2016). Conflicting selves: Family owners' multiple goals and self-control agency problems in private firms. *Entrepreneurship Theory & Practice*, *42*(3), 362–389.

de Jong, B. A., Kroon, D. P. and Schilke, O. (2016). ‘The Future of Organizational Trust Research: A Content-Analytic Synthesis of Scholarly Recommendations and Review of Recent Developments’. In P. A. M. Van Lange, B. Rockenbach & T. Yamagishi (Eds.), *Social dilemmas: New perspectives on trust* (pp. 173–195), New York, Oxford University Press.

Denison, D., Lief, C., & Ward, J. L. (2004). Culture in family-owned enterprises: Recognizing and leveraging unique strengths. *Family Business Review*, *17*(1), 61–70.

Detert, J. R., & Burris, E. R. (2007). Leadership behavior and employee voice: Is the door really open? *Academy of Management Journal*, *50*(4), 869–884.

Deutsch, M. (1958). Trust and suspicion. *Journal of Conflict Resolution, 2*(4): 265-279.

Deutsch, M. (1973). The resolution of conflict: Constructive and destructive processes. New Haven, CN: Yale University Press.

Diaz-Moriana, V., Hogan, T., Clinton, E. & Brophy, M. (in press). *Defining family business: A closer look at definitional heterogeneity*, in The Palgrave of Heterogeneity among Family Firms. Eds. E. Memilli and C. Dibrell. US: Palgrave Macmillan. Doi: 10.1007/978-3-319-77676-7

Dietz, G. (2011). Going back to the source: Why do people trust each other? *Journal of Trust Research*, *1*(2), 215–222.

Dietz, G., & den Hartog, D. N. (2006). Measuring trust inside organisations. *Personnel Review*, *35*(5), 557–588.

Dillman, D. A. (2000). *Mail and internet surveys: The tailored design method*. New York, NY: Wiley.

Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, phone, mail, and mixed-mode surveys: The tailored design method* (4th ed.). New Jersey: John Wiley & Sons.

Dirks, K. T. (1999). The effects of interpersonal trust on work group performance. *Journal of Applied Psychology*, *84*(3), 445–455.

Dirks, K. T. (2000). Trust in leadership and team performance: Evidence from NCAA basketball. *Journal of Applied Psychology*, *85*(6), 1004–1012.

Dirks, K. T., & Ferrin, D. L. (2001). The role of trust in organizational settings. *Organization Science*, *12*(4), 450–467.

Dirks, K. T., & Ferrin, D. L. (2002). Trust in leadership: Meta-analytic findings and implications for research and practice. *Journal of Applied Psychology*, *87*(4), 611–628.

Dovidio JF, Gaertner SL. (2010). Intergroup bias. In Handbook of Social Psychology, ed. ST Fiske, DT Gilbert, G Lindzey (pp. 1084–121). Hoboken, NJ: Wiley

Drolet, A. L., & Morris, M. W. (2000). Rapport in conflict resolution: Accounting for how face-to-face contact fosters mutual cooperation in mixed-motive conflicts. *Journal of Experimental Social Psychology*, *36*(1), 26–50.

Drozdow, N., & Carroll, V. P. (1997). Tools for strategy development in family firms. *Sloan Management Review,* Fall, 75–88.

Dutton, J. E., Dukerich, J. M., & Harquail, C. V. (1994). Organizational images and member identification. *Administrative Science Quarterly, 39*: 239–263.

Dyer, W. G. (2006). Examining the “family effect” on firm performance. *Family Business Review*, *19*(4), 253–273.

Edelman. (2014). The 2014 Edelman trust barometer executive summary. *Edelman.*

Retrieved from https://www.dcu.ie/sites/default/files/centre_for_family_business/200429962-2014-Edelman-Trust-Barometer.pdf

Edelman. (2017). The 2017 Edelman trust barometer special report: Family business. *Edelman insights.* Retrieved from https://www.slideshare.net/EdelmanInsights/2017-edelman-trust-barometer-special-report-family-business

Eddleston, K. A., Chrisman, J. J., Steier, L. P., & Chua, J. H. (2010). Governance and trust in family firms: An introduction. *Entrepreneurship Theory & Practice*, *34*(6), 1043–1056.

Eddleston, K. A., & Kidwell, R. E. (2012). Parent–child relationships: Planting the seeds of deviant behavior in the family firm. *Entrepreneurship Theory & Practice*, *36*(2), 369–386.

Eddleston, K. A., & Morgan, R. M. (2014). Trust, commitment and relationships in family business: Challenging conventional wisdom. *Journal of Family Business Strategy*, *5*(3), 213–216.

Eddleston, K. A., Morgan, R. M., & Pieper, T. M. (2011). Special issue: Trust and relationship commitment in family business. *Journal of Family Business Strategy*, *2*(2), 113–113.

Eddleston, K. A., Otondo, R. F., & Kellermanns, F. W. (2008). Conflict, participative decision-making, and generational ownership dispersion: A multilevel analysis. *Journal of Small Business Management*, *46*(3), 456–484.

Edmondson, A. C., & McManus, S. E. (2007). Methodological fit in management field research. *Academy of Management Review*, *32*(4), 1246–1264.

Ellemers, N., Spears, R., & Doosje, B. (2002). Self and social identity. *Annual Review of*

Psychology, *53*(1), 161–186.

Erikson, E. H. (1968). *Identity: Youth and crisis*. New York: W. W. Norton.

European Family Business. (2012). Family Business Statistics. *European family businesses.* Retrieved from http://www.europeanfamilybusinesses.eu/uploads/Modules/Publications/family-business-statistics.pdf

European Parliament. (2015). European Parliament Resolution on family businesses in Europe. *European parliament.* Retrieved from http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0290+0+DOC+XML+V0//EN

Evert, R. E., Martin, J. A., McLeod, M. S., & Payne, G. T. (2016). Empirics in family business research: Progress, challenges, and the path ahead. *Family Business Review*, *29*(1), 17–43.

Family Firm Institute. (2016). Global Data Points. *Family firm institute.* Retrieved from http://www.ffi.org/page/globaldatapoints

Farris, G. F., Senner, E. E., & Butterfield, D. A. (1973). Trust, culture, and organizational behavior. *Industrial Relations: A Journal of Economy and Society*, *12*(2), 144–157.

Feldman, J. M., & Lynch, J. G. (1988). Self-generated validity and other effects of measurement on belief, attitude, intention, and behavior. *Journal of Applied Psychology*, *73*(3), 421–435.

Financial Times. (2017, December 13). Business schools 'teach what you can't learn from your parents'. *Financial Times*. Retrieved from https://www.ft.com/content/91ad89be-c619-11e7-b30e-a7c1c7c13aab

Flores, F., & Solomon, R. C. (1998). Creating trust. *Business Ethics Quarterly*, *8*(2), 205–232.

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, *18*(1), 39–50.

Frazier, M. L., Johnson, P. D., & Fainshmidt, S. (2013). Development and validation of a propensity to trust scale. *Journal of Trust Research*, *3*(2), 76–97.

Fredrickson, B. L. (2001). The role of positive emotions in positive psychology: The broaden-and-build theory of positive emotions. *American Psychologist*, *56*(3), 218–226.

Frost, T., Stimpson, D. V., & Maughan, M. R. (1978). Some correlates of trust. *Journal of Psychology*, *99*(1), 103–108.

Fryxell, G. E., Dooley, R. S., & Vryza, M. (2002). After the ink dries: The interaction of trust and control in US-based international joint ventures. *Journal of Management Studies*, *39*(6), 865–886.

Fukuyama, F. (1995). *Trust: Social virtues and the creation of prosperity.* London: Hamish Hamilton.

Fukuyama, F. (1997). *Social capital.* The tanner lectures on human values. Delivered at Brasenose College, Oxford. Available at: file:///Users/catherinefaherty/Downloads/epdf.tips_social-capital.pdf

Fulmer, C. A., & Gelfand, M. J. (2012). At what level (and in whom) we trust: Trust across multiple organizational levels. *Journal of Management*, *38*(4), 1167–1230.

Gabarro, J. J. (1978). The development of trust, influence, and expectations. In A. G. Athos & J. J. Gabarro (Eds.), *Interpersonal behaviors: Communication and understanding in relationships* (pp. 290–303). Englewood Cliffs, NJ: Prentice Hall.

Gagné, M., Sharma, P., & De Massis, A. (2014). The study of organizational behaviour in family business. *European Journal of Work and Organizational Psychology*, *23*(5), 643–656.

Gambetta, D. (1988). Can we trust trust? In Gambetta, D. (Ed.), *Trust: Making and breaking cooperative relations* (pp. 213–238). New York: Basil Blackwell.

Geletkanycz, M. A. (1997). The salience of ‘culture’s consequences’: The effects of cultural values on top executive commitment to the status quo. *Strategic Management Journal*, *18*(8), 615–634.

Gersick, K. E., Davis, J. A., Hampton, M. M., & Lansberg, I. (1997). Generation to generation: Life cycles of the family business. Cambridge, MA: Harvard Business School Press.

Gillespie, N. (2003, August). Measuring trust in working relationships: The behavioral trust inventory. Paper presented at the Academy of Management Meeting, Seattle.

Gillespie, N. (2012). Measuring trust in organizational contexts: An overview of survey-based measures. In F. Lyon, G. Mollering, & M. Saunders (Eds.), Handbook of research methods on trust (pp. 175–188). Cheltenham: Edward Elgar.

Gómez-Mejía, L. R., Cruz, C., Berrone, P., & De Castro, J. (2011). The bind that ties: Socioemotional wealth preservation in family firms. *Academy of Management Annals*, *5*(1), 653–707.

Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly*, *52*(1), 106–137.

Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, *91*(3), 481–510.

Guba, E. G. (1990). The alternative paradigm dialog. In E.G. Guba (Ed.), *The paradigm dialog* (pp.17–30). Sage publications.

Hair, J. F., Black, W. C., Babin, B. J. & Anderson, R. E. (2010). Multivariate data analysis: A global perspective. New Jersey: Pearson Education.

Handler, W. C. (1990). Succession in family firms: A mutual role adjustment between entrepreneur and next-generation family members. *Entrepreneurship Theory & Practice*, *15*(1), 37–52.

Hatak, I. R., & Roessl, D. (2015). Relational competence-based knowledge transfer within intrafamily succession: An experimental study. *Family Business Review*, *28*(1), 10–25.

Hauswald, H., & Hack, A. (2013). Impact of family control/influence on stakeholders' perceptions of benevolence. *Family Business Review*, *26*(4), 356–373.

Hogg, M. A. (2003). Uncertainty, social identity and ideology. Advances in Group Processes, 22: 203–230.

Hogg, M. A., & Abrams, D. (1988). Social identifications: A social psychology of intergroup relations and group processes. London: Routledge.

Hogg, M. A., Meehan, C., & Farquharson, J. (2010). The solace of radicalism: Self-uncertainty and group identification in the face of threat. *Journal of Experimental Social Psychology*, *46*(6), 1061–1066.

Hogg, M. A., & Terry, D. I. (2000). Social identity and self-categorization processes in organizational contexts. *Academy of Management Review*, *25*(1), 121–140.

Holt, D. T., Madison, K., & Kellermanns, F. W. (2017). Variance in family members' assessments: The importance of dispersion modeling in family firm research. *Family Business Review*, *30*(1), 61–83.

Hubler, T. (2011). The trust paradox of family businesses. In R. L. Sorenson (Ed.), *Family* *business and social capital* (pp. 45–50). Cheltenham, UK: Edward Elgar.

Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal, 6*(1), 1–55.

Huff, L., & Kelley, L. (2003). Levels of organizational trust in individualist versus collectivist societies: A seven-nation study, *Organization Science, 14*(1), 81–90.

Isaeva, N., Bachmann, R., Bristow, A., & Saunders, M. N. (2015). Why the epistemologies of trust researchers matter. *Journal of Trust Research, 5*(2), 153–169.

James, A. E., Jennings, J. E., & Jennings, P. D. (2017). Is it better to govern managers via agency or stewardship? Examining asymmetries by family versus nonfamily affiliation. *Family Business Review, 30*(3), 262–283.

Johns, G. (2006). The essential impact of context on organizational behavior. *Academy of Management Review, 31*(2), 386–408.

Jones, G. R., & George, J. M. (1998). The experience and evolution of trust: Implications for cooperation and teamwork. *Academy of Management Review*, *23*(3), 531–546.

Jones, A. P., James, L. R., & Bruni, J. R. (1975). Perceived leadership behavior and employee confidence in the leader as moderated by job involvement. *Journal of Applied Psychology, 60*(1), 146–149.

Jones, G. R. (1983). Transaction costs, property rights, and organizational culture: An exchange perspective. *Administrative Science Quarterly, 28*(3), 454–467.

Jussim, L., Nelson, T. E., Manis, M., & Soffin, S. (1995). Prejudice, stereotypes, and labeling effects: Sources of bias in person perception. *Journal of Personality and Social Psychology*, *68*(2), 228–246.

Kanuk, L., & Berenson, C. (1975). Mail surveys and response rates: A literature review. *Journal of Marketing Research, 12*(4), 440–453.

Karra, N., Tracey, P., & Phillips, N. (2006). Altruism and agency in the family firm: Exploring the role of family, kinship, and ethnicity. *Entrepreneurship Theory & Practice*, *30*(6), 861–877.

Kets de Vries, M. F. R. (1993). The dynamics of family controlled firms: The good and the bad news. *Organizational Dynamics, 21*(3), 59–71.

Kline, R. B. (2011). *Principles and practice of structural equation modelling* (3rd Ed). New York: Guilford.

Konovsky, M. A., & Pugh, S. D. (1994). Citizenship behavior and social exchange. *Academy of Management Journal*, *37*(3), 656–669.

Korsgaard, M. A., Brodt, S. E., & Sapienza, H. J. (2003). Trust, identity, and attachment: Promoting individuals’ cooperation in groups. *International handbook of organizational teamwork and cooperative working*. 113–130.

Kotlar, J., & De Massis, A. (2013). Goal setting in family firms: Goal diversity, social interactions, and collective commitment to family-centered goals. *Entrepreneurship Theory & Practice*, *37*(6), 1263–1288.

Koza, M. P., & Lewin, A. Y. (1998). The co-evolution of strategic alliances. *Organization Science*, *9*(3), 255–264.

Kraimer, M. L., Seibert, S. E., Wayne, S. J., Liden, R. C., & Bravo, J. (2011). Antecedents and outcomes of organizational support for development: The critical role of career opportunities. *Journal of Applied Psychology*, *96*(3), 485–500.

Kramer, R. M. (1991). Intergroup relations and organizational dilemmas: The role of categorization processes. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior* (pp. 191–228). Greenwich, CT: JAI Press.

Kramer, R. M. (1994). The sinister attribution error: Paranoid cognition and collective distrust in organizations. *Motivation and Emotion, 18*(2), 199–227.

Kramer, R. M. (1999). Trust and distrust in organizations: Emerging perspectives, enduring questions. *Annual Review of Psychology*, *50*(1), 569–598.

Kramer, R. M. (2006). *Organizational trust: A reader*. Oxford University Press on Demand.

Kramer, R. M., & Brewer, M. B. (1984). Effects of group identity on resource use in a simulated commons dilemma. *Journal of Personality and Social Psychology*, *46*(5), 1044–1057.

Kramer, R. M., Brewer, M. B., & Hanna, B. A. (1996). Collective trust and collective action: The decision to trust as a social decision. In R. M. Kramer & T. R. Tyler (Eds.), Trust in organizations: Frontiers of theory and research (pp. 357–389). London: Sage.

Kramer, R. M., & Lewicki, R. J. (2010). Repairing and enhancing trust: Approaches to reducing organizational trust deficits. *Academy of Management Annals*, *4*(1), 245–277.

Kramer, R. M., & Messick, D. M. (1998). Getting by with a little help from our enemies: Collective paranoia and its role in intergroup relations. In C. Sedikides (Ed.), *Intergroup cognition and intergroup behavior* (pp. 233–255). Mahwah, NJ: Lawrence Erlbaum Associates.

Krappe, A., Goutas, L., & von Schlippe, A. (2011). The “family business brand”: an enquiry into the construction of the image of family businesses. *Journal of Family Business Management*, *1*(1), 37–46.

La Chapelle, K., & Barnes, L. B. (1998). The trust catalyst in family-owned businesses. *Family Business Review*, *11*(1), 1–17.

Lam, L. W., Loi, R., & Leong, C. (2013). Reliance and disclosure: How supervisory justice affects trust in supervisor and extra-role performance. *Asia Pacific Journal of Management*, *30*(1), 231–249.

Lansberg, I. (1993). Reflections of the founder: A conversation with Barbara Hollander. *Family Business Review, 6*(3), 313–25.

Lansberg, I. (1999). *Succeeding generations: Realizing the dream of families in business.* Boston: Harvard Business School Press.

Lansberg, I., & Astrachan, J. H. (1994). Influence of family relationships on succession planning and training: The importance of mediating factors. *Family Business Review*, *7*(1), 39–59.

Lansberg, I., Perrow, E. L., & Rogolsky, S. (1988). Editors' notes. *Family Business Review*, *1*(1), 1–8.

La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (1999). Corporate ownership around the world. *Journal of Finance*, *54*(2), 471–517.

Lau, R. S., & Cheung, G. W. (2012). Estimating and comparing specific mediation effects in complex latent variable models. *Organizational Research Methods*, *15*(1), 3–16.

Lau, D. C., Lam, L. W., & Wen, S. S. (2014). Examining the effects of feeling trusted by supervisors in the workplace: A self-evaluative perspective. *Journal of Organizational Behavior*, *35*(1), 112–127.

Lau, D. C., Liu, J., & Fu, P. P. (2007). Feeling trusted by business leaders in China: Antecedents and the mediating role of value congruence. *Asia Pacific Journal of Management*, *24*(3), 321–340.

Le Breton-Miller, I., & Miller, D. (2006). Why do some family businesses out-compete? Governance, long-term orientations, and sustainable capability. *Entrepreneurship Theory & Practice*, *30*(6), 731–746.

Lee, J. (2006). Family firm performance: Further evidence. *Family Business Review*, *19*(2), 103–114.

Lee, K. S., Lim, G. H., & Lim, W. S. (2003). Family business succession: Appropriation risk and choice of successor. *Academy of Management Review*, *28*(4), 657–666.

LePine, J. A., & Van Dyne, L. (2001). Voice and cooperative behavior as contrasting forms of contextual performance: evidence of differential relationships with big five personality characteristics and cognitive ability. *Journal of Applied Psychology*, *86*(2), 326–336.

Levin, D. Z., & Cross, R. (2004). The strength of weak ties you can trust: The mediating role of trust in effective knowledge transfer. *Management Science, 50*(11), 1477–1490.

Lewicki, R. J., & Brinsfield, C. (2012). Measuring trust beliefs and behaviors. In F. Lyon, G. Möllering & M. N. K. Saunders (Eds.), *Handbook of research methods on trust*. Cheltenham: Edward Elgar.

Lewicki, R. J., & Bunker, B. B. (1995). Trust in relationships. *Administrative Science Quarterly*, *5*(1), 583–601.

Lewicki, R. J., & Bunker, B. B. (1996). Developing and maintaining trust in work relationships. In R. Kramer & T. R. Tyler (Eds.), *Trust in organizations: Frontiers of theory and research* (pp. 114–139). Thousand Oaks, CA: Sage.

Lewicki, R. J., McAllister, D. J., & Bies, R. J. (1998). Trust and distrust: New relationships and realities. *Academy of Management Review, 23*(3), 438–458.

Lewicki, R. J., Tomlinson, E. C., & Gillespie, N. (2006). Models of interpersonal trust development: Theoretical approaches, empirical evidence, and future directions. *Journal of Management*, *32*(6), 991–1022.

Lewis, J. D., & Weigert, A. (1985). Trust as a social reality. *Social Forces*, *63*(4), 967–985.

Li, P. (2007). Towards an interdisciplinary conceptualization of trust: A typological approach. *Management and Organization Review, 3*(3), 421–445.

Li, P. (2008). Toward a geocentric framework of trust: An application to organizational trust. *Management and Organization Review, 4*(3), 413–439.

Li, P. (2011). The rigour relevance balance for new engaged scholarship: New frame and new agenda for trust research and beyond. *Journal of Trust Research, 1*(1), 1–21.

Li, P. (2016). The holistic and contextual natures of trust: past, present, and future research. *Journal of Trust Research, 6*(1), 1–6.

Litz, R. A. (1995). The family business: Toward definitional clarity. *Family Business Review*, *8*(2), 71–81.

Lubatkin, M. H., Schulze, W. S., Ling, Y., & Dino, R. N. (2005). The effects of parental altruism on the governance of family-managed firms. *Journal of Organizational Behavior, 26*(3), 313–330.

Lyman, A. R. (1991). Customer service: Does family ownership make a difference? *Family Business Review, 4*(3), 303–324.

MacKenzie, S. B., Podsakoff, P. M., & Fetter, R. (1991). Organizational citizenship behavior and objective productivity as determinants of managerial evaluations of salespersons' performance. *Organizational Behavior and Human Decision Processes*, *50*(1), 123–150.

MacKenzie, S. B., Podsakoff, P. M., & Podsakoff, N. P. (2011). Construct measurement and validation procedures in MIS and behavioral research: Integrating new and existing techniques. *MIS Quarterly*, *35*(2), 293–334.

Madison, K. J. (2014). *Agency theory and stewardship theory integrated, expanded, and bounded by context: An empirical investigation of structure, behavior, and performance within family firms.* Unpublished doctoral dissertation, University of Tennessee, Knoxville, TN.

Madison, K., & Kellermanns, F. W. (2013). Is the spiritual bond bound by blood? An exploratory study of spiritual leadership in family firms. *Journal of Management, Spirituality & Religion, 10*(2), 159–182.

Madison, K., Kellermanns, F. W., & Munyon, T. P. (2017). Coexisting agency and stewardship governance in family firms: An empirical investigation of individual-level and firm-level effects. *Family Business Review, 30*(4), 347–368.

Mael, F., & Ashforth, B. E. (1992). Alumni and their alma mater: A partial test of the reformulated model of organizational identification. *Journal of Organizational Behavior*, *13*(2), 103–123.

Malhotra, N. K., Dash, S. (2011). *Marketing research an applied orientation*. London: Pearson Publishing.

Mantere, S., & Ketokivi, M. (2013). Reasoning in organization science. *Academy of Management Review*, *38*(1), 70–89.

March, J. G. (1994). *A primer on decision making*. New York: Free Press.

Marler, L. E., & Stanley, L. J. (2018). Commentary: Who are your friends? The influence of identification and family in-group and out-group friendships on nonfamily employee OCB and Deviance. *Entrepreneurship Theory & Practice*, *42*(2), 310–316.

Martínez, J. I., Stöhr, B. S., & Quiroga, B. F. (2007). Family ownership and firm performance: Evidence from public companies in Chile. *Family Business Review*, *20*(2), 83–94.

Marshall, J. P., Sorenson, R., Brigham, K., Wieling, E., Reifman, A., & Wampler, R. S. (2006). The paradox for the family firm CEO: Owner age relationship to succession-related processes and plans. *Journal of Business Venturing*, *21*(3), 348-368.

Mass Mutual Financial Group. (2007). 2007 Mass Mutual Life Insurance Company (MassMutual)–Kennesaw State University–Family Firm Institute American family business survey. Retrieved from http://www.massmutual.com/ mmfg/pdf/afbs.pdf

Mayer, R. C., & Davis, J. H. (1999). The effect of the performance appraisal system on trust for management: A field quasi-experiment. *Journal of Applied Psychology*, *84*(1), 123–136.

Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, *20*(3), 709–734.

Mayer, R. C., & Gavin, M. B. (2005). Trust in management and performance: Who minds the shop while the employees watch the boss? *Academy of Management Journal*, *48*(5), 874–888.

Maynes, T. D., & Podsakoff, P. M. (2014). Speaking more broadly: An examination of the nature, antecedents, and consequences of an expanded set of employee voice behaviors. *Journal of Applied Psychology*, *99*(1), 87–112.

McAllister, D. J. (1995). Affect-and cognition-based trust as foundations for interpersonal cooperation in organizations. *Academy of Management Journal*, *38*(1), 24–59.

McConaughy, D. L., Matthews, C. H. & Fialko, A. S. (2001). Founding family controlled firms: Performance, risk, and value. *Journal of Small Business Management, 39*(1), 31–49.

McEvily, B., Perrone, V., & Zaheer, A. (2003). Trust as an organizing principle. *Organization Science, 14*(1), 91–103.

McEvily, B., & Tortoriello, M. (2011). Measuring trust in organisational research: Review and recommendations. *Journal of Trust Research, 1*(1), 23–63.

McKnight, D. H., Choudhury, V., & Kacmar, C. (2002). Developing and validating trust measures for e-commerce: An integrative typology. *Information Systems Research*, *13*(3), 334–359.

McKnight, D. H., Cummings, L. L., & Chervany, N. L. (1998). Initial trust formation in new organizational relationships. *Academy of Management Review, 23*(3), 473–490.

Memili, E., Chrisman, J. J., Chua, J. H., Chang, E. P., & Kellermanns, F. W. (2011). The determinants of family firms' subcontracting: A transaction cost perspective. *Journal of Family Business Strategy*, *2*(1), 26–33.

Memili, E., Zellweger, T. M., & Fang, H. C. (2013). The determinants of family owner-managers' affective organizational commitment. *Family Relations*, *62*(3), 443–456.

Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, *1*(1), 61–89.

Meyer, J. P., Allen, N. J., & Smith, C. A. (1993). Commitment to organizations and occupations: Extension and test of a three-component conceptualization. *Journal of Applied Psychology*, *78*(4), 538–551.

Meyer, J. P., & Herscovitch, L. (2001). Commitment in the workplace: Toward a general model. *Human Resource Management Review*, *11*(3), 299–326.

Michel, A., & Kammerlander, N. (2015). Trusted advisors in a family business's succession-planning process—An agency perspective. *Journal of Family Business Strategy*, *6*(1), 45–57.

Miller, D., & Le Breton-Miller, I. (2005). *Managing for the long run: Lessons in competitive advantage from great family businesses*. Boston, MA: Harvard Business Press.

Miller, D., & Breton-Miller, L. (2014). Deconstructing socioemotional wealth. *Entrepreneurship Theory & Practice*, *38*(4), 713–720.

Miller, D., Steier, L., & Le Breton-Miller, I. (2003). Lost in time: Intergenerational succession, change, and failure in family business. *Journal of Business Venturing*, *18*(4), 513–531.

Milliken, F. J., Morrison, E. W., & Hewlin, P. F. (2003). An exploratory study of employee silence: Issues that employees don't communicate upward and why. *Journal of Management Studies, 40*(6), 1453–1476.

Mishra, A. K., & Mishra, K. E. (2012). Positive organizational scholarship and trust in leaders. In K. S. Cameron & G. M. Spreitzer (Eds.), The Oxford handbook of positive organizational scholarship (pp. 449–461). New York, NY: Oxford University Press.

Mishra, A. K., & Mishra, K. E. (2013). The research on trust in leadership: The need for context. *Journal of Trust Research*, *3*(1), 59–69.

Möllering, G. (2001). The nature of trust: From Georg Simmel to a theory of expectation, interpretation and suspension. *Sociology*, *35*(2), 403–420.

Möllering, G. (2006). *Trust: Reason, routine, reflexivity*. Amsterdam: Emerald Group Publishing.

Möllering, G. (2015). The practical wisdom of trust: An interview with Bart Nooteboom. *Journal of Trust Research*, *5*(2), 170–183.

Moores, K., Parris, D., Newbert, S., & Craig, J. B. (2018). All the same but different: Understanding family enterprise heterogeneity. In E. Memili & C. Dibrell (Eds.), *Palgrave Handbook of Family Enterprise Heterogeneity. Forthcoming*.

Morrison, E. W. (2011). Employee voice behavior: Integration and directions for future research. *Academy of Management Annals*, *5*(1), 373–412.

Mullen, B., Brown, R., & Smith, C. (1992). Ingroup bias as a function of salience, relevance, and status: An integration. *European Journal of Social Psychology*, *22*(2), 103–122.

Neubaum, D. O., Thomas, C. H., Dibrell, C., & Craig, J. B. (2017). Stewardship climate scale: An assessment of reliability and validity. *Family Business Review*, *30*(1), 37–60.

Ng, K. Y., & Chua, R. Y. (2006). Do I contribute more when I trust more? Differential effects of cognition-and affect-based trust. *Management and Organization Review*, *2*(1), 43–66.

Nienaber, A. M., Hofeditz, M., & Romeike, P. D. (2015). Vulnerability and trust in leader-follower relationships. *Personnel Review*, *44*(4), 567–591.

Nordqvist, M., & Zellweger, T. (2010). *Transgenerational entrepreneurship.* Cheltenham, UK: Edward Elgar.

Nyhan, R. C. (1999). Increasing affective organizational commitment in public organizations: The key role of interpersonal trust. *Review of Public Personnel Administration*, *19*(3), 58–70.

Orth, U. R., & Green, M. T. (2009). Consumer loyalty to family versus non-family business: The roles of store image, trust and satisfaction. *Journal of Retailing and Consumer Services*, *16*(4), 248–259.

Oxford Dictionary. (2002). *The Oxford Dictionary.* New York: Oxford University Press.

Pearson, A. W., & Carr, J. C. (2011). The central role of trust in family firm social capital. In R. L. Sorenson (Ed.), *Family business and social capital* (pp. 33–44). Cheltenham, UK: Edward Elgar.

Pearson, A. W., & Marler, L. E. (2010). A leadership perspective of reciprocal stewardship in family firms. *Entrepreneurship Theory & Practice*, *34*(6), 1117–1124.

Pérez-González, F. (2006). Inherited control and firm performance. *American Economic Review*, *96*(5), 1559–1588.

Pfeffer, J. (1998). The human equation: Building profits by putting people first. Boston, MA: Harvard Business School Press.

Pitcher, P., & Smith, A. D. (2001). Top management team heterogeneity: Personality, power, and proxies. *Organization Science*, *12*(1), 1–18.

Platow, M. J., McClintock, C. G., & Liebrand, W. B. (1990). Predicting intergroup fairness and ingroup bias in the minimal group paradigm. *European Journal of Social Psychology*, *20*(3), 221–239.

Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology, 88*(5), 879–903.

Podsakoff, P. M., MacKenzie, S. B., & Podsakoff, N. P. (2012). Sources of method bias in social science research and recommendations on how to control it. *Annual Review of Psychology*, *63*, 539–569.

Podsakoff, P. M. & Organ, D. W. (1986). Self-reports in organizational research: Problems and prospects. *Journal of Management, 12*(4), 531–544

Popper, K. R. (1959). *The logic of scientific discovery*. London: Hutchinson.

Raskas, D. F. (1998). *Familiarity breeds trust as well as contempt…what about familiarity? An examination of familial involvement and trust in family firms*. Unpublished doctoral dissertation, Columbia University, New York, NY.

Reay, T., & Whetten, D. A. (2011). What constitutes a theoretical contribution in family business? *Family Business Review*, *24*(4), 105–110.

Reicher, S. D., Spears, R., & Haslam, S. A. (2010). The social identity approach in social psychology. In M. S. Wetherell & C. T. Mohanty (Eds.), The SAGE handbook of identities (pp. 45–62). London, England: Sage.

Rich, G. A. (1997). The sales manager as a role model: Effects on trust, job satisfaction, and performance of salespeople. *Journal of the Academy of Marketing Science*, *25*(4), 319–328.

Rotter, J. B. (1967). A new scale for the measurement of interpersonal trust. *Journal of Personality*, *35*(4), 651–665.

Rotter, J. B. (1971). Generalized expectancies for interpersonal trust. *American Psychologist,* 26, 443–452.

Rotter, J. B. (1980). Interpersonal trust, trustworthiness and gullibility. *American Psychologist*, *35*(1), 1–7.

Rousseau, D. M., Sitkin, S. B., Burt, R. S., & Camerer, C. (1998). Not so different after all: A cross-discipline view of trust. *Academy of Management Review*, *23*(3), 393–404.

Sako, M. (1992). *Prices, quality and trust: Inter-firm relationships in Britain and Japan.* Cambridge: Cambridge University Press.

Salamon, S. D., & Robinson, S. L. (2008). Trust that binds: The impact of collective felt trust on organizational performance. *Journal of Applied Psychology*, *93*(3), 593–601.

Salvato, C., & Aldrich, H. E. (2012). "That's interesting!" in family business research. *Family Business Review*, *25*(2), 125–135.

Sardeshmukh, S. R., & Corbett, A. C. (2011). The duality of internal and external development of successors: opportunity recognition in family firms. *Family Business Review*, *24*(2), 111–125.

Schoorman, F. D., Mayer, R. C., & Davis, J. H. (2007). An integrative model of organizational trust: Past, present, and future. *Academy of Management Review*, *32*(2), 344–354.

Schoorman, F. D., Mayer, R. C., & Davis, J. H. (2016). Perspective: Empowerment in veterinary clinics: The role of trust in delegation. *Journal of Trust Research*, *6*(1), 76–90.

Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. *Family Business Review*, *17*(1), 1–36.

Sharma, P., Chrisman, J. J., & Chua, J. H. (2003). Predictors of satisfaction with the succession process in family firms. *Journal of Business Venturing*, *18*(5), 667–687.

Sharma, P., & Irving, P. G. (2005). Four bases of family business successor commitment: Antecedents and consequences. *Entrepreneurship Theory & Practice*, *29*(1), 13–33.

Sharma, P., & Rao, S. (2000). Successor attributes in Indian and Canadian family firms: A comparative study. *Family Business Review*, 13, 313–330.

Short, J. C., Sharma, P., Lumpkin, G. T., & Pearson, A. W. (2016). Oh, the places we'll go! Reviewing past, present, and future possibilities in family business research. *Family Business Review*, *29*(1), 11–16.

Siebert, S., Martin, G., and Bozic, B. (2016). Research into employee trust: epistemological foundations and paradigmatic boundaries. *Human Resource Management Journal*, *26*(3), 269–284.

Sieger, P., Zellweger, T., Nason, R. S., & Clinton, E. (2011). Portfolio entrepreneurship in family firms: a resource-based perspective. *Strategic Entrepreneurship Journal*, *5*(4), 327–351.

Sitkin, S. B., & Roth, N. L. (1993). Explaining the limited effectiveness of legalistic "remedies" for trust/distrust. *Organization Science*, *4*(3), 367–392.

Spector, P. E., & Brannick, M. T. (2011). Methodological urban legends: The misuse of statistical control variables. *Organizational Research Methods*, *14*(2), 287–305.

Skinner, D., Dietz, G., & Weibel, A. (2014). The dark side of trust: When trust becomes a 'poisoned chalice'. *Organization*, *21*(2), 206–224.

Smith, A. (1976). In D. Raphael, A.L. Macfie (Eds.), *The theory of the moral sentiments*. Indianapolis, IA: Liberty Press.

Smith, M. J. (1998). *Social science in question: Towards a postdisciplinary framework*. London: Sage.

Smith, D., Hair Jr, J. F., & Ferguson, K. (2014). An investigation of the effect of family influence on commitment–trust in retailer–vendor strategic partnerships. *Journal of Family Business Strategy*, *5*(3), 252–263.

Stanley, L. J., & McDowell, W. (2014). The role of interorganizational trust and organizational efficacy in family and nonfamily firms. *Journal of Family Business Strategy*, *5*(3), 264–275.

Steier, L. (2001). Family firms, plural forms of governance, and the evolving role of trust. *Family Business Review*, *14*(4), 353–368.

Steier, L. P., & Muethel, M. (2014). Trust and family businesses. In L. Melin, M. Nordqvist, & P. Sharma (Eds.), *Sage handbook of family business* (pp. 498–513). Thousand Oaks, CA: Sage.

Stets, J. E., & Burke, P. J. (2000). Identity theory and social identity theory. *Social Psychology Quarterly, 63*(3), 224–237.

Stewart, A., & Hitt, M. A. (2012). Why can't a family business be more like a nonfamily business? Modes of professionalization in family firms. *Family Business Review*, *25*(1), 58–86.

Sundaramurthy, C. (2008). Sustaining trust within family businesses. *Family Business Review*, *21*(1), 89–102.

Struch, N., & Schwartz, S. H. (1989). Intergroup aggression: Its predictors and distinctness from in-group bias. *Journal of Personality and Social Psychology*, *56*(3), 364–373.

Tagiuri, R., & Davis, J. (1996). Bivalent attributes of the family firm. *Family Business Review*, *9*(2), 199–208.

Tajfel, H. (1970). Experiments in intergroup discrimination. *Scientific American*, *223*(5), 96–103.

Tajfel, H. (1974). Social identity and intergroup behaviour. *Social Science Information, 13*(2), 65–93.

Tajfel, H. (1978). *Differentiation between social groups: Studies in the social psychology of intergroup relations.* London: Academic Press.

Tajfel, H. (1981). Social stereotypes and social groups, in H. Tajfel, Human Groups and Social Categories: Studies in Social Psychology, Cambridge: Cambridge University Press.

Tajfel, H. (1982). Social psychology of intergroup relations. In M. R. Rosenzweig & L. W. Porter (Eds.), *Annual Review of Psychology*, Vol. 33 (pp. 1–39). Palo Alto, CA: Annual Reviews.

Tajfel, H., Billig, M. G., Bundy, R. P., & Flament, C. (1971). Social categorization and intergroup behaviour. *European Journal of Social Psychology*, *1*(2), 149–178.

Tajfel, H. & Turner, J. (1979). An integrative theory of inter-group conflict. In W.G. Austin & S. Worchel (Eds.), *The social psychology of inter-group relations* (pp. 33–47). Monterey, CA: Brooks-Cole.

Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behavior. In S. Worchel & W. G. Austin (Eds.), The psychology of intergroup relations (pp. 7–24). Chicago: Nelson-Hall.

Tan, H. H., & Lim, A. K. (2009). Trust in coworkers and trust in organizations. *The Journal of Psychology*, *143*(1), 45–66.

The Economist. (1998, October 15). Mittelstand or Mittelfall? *The Economist.* Retrieved from http://www.economist.com/node/172620.

The Economist. (2017, August 17). Why family businesses outperform others. *The Economist.* Retrieved from https://execed.economist.com/blog/industry-trends/why-family-businesses-outperform-others.

Tjosvold, D. (1988). Cooperative and competitive interdependence: Collaboration between departments to serve customers. *Group & Organization Studies*, *13*(3), 274-289.

Tomaskovic-Devey, D., Leiter, J., & Thompson, S. (1994). Organizational survey nonresponse. *Administrative Science Quarterly, 9*(3), 439–457.

Tsoukas, H., & Chia, R. (2011). Introduction: Why philosophy matters to organization theory. In H. Tsoukas & R. Chia (Eds.), *Philosophy and organization theory. Research in the sociology of organizations,* Vol. 32 (pp. 1–21). Bradford: Emerald.

Turner, J. C., Oakes, P. J., Haslam, S. A. & McGarty, C. A. (1994). Self and collective: Cognition and social context. *Personality and Social Psychology Bulletin, 20*(5), 454–463.

Turner, J. C., Hogg, M. A., Oakes, P. J., Reicher, S. D., & Wetherell, M. S. (1987). Rediscovering the social group: A self-categorization theory. Oxford, UK: Blackwell.

Uddin, M. N., & Hamiduzzaman, M. (2011). The philosophy of science in social research. *The Journal of International Social Research, 2*(6), 654–664.

Üsdiken, B. (2010). Between contending perspectives and logics: Organizational studies in Europe. *Organization Studies, 31*(6), 715–735.

Vandenberg, R. J., & Lance, C. E. (2000). A review and synthesis of the measurement invariance literature: Suggestions, practices, and recommendations for organizational research. *Organizational Research Methods, 3*(1), 4–70.

Van der Heyden, L., Blondel, C., & Carlock, R.S. (2005). Fair process: Striving for justice in family business. *Family Business Review, 18*(1), 1–21.

van der Werff, L., & Buckley, F. (2017). Getting to know you: A longitudinal examination of trust cues and trust development during socialization. *Journal of Management, 43*(3), 742–770.

Van Dyne, L., & LePine, J. A. (1998). Helping and voice extra-role behaviors: Evidence of construct and predictive validity. *Academy of Management Journal, 41*(1), 108–119.

Vardaman, J. M., Allen, D. G., & Rogers, B. L. (2018). We are friends but are we family? Organizational identification and nonfamily employee turnover. *Entrepreneurship Theory & Practice, 42*(2), 290–309.

Verbeke, A., & Kano, L. (2012). The transaction cost economics theory of the family firm: Family-based human asset specificity and the bifurcation bias. *Entrepreneurship Theory & Practice, 36*(6), 1183–1205.

Villalonga, B., & Amit, R. (2006). How do family ownership, control and management affect firm value? *Journal of Financial Economics*, *80*(2), 385–417.

Ward, J. L. (1987). *Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership*. San Francisco: Jossey-Bass.

Ward, J. L. (1991). *Creating effective boards for private enterprises: Meeting the challenges of continuity and competition.* San Francisco: Jossey-Bass.

Ward, J. L. (2004). *Perpetuating the family business: 50 lessons learned from long lasting, successful families in business*. New York, NY: Springer.

Ward, J. L. (2010). *Keeping the family business healthy.* London: Palgrave Macmillan.

Ward, J. L. (2016, March 7). How a family business can capitalize on its unique culture? *Kellogg Insight.* Retrieved from https://insight.kellogg.northwestern.edu/article/how-a-family-business-can-capitalize-on-its-unique-culture.

Ward, J. L., & Aronoff, C. E. (1991). Trust gives you the advantage. *Nation's Business*, *79*(8), 42–45.

Whetten, D. A. (1989). What constitutes a theoretical contribution? *Academy of Management Review*, *14*(4), 490–495.

Whitener, E. M., Brodt, S. E., Korsgaard, M. A., & Werner, J. M. (1998). Managers as initiators of trust: An exchange relationship framework for understanding managerial trustworthy behavior. *Academy of Management Review*, *23*(3), 513–530.

Wicks, A. C., Berman, S. L., & Jones, T. M. (1999). The structure of optimal trust: Moral and strategic implications. *Academy of Management Review*, *24*(1), 99–116.

Williams, M. (2001). In whom we trust: Group membership as an affective context for trust development. *Academy of Management Review*, *26*(3), 377–396.

Williams, M. (2007). Building genuine trust through interpersonal emotion management: A threat regulation model of trust and collaboration across boundaries. *Academy of Management Review*, *32*(2), 595–621.

Williams, M. (2016). Being trusted: How team generational age diversity promotes and undermines trust in cross-boundary relationships. *Journal of Organizational Behavior*, *37*(3), 346–373.

Williamson, O. E. (1993). Calculativeness, trust, and economic organization. *The Journal of Law and Economics*, *36*(1), 453–486.

Worchel, P. (1979). Trust and distrust. In W. G. Austin & S. Worchel (Eds.), *The social psychology of intergroup relations*. Belmont, CA: Wadsworth.

World Economic Forum (2017, January 16). Global agenda: Inclusive growth framework. How family businesses can create inclusive economic growth. *World Economic Forum*. Retrieved from https://www.weforum.org/agenda/2017/01/how-family-businesses-can-create-inclusive-economic-growth/

Yu, A., Lumpkin, G. T., Sorenson, R. L., & Brigham, K. H. (2012). The landscape of family business outcomes: A summary and numerical taxonomy of dependent variables. *Family Business Review*, *25*(1), 33–57.

Zaheer, A., McEvily, B., & Perrone, V. (1998). Does trust matter? Exploring the effects of interorganizational and interpersonal trust on performance. *Organization Science*, *9*(2), 141–159.

Zahra, S. A. (2003). International expansion of US manufacturing family businesses: The effect of ownership and involvement. *Journal of Business Venturing*, *18*(4), 495–512.

Zahra, S. A., Hayton, J. C., Neubaum, D. O., Dibrell, C., & Craig, J. (2008). Culture of family commitment and strategic flexibility: The moderating effect of stewardship. *Entrepreneurship Theory & Practice*, *32*(6), 1035–1054.

Zand, D. E. (1972). Trust and managerial problem solving. *Administrative Science Quarterly*, *17*(2), 229–239.

Zeitlin, M. (1974). Corporate ownership and control: The large corporation and the capitalist class. *American Journal of Sociology, 79*(5), 1073–1119.

Zellweger, T. M. and Astrachan, J. H. (2008). On the emotional value of owning a firm, *Family Business Review, 21*(4), 347–363.

Zellweger, T. M., Eddleston, K. A., & Kellermanns, F. W. (2010). Exploring the concept of familiness: Introducing family firm identity. *Journal of Family Business Strategy*, *1*(1), 54–63.

Zellweger, T. M., Nason, R. S., & Nordqvist, M. (2012). From longevity of firms to transgenerational entrepreneurship of families: Introducing family entrepreneurial orientation. *Family Business Review*, *25*(2), 136–155.

Zucker, L. G. (1986). Production of trust: Institutional sources of economic structure, 1840–1920. In B. M. Staw & L. L. Cummings (Eds.), *Research in Organizational Behaviour*, (pp. 53–111). Greenwich, CT: JAI Press.

Appendix A: Nomination Form (CEO)

NOMINATION FORM

Please use the below form to nominate **two other managers** in your firm to fill in a **separate** short survey relating to your organisation's culture. The individuals that you nominate should be members of your firm's Senior Management Team. Surveys will be sent directly to each individual for completion, to ensure complete confidentiality.

Family businesses: please nominate **one family member and one non-family member** working in the firm, where possible.

Co-Managing Directors/CEOs: if you indicated earlier that you co-manage the firm, you can nominate your co-leader as one of your participants below.

Important Note: Please do not nominate yourself in this section.

	First name	Surname	Email	Position
Participant 1				
Participant 2				

In order to understand how organisational culture affects important outcomes (e.g. employee performance) you will be asked specific questions relating to Participant 1 and Participant 2 during this survey. All data collected in this survey is strictly confidential. Data will be aggregated, with individual and company names deleted prior to analysis.

This page will be removed by the researcher and stored separately from the rest of the survey to maintain anonymity of responses.

Appendix B: Plain Language Statement (CEO)

Important Information

Scope & Objectives:

This survey is part of a research project that examines organisational culture in private and public enterprises in Ireland. The study is being conducted as part of a Ph.D. in Organisational Behaviour at Dublin City University Business School. The principal investigator is Ms. Catherine Faherty and the study is being conducted under the supervision of Dr. Eric Clinton. This project is sponsored by the DCU Ryan Academy and DCU Centre for Family Business and is supported by the Small Firms Association, PwC, AIB and the Irish Research Council.

Who Should Complete this Survey:

This survey should be completed by the **Managing Director/CEO** or the highest ranking official within the firm. In the case of firms with co-Managing Directors please indicate this by selecting 'co-Managing Director' at the bottom of this page.

Completion Time:

This survey should take no longer than **12 minutes** to complete.

Confidentiality & Data Security:

All data collected in this survey is strictly confidential. Data will be stored in anonymous form under encryption technology. Firm and individual names that are used to enable the researcher to contact you will be stored separately from survey responses. Any published data will be aggregated and untraceable to individuals, families, or firms.

Voluntary Participation:

Participation in this study is voluntary. Your decision whether or not to participate will not affect your current or future relations with the research organisations. If you decide to participate, you are free to refuse to answer any question. If at any stage you wish to withdraw from the study, you can do so by emailing catherine.faherty@dcu.ie.

When Completed:

Please return your completed survey to:
Ms Catherine Faherty, LG28, DCU Business School, Dublin City University, Dublin 9.

Additional Information:

If you have any questions in relation to the study, please contact Ms. Catherine Faherty
by email at catherine.faherty@dcu.ie or by phone on +353 1 7006482,
or Dr. Eric Clinton by email at eric.clinton@dcu.ie or by phone on +353 1 7005747.

If you have concerns about this study and wish to contact an independent person, please contact:
The Secretary, Dublin City University Research Ethics Committee, c/o Research and Innovation Support, Dublin City University, Dublin 9. Tel: 01 7008000, email: rec@dcu.ie

Thank you in advance for your time in contributing to this important research. Your help is greatly appreciated.

First, please confirm that you are the Managing Director/CEO of the firm by placing a tick in the appropriate box below.

I am the Managing Director/CEO .... ☐

I am a joint /co-Managing Director/CEO.......... ☐

Neither of the above; unfortunately, you are ineligible
to continue the survey .... ☐

B

Appendix C: Ethical Approval

Ollscoil Chathair Bhaile Átha Cliath
Dublin City University

Ms Catherine Faherty
Dr Eric Clinton

DCU Business School
Centre for Family Business

10 March 2017

REC Reference:	**DCUREC/2017/027**
Proposal Title:	**An Empirical Investigation of Organisational Culture in Family and Non-Family Enterprises**
Applicant(s):	**Ms Catherine Faherty, Dr Eric Clinton**

Dear Catherine,

This research proposal qualifies under our Notification Procedure, as a low risk social research project. Therefore, the DCU Research Ethics Committee approves this project.

Materials used to recruit participants should state that ethical approval for this project has been obtained from the Dublin City University Research Ethics Committee.

Should substantial modifications to the research protocol be required at a later stage, a further amendment submission should be made to the REC.

Yours sincerely,

Donal O Gorman

Dr Dónal O'Gorman
Chairperson
DCU Research Ethics Committee

DCU
Research & Innovation

Taighde & Nuálaíocht Tacaíocht
Ollscoil Chathair Bhaile Átha Cliath,
Baile Átha Cliath, Éire

Research & Innovation Support
Dublin City University,
Dublin 9, Ireland

T +353 1 700 8000
F +353 1 700 8002
E research@dcu.ie
www.dcu.ie

Appendix D: Prenotice Letter (First CEO Contact)

Ollscoil Chathair Bhaile Átha Cliath
Dublin City University

DCU | CFB Centre for Family Business

May 21, 2017

Mr. Kevin O'Connor
Chief Executive Officer
Colourtrend
Maynooth Road,
Celbridge
Co. Kildare

Dear Mr. O'Connor,

We are asking for your help with an important research study led by Dublin City University Centre for Family Business.

Family businesses form the bedrock of communities across Ireland and are the backbone of our economy. From the small corner shop to the large conglomerate, family businesses represent approximately 75% of all businesses in Ireland, that together contribute an estimated 50% of private sector employment. Yet, only 30% survive into a second generation on average, and just 12% remain viable into a third generation.

While family businesses on average are arguable stronger performers than other types of enterprise, they have distinctive vulnerabilities that need to be managed. The DCU Centre for Family Business, launched by An Taoiseach Enda Kenny in 2013, is the first centre of excellence and learning for family businesses in Ireland. Since establishment, we have worked with nearly 1,500 current and next-generation leaders on issues such as succession planning, next-generation leadership development, in-law involvement, and family governance. As the voice of the Irish family business community, we are uniquely equipped to contribute to policy debates on important family business issues.

We are now conducting our **first national family business study** in a significant effort to better understand the practices and behaviours that lead to long-term success. Specifically, in this study we are examining the organisational culture—values, beliefs, and assumptions that govern behaviour—inherent in family-owned businesses. Research indicates that organisational culture influences the long-term performance of organisations. Thus, insights from this pioneering study will assist leaders of family businesses in Ireland to leverage the strengths of their enterprise and successfully implement practices that drive long-term high performance, ensuring continuity for generations to come.

DCU An tIonad um Ghnólachtaí Teaghlaigh
Ollscoil Chathair Bhaile Átha Cliath,
Baile Átha Cliath 9, Éire

DCU Centre for Family Business
Dublin City University,
Dublin 9, Ireland

T +353 1 700 6921
E familybusiness@dcu.ie
www.dcu.ie/centreforfamilybusiness

Ollscoil Chathair Bhaile Átha Cliath
Dublin City University

DCU CFB Centre for Family Business

In order to gain first-hand insights on organisational culture in family businesses, **we are asking for 12 minutes of you and your team's time** to complete a short survey. In return, you will receive an exclusive report detailing the findings of the study with recommendations for your family business on issues such as nurturing effective work and family relationships, increasing employee performance and fostering employee commitment.

You will also be invited to a national workshop facilitated by international experts in family business where you will interact with current and next-generation leaders from across Ireland, benchmarking your results with family businesses from other industries and generations.

In the coming days you will receive an email containing important information for participating in the study and accessing the results. We can also send a paper copy of the survey to you upon request. Should you have any queries regarding the study, please contact Ms. Catherine Faherty on email: **catherine.faherty@dcu.ie** or by phone: **+353 17006482.**

Thank you very much for your time and consideration. It is only with the generous help of people like you that this research can be successful.

Sincerely,

Eric Clinton

Dr. Eric Clinton
Director, DCU Centre for Family Business
Dublin City University, Dublin 9, Ireland

P.S. Enjoy a cup of tea on us as you complete the survey, courtesy of one of your fellow family businesses—Barry's Tea of Cork.

DCU An tIonad um Ghnólachtaí Teaghlaigh
Ollscoil Chathair Bhaile Átha Cliath,
Baile Átha Cliath 9, Éire

DCU Centre for Family Business
Dublin City University,
Dublin 9, Ireland

T +353 1 700 6921
E familybusiness@dcu.ie
www.dcu.ie/centreforfamilybusiness

Appendix E: Survey E-mail (Second CEO Contact)

DCU | CFB Centre for Family Business

Are You Capitalising on Your Family Business's Unique Culture?

Members of the sixth and seventh generation of the Flahavan family, E. Flahavan & Sons Ltd.

Dear Mr. O'Connor,

A few days ago we sent you a letter asking for your help with an important study being conducted by Dublin City University Centre for Family Business (a copy of this letter is **here**).

We are asking for **12 minutes** of your time to complete a short survey which looks at organisational culture and commitment in family-owned firms.

How will you benefit from participating?
In return for participating you will receive the following:

- An **exclusive report** detailing the findings of the study.
- An **invitation to a national family business workshop** where the results will be discussed.

I'd like to help. How can we participate?
Taking part is simple, here's how:

- There are two surveys—one for the CEO *(you)*, and the other for two members of your top management team (a family and a non-family member.

- To have your voice heard by participating, simply click **'Take the survey!'** at the bottom of this email. After clicking accept, you will be directed to a *Nomination Form* where you will be asked to nominate the two members of your team to complete the second survey. You will then be directed to the CEO survey.

All responses are completely confidential. Your name will be deleted from our mailing list once you submit your survey and never connected to your answers in any way.

If you have any queries regarding the study, or would prefer to complete a paper copy of the survey, please let us know by replying to this email. Alternatively, you can call us on +353 1 7006482.

The contribution made by the family business sector in Ireland is hugely significant and it deserves to be recognised. **Please help us, help you.**

Sincerely,

Catherine Faherty

If, for some reason, you have received this email and you are not the CEO, please let us know by replying to this email. It is important that the survey is completed by the highest ranking official in the firm. Please do not forward this email as each survey link is unique to the recipient.

Take the survey!

About the Researchers:

Catherine M. Faherty is a Ph.D. scholar in the final year of her studies at DCU Business School. Her research focuses on organisational culture, specifically in the context of family-owned enterprises. Catherine is a founding member of the DCU Centre for Family Business and is a recipient of the Irish Research Council Postgraduate Scholarship. Her research is co-funded by the DCU Ryan Academy.

Dr. Eric Clinton is Director of the DCU Centre for Family Business and is a lecturer in Entrepreneurship at DCU Business School. He received his Ph.D. from the Michael Smurfit Graduate Business School UCD. His research interests are primarily concerned with transgenerational entrepreneurship in family-owned firms.

Ollscoil Chathair Bhaile Átha Cliath
Dublin City University

DCU | CFB Centre for Family Business

Appendix F: LinkedIn InMail (CEO)

Brian McCracken
Managing Director : BA Components

Requesting Your Help - PhD Study Family Business

Dear Brian,
I hope you are keeping well.
My name is Catherine Faherty and I am a PhD scholar with the Dublin City University Centre for Family Business. As part of my PhD I am currently conducting an important study in a significant effort to better understand the practices and behaviours that lead to long-term success in family businesses. Would you be willing to give 12 minutes of your time to complete a short survey for this important research? We have already received responses from 160 family business leaders across Ireland and feel that the results will be pioneering for the family business community.
If you are interested please send me on your email address and I will email you further details, along with the benefits of participation.
Thank you very much Brian. We appreciate your support.
Best wishes,
Catherine

Hi Catherine
i will help you of course.
my email is
[redacted]

BR
Brian

Appendix G: Plain Language Statement (TMT Members)

Important Information

Scope & Objectives:

This survey is part of a research project that examines organisational culture in private and public enterprises in Ireland. The study is being conducted as part of a Ph.D. in Organisational Behaviour at Dublin City University Business School. The principal investigator is Ms. Catherine Faherty and the study is being conducted under the supervision of Dr. Eric Clinton. This project is sponsored by the DCU Ryan Academy and DCU Centre for Family Business and is supported by the Small Firms Association, PwC, AIB and the Irish Research Council.

Who Should Complete this Survey:

This survey should be completed by a **member of the Senior Management Team** within the firm, but **not the Managing Director** (the Managing Director has been sent a separate survey to fill out).

Completion Time:

This survey should take no longer than **15 minutes** to complete.

Confidentiality & Data Security:

All data collected in this survey is strictly confidential. Data will be stored in anonymous form under encryption technology. Firm and individual names that are used to enable the researcher to contact you will be stored separately from survey responses. Any published data will be aggregated and untraceable to individuals, families, or firms.

Voluntary Participation:

Participation in this study is voluntary. Your decision whether or not to participate will not affect current or future relations with your employer or the research organisations. If you decide to participate, you are free to refuse to answer any question. If at any stage you wish to withdraw from the study, you can do so by emailing catherine.faherty@dcu.ie.

When Completed:

Please return your completed survey to:
Ms Catherine Faherty, LG28, DCU Business School, Dublin City University, Dublin 9.

Additional Information:

If you have any questions in relation to the study, please contact Ms. Catherine Faherty by email at catherine.faherty@dcu.ie or by phone on +353 1 7006482, or Dr. Eric Clinton by email at eric.clinton@dcu.ie or by phone on +353 1 7005747.

If you have concerns about this study and wish to contact an independent person, please contact: The Secretary, Dublin City University Research Ethics Committee, c/o Research and Innovation Support, Dublin City University, Dublin 9. Tel: 01 7008000, email: rec@dcu.ie

Thank you in advance for your time in contributing to this important research. Your help is greatly appreciated.

Appendix H: Survey Email (Second TMT Contact)

From: Catherine Faherty
To: [TMT member]
Date: 1st July 2017
Subject: Reminder: DCU CFB Survey

Dear [TMT member]

I hope you are well.

My name is Catherine Faherty and I am writing to you on behalf of the DCU Centre for Family Business. Last week an email was sent to you asking for your help with an important study being conducted by Dublin City University Centre for Family Business. You were nominated by [CEO] to complete this short survey because he indicated that your views and experiences would be important to us.

To the best of our knowledge, your survey has not yet been completed. We are asking for 15 minutes of your time to complete the survey, which looks at topics such as communication, leadership, commitment.

How do I participate?

- Simply click the link at the bottom of this email to complete the short survey.
- Note: Section B of the survey relates to leadership. Please refer to [CEO] in this section.

All responses are completely confidential and will never be shared with your organisation or any individual outside of our research team. Your name will be deleted from our mailing list once you submit your survey and never connected to your answers in any way.

If you have any queries regarding the study, or would prefer to complete a paper copy of the survey, please let us know by replying to this email. Alternatively, you can call us on +353 1 7006482.

Your unique survey link:

https://dcubusinessschool.eu.qualtrics.com/jfe/form/SV_72mIpr4JIDJOVjD?Q_DL=eFpwQVDfU8CrUMd_72mIpr4JIDJOVjD_MLRP_2b44Vqq0EWsUnLn&Q_CHL=gl

We hope that you will be able to complete the survey soon.

Thank you very much.

Kind regards,

Catherine Faherty