Exploring the role of organisational trust in mergers and acquisitions (M/A) processes in family firms

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Abstract

In recent years, mergers and acquisitions (M/As) of family firms have started to play a more crucial role. But despite its increasing relevance this topic has not yet been studied in the family firm context. The existing theories on organisational trust in the M/A process might not necessarily apply in the family firm M/A (FF M/A) context as these companies are somehow unique, especially since the employees' organisational trust in the family firm owners tends to be a key dynamic in merging family firms. Therefore, this thesis wants to close an application gap in research and explore how organisational trust can be applied to the family firm M/A context.

M/As of German midsized family firms are explored in two different studies. In the quantitative study 1 data was collected in an employee survey (N=352). Data for the qualitative study 2 consists of 21 semi-structured interviews.

In this thesis I generate an organisational trust framework in the context of family firms that have undergone M/As. This framework is valuable because it shows how family firms can use their specific nature as an asset to maintain their employees' organisational trust even after an M/A. Therefore, M/As of family firms tend to be the less risky option for family firms that need to sell their businesses, and a way for them to maintain or restore their organisational trust.

The three main contributions are the following: Firstly, there is not necessarily a trust breach under the premise of a "responsible" outcome. Secondly, there is an observation period in the M/A process where family firm employees will reserve judgement on the new family firm. Thirdly, the process of trust regain after the observation period is primarily based on trustworthiness demonstrated by role models, and especially by the new family firm owners.

The analysis further shows that it should be a major concern of merging family firms to develop a reasonable, trust-enhancing concept because of the major consequences of a trust loss, such as a decrease of commitment and engagement. So from a practical point of view, this work's framework can help family firms to prevent the employees' loss of organisational trust due to M/As, and to establish a trusting relationship after the acquisition.

Author's Declaration

I declare that the work in this thesis was carried out in accordance with the regulations of the University of Gloucestershire and is original except where indicated by specific reference in the text. No part of the thesis has been submitted as part of any other academic award. The thesis has not been presented to any other education institution in the United Kingdom or overseas.

Any views expressed in the thesis are those of the author and in no way represent those of the University.

Stella Lind

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Acknowledgements

Do you know the feeling when you want to repeatedly slam your head against the wall? My supervisor warned me before I started my dissertation that this might happen – and it did. Despite all the unexpected obstacles I faced, however, this dissertation was a very personal, enriching, and challenging journey that I could not have completed without the support and guidance from my family, friends, and of course my supervisor Dr. Danielle Tucker.

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1 Introduction

I open this first chapter by describing the contextual background of this thesis and providing a definition of the problem. Following this, I explain the research objectives and research questions. Finally, I describe the structure of this work, which also reflects my research journey while studying this subject. As the research approach towards this thesis is rather complex, I provide a breakdown of each chapter and a discussion about why the thesis is structured in this way.

1.1 Contextual Background and Problem Definition

> *"It is emotionally easier to sell to a family firm. We have rejected many offers until we have found the right one. But we just trusted this family firm to have the right value set".*

This quote describes a former family entrepreneur's feeling about selling his business. It shows that Family Firm M/A[1] (FF M/A) tends to be the less risky option for family firms that need to sell their businesses as they tend to share similar core values (Siebke, 2015). This differentiates them from other firms and can improve the post-merger integration. In recent years, FF M/A has begun to play a more crucial role in company acquisitions (Kachaner, Stalk, & Bloch, 2012). Family firms unable to transfer the ownership and leadership of the company within the family tend to carry out acquisitions among each other (Ahlers, Hack, Madison, Wright, & Kellermanns, 2017), so called family firm to family firm M/As (FF to FF M/As).

Definitions vary (Chrisman & Patel, 2012; Klein, Astrachan, & Smyrnios, 2005), but in this research family firms are privately held, managed and controlled by owning families. Family firms are important in many regards. Scholars examine family firms because they are fundamentally different from non-family firms, particularly with regard to organisational behaviour (e.g. Chrisman, Chua, & Litz, 2004; Gómez-Mejía, Haynes, Nuñez- Nickel, Jacobson, & Moyano-Fuentes, 2007). Family firms are usually risk-averse, do not like change and rely on a personal, trusting relationship with the owner (Müller, 2013). Employees' organisational trust in the owner tends to be a key dynamic in family firms and is mentioned by many authors (e.g. Gomez-Mejia, Cruz, Berrone, & De Castro, 2011; Sundaramurthy, 2008; Ward, 2006; Eddleston & Kellermanns, 2007). As one interviewee stated: "Trust is like glue- without trust I would not even consider

[1] M/As in this research includes both merger as well as acquisitions.

going to work!". So, FF M/As may be a way for family firms to keep or restore their high level of organisational trust even after they have to sell their business.
Despite its increasing relevance, organisational trust in FF M/A has received little research attention. Nevertheless, I believe that it is worth studying this research topic. That is why I want to explore this relatively obscure context. Organisational trust is said to be a competitive advantage for family firms, but the question is whether this is still an advantage in times of change such as M/As? So, since family firms are different from other firms in some ways, as described above, one cannot assume that existing post-merger integration literature can be applied to FF M/As.

1.2 Research Objective

As described above, the research objective is to explore mergers and acquisitions (M/A) processes in family firms through the lens of organisational trust. This means that this study addresses a field of research that can be described as the intersection of organisational trust research, M/A literature, and family firm research. Sandberg and Alvesson (2011) argue that researchers can make a contribution to knowledge by addressing a relevant gap in the application of existing research. In this thesis, the aim is to explore how organisational trust can be applied to the family firm M/A context. Hence the explorative research question is "How do the specific circumstances of family firms impact organisational trust in M/A processes?"

1.3 Structure of this work

In this section, I describe the structure of the work, which also reflects my research journey. During the time I was exploring organisational trust in FF M/A, I experienced a lot of detours and tangents. As a result of this, the structure of the thesis follows both my development in thinking about organisational trust in FF M/A and also my personal development journey as a researcher. Therefore, I will provide a brief breakdown of each chapter and explain the decisions behind why I have structured the thesis in this way, as well as the contributions of this research.

The research journey begins with reviewing the literature. In a review of the literature in **chapter 2**, I argue that there is a gap in existing research and understanding: Although trust seems to be especially important in the high trust environment of family firms, there is little research on FF M/A from a theoretical consideration of organisational trust.

When I started out on this topic, my data-driven background led me to be believe that quantitative research was important, and the best way to approach this topic. Therefore, my initial approach, which is reflected in chapter 3 and 4, was to look at trust antecedences and consequences of organisational trust in order to derive more insights about organisational trust. The result of this literature analysis is an overview of the current trust theory for family firms experiencing M/A. I will test “to what extent is current theory about organisational trust applicable to family firms that have undergone M/As” (research question 1) and therefore derive corresponding hypotheses.
Chapters 3 and **4** present the quantitative study which was designed to test the hypotheses derived from the literature review in chapter 2. Chapter 3 explains the study approach and methods for a quantitative study, while chapter 4 discusses the key findings. In general, the findings reveal that current theory about consequences and also partly about the antecedences of organisational trust is principally applicable to family firm M/As and that M/As can also cause a loss of trust in family firms.

Through the process of performing the research for study 1, I unfortunately realised that the research question had not been the best choice since the study results are not as helpful as I had anticipated. The results of the study only confirm that trust declined after M/As, but do not explain why there has been a loss of trust, and what one can do in order to resolve this. It leaves a lot of unanswered questions. After undertaking study 1, I was standing at a crossroad. The topic is relevant, but the results are not helpful, as they do not provide a sufficient explanation. Hence, I had to decide what to do next. In **chapter 5** I describe my reflection process. This chapter outlines the transition of my thoughts after the insufficient contributions of the first study and provides an explanation about how my research approach shifted during this time. I share illustrations from my personal research diary to explain this personal development journey, and how this influenced the work. After finding myself unable to add any new insights, I realised that a different research approach would be better able to study trust in FF M/A. At this point, my research philosophy shifted from a more positivistic to a more interpretivistic stance. I realised that it would be more valuable for the research to explore how employees lived through the merger and how that corresponds with their trust experience. I thereby realised that I would gain more contextual depth with a different research approach. On this basis, I developed a plan for my next steps. The plan required a new literature review, along with a new methodical approach. In the remaining chapters, I concentrate on the qualitative approach of this thesis and how these led me to more significant contributions. In the reflections from study 1, I detected a need for focussing on trust repair. So, in **chapter 6,** I describe the new literature approach, in which I look more closely at the development of the trust process and especially focus on the trust repair literature. Therefore, this second literature review differs from the first one because I consider studies which answer 'how' questions about trust, such as how trust is repaired and how is trust maintained. Thereby, I realised that there has been very little research about trust repair in the family firm context. The outcome of the second literature analysis helped me to derive a new research question. I wanted to explore how the specific circumstances of family firms impact organisational trust in such organisations that have undergone M/As in a more practice focused and exploratory way.

The new, qualitative research approach to study 2 is introduced in **chapter 7**. This chapter describes the practice-focused approach of data collection and data analysis. Semi-structured interviews in two different acquiring firms help me to better explore the research topic.

Chapter 8 presents the findings of the qualitative second study. The data allowed a much deeper and richer analysis than study 1, and therefore added more explanatory value. I learned from listening to the interviewees and clustered their answers to best serve the research question. As such, I discovered more about the different stages of organisational trust. I also ascertained during the research that the integration process in family firms has its specific characteristics.

The theoretical and practical contributions of Study 2 are discussed in **chapter 9**. Specifically designed for family firms undergoing M/As, I developed a process framework of organisational trust, which includes three different stages of trust development - trust loss, observation period and trust regain. These three process steps frame the four main research contributions, which I outline below.

In the first stage of **trust loss,** the research contributes to the understanding of the trust process as it shows why FF M/A causes a loss of trust, but also why it does not necessarily lead to a trust breach as M/A literature, in contrast, suggests it should (main contribution 1). It demonstrates that a high initial level of trust can act as a barrier to a loss of trust, as long as basic conditions such as job security are not damaged. Additionally, the research shows that family firm employees tend to have a special trust relationship towards the owner. Therefore, it makes a difference if the employees receive a trustworthy justification of the acquisition from the old owner directly, as they tend to trust their decisions. As such, the research showed that family firms should handle M/A by using the old owner to mitigate the painful M/A process. This seems to be particularly the case given the prominent role of the firm's owner for trust trickle effects on their own company and on the merging or acquiring company (main contribution 2). Family firm employees seem to first observe whether they can transfer their high level of trust in the old owner to the new owner.

A discovery that has not been discussed in trust literature before is the **observation period,** which is the second stage of the framework. It shows that family firm specifics can function as a protective screen during the M/A process. This means that there is no initial decision about the trust status. Employees will reserve judgement on the new family firm and owner, and allow them to prove themselves (main contribution 3). Non-family firms might not have this observation period as they usually do not have such a strong bond to start with. Therefore, I argue that the observation period is unique to family firms undergoing M/As. The research demonstrates that it is beneficial to family firms to know that they can eventually influence the outcome by quickly building up a strong relationship with the owner before the employees make up their mind about their trust judgement. Therefore, based on the research, I recommend that the organisations should actively invest in this stage as well, and not only in the first days after the merger, in response to this finding.

Current trust repair literature is specifically targeted at trust failures/violations (cf. Gillespie & Dietz, 2009). Looking at the high-trust environment of family firms, however, where the outcome of the M/A is initiated and controlled by family firm owners, I argue that – where the observation period has a positive outcome – it is sometimes sufficient to consolidate, rather than repair, trust. In the research I describe the difference between trust repair and trust consolidation after FF M/A. Nevertheless, it is valid for both cases that, in order to regain trust, family firms should handle M/As by focussing on the role models, especially the owner. This means that the regaining of trust after the observation period centres on the trustworthiness of key individuals (particularly the family firm owner) (main contribution 4).

As the outcome lays more in the hand of the family firm owners, who have longer to prove their trustworthiness, there is a difference to conventional trust repair models (e.g.

cf. with the model of Gillespie & Dietz, 2009) that often emphasise altering the rules and regulations.

As a quick overall summary of this, the process of trust during FF M/As is different from "normal" firms as it takes part in a high trust environment and the outcome is more likely to be initiated and controlled by the family firm owners. The framework provides family firm practitioners vital clues for making a success out of an acquisition of a family firm. I contribute to the academic discussion by describing the development of organisational trust after M/As in the high-trust environment of family firms, and especially by discovering the unique scenario of the observation period in this context.

The final chapter summarises the conclusions of the research project. It reflects on the learning experience I had throughout the research journey, especially by changing the direction/methodology of the research. It also discusses the limitations of the work before providing concluding remarks.

2 Literature Review

The aim of this chapter is to review and assess the existing knowledge in the literature and identify the theoretical gaps that the research will seek to fill. I argue that the broader topic of organisational trust has been studied quite comprehensively by scholars. We particularly know quite a lot about organisation trust in connection to its antecedences (such as job security, fairness) and consequences (such as commitment). To a lesser extent, there is also research about organisational trust in a change process.

However, there exists a gap in the application of this knowledge in the family firm context. The literature suggests that organisational trust is especially critical in high trust environments (Hurley, 2011). Family firms would be best described as an example of a high trust environment (Kets de Vries & Carlock, 2007). However, M/A processes, which have been found to jeopardise organisational trust (Steinmeier & Jöns, 2011), may compromise this "high trust" and it is therefore important to study the application of theory on organisational trust in this setting. In this chapter I will combine literature on organisational trust with literature about the family firm M/A context to highlight where significant gaps in application emerge. At the end of this chapter, I will introduce the research question.

The aim is to gather relevant literature in the specific area of FF M/A under the lens of organisational trust and then analyse and critically evaluate it. Since this research focusses on a topic that takes place in a complex environment (both M/A as well as family firms are heterogeneous), this makes the literature review particularly challenging because of the volume of literature that may possibly be relevant.

In the literature review, I initially used a systematic approach to search for literature (using specific search terms etc.). However, I have supplemented this more iteratively as theories which I discovered in the literature led to identification of further interesting literatures. As family firm and M/A research stretches across different research domains, the search for literature also includes different research traditions such as psychological as well as management literature. The way I have organised and presented the literature is more narrative as I explicitly present family firm M/As through the lens of organisational trust.

2.1 Organisational trust during M/A

Firstly, I will examine research which has studied M/A from an organisational trust perspective. To understand the concept, I first analyse literature defining organisational trust. I then analyse how this is applied in the M/A process specifically.

2.1.1 Organisational trust

In this section, different definitions and perspectives on organisational trust are examined. Initially, trust in general is discussed before considering trust in the organisational context.

The concept of trust

Trust is the basis of cooperative behaviour and is described as the basis of any functioning social system by some authors (Endress, 2002). It is an omnipresent, but still a very amorphous construct (Endress, 2002). Furthermore, McEvily and Tortoriello (2011) say that trust research is fragmented and stretched across multiple disciplines. That is why there is no generally accepted definition of trust, but a plurality of juxtaposed perspectives (Bohn, 2007; Sprenger, 2007). However, all these different perspectives have a positive perception of the word "trust" in common: Trust is usually experienced positively (Jones & George, 1998; Mayer, Davis, & Schoorman, 1995; McAllister, 1995).

There are authors that operationalise trust as rational-choice behaviour, such as cooperative choices in a game (e.g., Deutsch, 1958; Komorita & Mechling, 1967; Hardin, 1993), but from a psychological perspective, this trust-as-behaviour approach is very cognitive and does not focus on non-rational behaviour. Other authors, such as e.g. Rotter (1967) define trust as a disposition, but this is very one-dimensional and does not consider context at all (Kaplan, 1973; Wright & Tedeschi, 1975).

However, the organisational literature is increasingly converging on common definitions (McEvily & Tortoriello, 2011). Prior reviews of the trust literature indicate that two key dimensions are prevalent in most definitions of the concept: positive expectations of another party and a willingness to be vulnerable (Dietz & Den Hartog, 2006; Kim et al., 2004; McEvily & Tortoriello, 2011). These dimensions appear in the two definitions of trust that are most cited by organisational scholars. In the present work, the following definition of trust is used as it is the most frequently cited definition next to the slightly older one of Mayer et al. (1995) (McEvily & Tortoriello, 2011):

"…a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" (Rousseau, Sitkin, Burt, & Camerer, 1998, p. 395).

Below, I break down the understanding of this definition. "A psychological state": The definition of trust as a psychological state shows that the assessment of a situation of trust depends on the current perception of the trustor and the psychological state (s)he is in—and not on hard facts (Klaussner, 2012). A psychological state is a mental condition in which the qualities of a state are relatively constant even though the state itself may be dynamic and can change if the conditions change.

"Intention to accept vulnerability": If the trustor is willing to trust, (s)he becomes vulnerable to the trustee. Therefore, trust is always associated with the insecurity and risk that one will be injured. The trustor takes the risk to be vulnerable (Mayer et al., 1995). If there is no risk and an event will occur for certain, it does not make sense to speak of trust in this context (Mayer et al., 1995). Perceived risk and vulnerability are results of the loss of control (Graeff, 1998; Vuorenmaa, 2006) and are based on complex and ambiguous situations (Graeff, 1998), like M/As. The perceived complexity of the situation, and the associated uncertainty of the employees can be reduced through trust. Here it is not important whether the perceived risk of being vulnerable exists in a current situation or whether it is merely anticipated. It therefore follows that risk, independence, and the willingness to accept vulnerability are necessary conditions in all formulations of trust. Also, Gundlach and Cannon (2010) say that "For trust to be conceptually relevant in exchange, there must be an actual possibility of loss. Conferring trust involves the regulation of one's dependence in such a way as to actually increase one's vulnerability to the actions of another whose behaviour one cannot control. This vulnerability opens the trusting party to potential harm" (p. 402). Also, Nienaber looked at vulnerability in several contexts, for example in leader-follower relationships (Nienaber, Hofeditz, & Romeike, 2015), or in organisations facing a radical and ongoing set of budget reductions and reorganisation (Searle, Nienaber, Weibel, & Den Hartog, 2016).

"Positive expectations of the intentions or behaviour" generally refers to perceptions, beliefs or expectations about the trustees' intention and being able to rely on the trustee" (Fulmer & Gelan, p. 1171).

"Of another": This gives a very general definition of whom to trust: the other party. The definition is comprehensive: Trustors can be trust subjects (like other persons) in the same

way as more abstract entities (such as an organisation) (Steinmeier & Jöns, 2011). This means that in each trust process, two elements play a role: the trustor and the trustee.
The application of this trust definition specifically in the context of FF M/As will be discussed in section 2.2.3. There I analyse how the willingness to accept vulnerability is stronger in the specific family firm environment, as well as how the typically positive expectations of FF employees about their employer develop in the M/A context.

Levels of trust

In this paragraph, I explain the differences between studying trust at these different context levels – leading into why I am focusing on the organisational level in particular. I review three levels of trust – organisational, group and individual. Trust research has been considerable in all three levels of context, but has focused the least on the organisational level, which I explain in the next section (Dopson, Fitzgerald, & Ferlie, 2008). Individual trust: Much research in this area is based on attributes of the trustor and trustee (Mayer et al., 1995); propensity to trust and other individual attributes within this dyadic relationship (Mayer et al., 1995). Group trust: Most research in this area can be divided into two categories: Trust between members of a group, such as a work team (Costa, 2003), and trust within members of two or more different groups (Ferrin, Bligh, & Kohles, 2007). This includes research on leadership within a group and how that generates or impedes trust development (Schriesheim, Castro, & Cogliser, 1999). Organisational trust: At this level, research represents the relationship between individual employees and the organisation as an entity. This includes examining engagement levels within an organisation (Dulac, Coyle-Shapiro, Henderson, & Wayne, 2008) and organisational structures and climates that impede or encourage trust generation. I am focusing on this trust level specifically because I am especially interested in trust changes within FF M/As at the organisational level.
This leaves several questions open for further research, such as as what is the overlap between organisational trust management and organisational trust in the whole organisation? (e.g. cf. Romeike, Holtgrave, & Nienaber, 2018)

Definition of organisational trust

Although both researchers and practitioners emphasise the high importance of organisational trust (Ferres, Connell, & Travaglione, 2005; R. L. Miller & Cangemi, 1988), and see it as the basis of any functioning organisation, there is no generally accepted definition of the term (Albrecht & Travaglione, 2003; Saunders, Dietz, & Thornhill, 2014). So far in the chronology of literature, the emphasis has usually been placed on personal trust, meaning trust between two individuals (Schweer & Siebertz-Reckzeh, 2012). In general, organisational trust has been less comprehensively studied than trust on an individual level (Teng & Das, 2008). Despite scholars' recognition of organisational trust (Rousseau, Sitkin, Burt, & Camerer, 1998) not many researchers have yet tried to conceptualise trust at organisational levels. This means that scholars are only beginning to understand it, which is why it is the focus of this work.

"Organisational trust" is understood as a positive, trusting assessment of organisational members towards the organisation as a whole (Bhide & Stevenson, 1992). Thereby, the construct represents the organisation in the same way as, for example, the construct of commitment (Meyer & Allen, 1991), or the support of the organisation (Eisenberger, Huntington, Hutchison, & Sowa, 1986). Organisational trust is used as a general belief - a "global belief" according to Eisenberger et al. (1986) - that results in positive effects in a mutual exchange process between the organisation and the trustor (Bhide & Stevenson, 1992; Cangemi, Rice, & Kowalski, 1990). Eisenberger and Huntington (1986) describe it thus: "Employees develop global beliefs concerning the extent to which the organisation values their contributions and cares about their well-being" (p. 501). The general trust definition of Rousseau et al. (1998) can also be used in the context of organisational trust. One can also accept to be vulnerable, when trusting in organisations. For example Searle et al. (2016) found that vulnerability in organisations that face a radical and ongoing set of budget reductions and reorganisation can lead to positive expectations of the intentions or behaviour of the organisation. In a family firm context this may be represented by employees believing that a family firm owner will try to protect their employees.

The term "organisational trust" is used in different contexts, depending on the specific situation. Organisational trust may include, for example, trust in the system, supervisors, managers, colleagues and partners. Therefore, trust in the organisation is a mosaic of trust experiences with various reference objects, which form a combined picture of the overall organisation (Steinmeier & Jöns, 2011; Zaheer, McEvily, & Perrone, 1998). The organisation can be perceived as an entity that can be assessed. However, this happens on an abstract and aggregated level. In other words, the organisation represents a trust object that can be evaluated in trust-related issues in the same way that a person can be assessed (Mayer et al., 1995).

The challenge to study trust on an organisational level is summarised by Zaheer, McEvily and Perrone (1998): "A fundamental challenge in conceptualizing the role of trust in economic exchange is extending an inherently individual-level phenomenon to the organisational level of analysis. Not clearly specifying how trust translates from the individual to the organisation level leads to theoretical confusion about who is trusting whom because it is individuals as members of organisations, rather than the organisations themselves, who trust." (*p. 141*)

Further, Sztompka (1999) argues that:

> *"Behind all other social objects, however complex, there also stand some people, and it is the people whom we ultimately endow with trust (sometimes we are acquainted with them, but we may also imagine them, have some information about them, obtain second-hand testimony about them, etc.). When I trust Lufthansa and to fly with them to Tokyo, it implies that I trust their pilots, the cabin crew, the ground personnel, technicians, controllers, supervisors, and so forth. I do not need to meet all of them in person to have some image of them, drawn from various sources (including their suggestive commercials, stereotypes of German precision and efficiency, references from friends, etc.)" (p. 41-42)*

This illustration provides an example of why Sztompka contended that the distinctions between interpersonal and organisational level trust are blurry. Organisational trust includes a trust judgement of the multiple members of an organisation. Sztompka's statement opens up the following elementary questions: Who do the employees trust if they trust their organisation? What aspects does organisational trust refer to? His statement was tested as different authors researched different aspects of organisational trust. Information about what "organisational trust" is based on can be composed of the following different levels and sources. The organisation itself provides it members with indications (guidelines, laws, staff development, etc.) as to whether their trust is justified (Eisenberger et al., 1986). The supervisors can be perceived as being trustworthy (Hurley, 2006) in the same way as colleagues (Kegan & Rubenstein, 1973) or senior management (Mayer & Davis, 1999) can be. Success or failure of partners (e.g. partner organisations) can be attributed to its own organisation, if there is a close link between the organisations (e.g. such as between a subsidiary and a parent company) (Steinmeier & Jöns, 2011). Similarly, the visibility of an organisation, (e.g. in the press), can be crucial for the perceived level of trustworthiness (Zaheer et al., 1998). In making judgments about the overall trustworthiness of their organisation, employees consider these multiple factors, as well as sources of evidence drawn from multiple organisational components and levels (Galford & Drapeau, 2003; Nooteboom, 2002).

This shows that trust building measures can have different levers, e.g. a trusting relationship with the supervisor as well as with the company overall. Tan and Tan (2000) argued: "Organisations should adopt a more holistic approach in building trust, which can be achieved by focusing on the various constituents of the organisation and the various levels (e.g., the supervisor level and the organisational level)" (p. 241). Rousseau et al. (1998) state that organisational trust is a "meso" concept which integrates microlevel psychological processes and group dynamics with macrolevel organisational and institutional forms. According to Morgeson and Hofmann (1999), one can also see organisational trustworthiness as a collective construct - a sense making heuristic originating at the level of individuals' perceptions but that, in the aggregate of collective impressions, can operate as a shared reputation in the organisation.

In summary, this means that the term "organisational trust" can be understood as a mosaic of experiences of employees—with a single reference object that is formed by a combined picture of the overall organisation. In this work, the term "organisational trust" includes different perspectives, i.e. organisational trust towards the individual's own company as well as to the other merging company.

Components of organisational trust

In order to clarify the complex term "organisational trust", one can split it into its components: benevolence; integrity and ability. However, the main focus of this work is on the concept of organisational trust in general. These components are not independent of each other, but interact with one another (Sitkin & Roth, 1993). According to Mayer et al. (1995) these components should be viewed as separable "sub-domains" of trust (pp. 720-21). Here, the components are understood as only variations of a global construct which contribute to the overall perception of trust.

In their classic article, Mayer et al. (1995) focussed on ability (or competence), benevolence and integrity. Cunningham and McGregor (2000) and Mishra (1996) have both made arguments for including predictability (or reliability). Nevertheless, the three components—competence, benevolence and integrity—are the ones that are most often referred to in the change context according to Stahl and Chua (2002). One cannot necessarily expect predictability, which relates specifically to the consistency and regularity of one's behaviour (Dietz & Den Hartog, 2006), in an acquisition process where organisational structures and processes are likely to change. Whereas it is key that merging organisations show integrity, competence, and benevolence.

Although these three components also describe interpersonal trust, Schoorman et al. (2007) argue that the notions of integrity, competence and benevolence can also contribute to multilevel analyses of trust at group, organisational, and inter-organisational level.

Ability means that one can rely on the demonstrable skills and competencies of the organisation, both now and in the future (Butler, 1991; Mayer et al., 1995). If in the sensitive merger process, the management is perceived as being incompetent, the whole new organisation can be generalised as lacking competence (Hope-Hailey, Searle, & Dietz, 2012; Stahl & Chua, 2002).

Benevolence includes benign motives and a concern for the wellbeing of others (Hope-Hailey et al., 2012; Mayer et al., 1995). According to Whitener et al. (1998) benevolent behaviour requires that one protect the interests of employees, are sensitive to their needs and do not take advantage of employees only for your own benefit. As an example, in the context of mergers, the perception of the trustworthiness of the merger partner—and thus of the entire new organisation—depends on how benevolent the management of the buying side is regarding the target's management (Stahl & Chua, 2002).

Integrity is adherence to a set of principles acceptable to others, encompassing fairness and honesty (Butler, 1991; Hope-Hailey et al., 2012; Mayer et al., 1995). For relationships of trust, it is important to behave consistently, because employees can then better assess the desired behaviour, align to it, and build trust on this basis (Whitener et al., 1998). According to Mayer et al. (1995), consistent behaviour positively influences the perceived credibility and trustworthiness. Therefore, inconsistent statements or behaviour during the merger process can quickly destroy the employees' trust (Stahl & Chua, 2002). One can summarise this with Dietz and Gillespie (2009) assertion that an organisation is seen as trustworthy by employees when it operates effectively, it shows care and kindness towards its employees, and it acts fairly.

Organisational trust in change processes

> *"Trust is particularly important during the change of an organisation, because change directly challenges not only established routines but also the trust equilibrium that makes the organisation work more smoothly. The greater the uncertainty and vulnerability, the more trust is needed and the harder it is to retain or develop trust" (Sørensen, Hasle, & Pejtersen, 2011) p. 406).*

Trust tends to be especially important when it comes to change processes, which entail uncertainty. Uncertainty is an unpleasant state, which needs to get resolved (Baker & Carson, 2011). Organisational trust is an important means of coping with these accelerating uncertainties (Searle et al., 2016). Consequently, employee's organisational trust is important for successful change initiatives (Galford & Drapeau, 2003). Several studies have shown that organisational change weakens trust, and that distrust may subsequently develop (Saunders & Thornhill, 2004; Searle & Ball, 2004; Skinner, Saunders, & Duckett, 2004). Since change such as mergers, downsizing and organisational restructuring, creates an element of uncertainty, employees find it difficult to determine whether they can expect the organisation to act with integrity, competence and benevolence in a radically new situation (Sørensen, Hasle, and Pejtersen, 2011). Since the current relations of trust have developed through past experience, employees may fear that change will disrupt the balance with management by threatening their jobs and removing well-established benefits (Fox, 1974). This seems to be especially true for M/A processes (Shleifer & Summers, 1988) because of the loss of known structures. Therefore, it is likely that trust in one's own organisation will be weaker after a merger than it was before (Doppler & Lautenburg, 2009; Steinmeier & Jöns, 2011).

In this literature review I will focus on M/A as these change processes have a major impact on organisational trust since M/As cause uncertainty (e.g. Steinmeier & Jöns, 2011).

2.1.2 Organisational change: Mergers and Acquisitions (M/A)

This section contains a brief definition of mergers and acquisitions as well as the description of the process steps involved, as an understanding of M/As provides background information for considering organisational trust during the M/A processes.

The terms "merger" and "acquisition" mean slightly different things. A merger occurs when two or more companies join forces to become a more powerful one, while the latter occurs when one company acquires the majority of another firm and controls it. In practice, however, such a purchase is often communicated as a merger, even if it is technically an acquisition (Cicarini, 2009). Hereinafter, the terms mergers and acquisitions are used in a synonymous way. The term "merger" will also include and describe acquisitions. I will mainly refer to mergers and acquisitions as M/As. Regardless of the terms, the key points are that a change in the headcount at the respective companies occurs and there is an integration of employees of two different companies.

A merger or acquisition is not a static event, but a dynamic process of change in which different demands are placed on the organisation and its employees in various phases. Jemison and Sitkin (1986) understand mergers and acquisitions as events with process characteristics. But not all sequential steps of the process are equally experienced by all employees, events affect each employee differently and at different points of time. One can divide the concrete phases technically, but emotionally the M/A phases often overlap, states Jöns (2002). She explains that a reason for this is that the whole M/A process is a cascade from senior management level to the employees. Nevertheless, for the sake of classification, one can divide the merger process into different time phases: The pre-merger phase; the merger phase; and finally the post-merger phase (Marks & Cutcliffe, 1988).

In the pre-merger phase, the first decisions about the nature of the merger are taken, and strategic considerations are assessed. Strategic planning, information seeking, and a selection of a suitable partner takes place. Negotiations with the proposed merger partner are conducted in the merger phase. In addition to defining the contract, the new organisational strategy as well as initial considerations regarding the future organisation culture, later leadership positions, and the integration of employees should all be made (Cartwright & Cartwright, 1996). Already at this stage a positive relationship between the senior management of the two merging candidates can make a difference for the trust relation.

The same occurs for the merger phase where, again, only the management is involved. Contract negotiations, integration planning, and signing of the contract happen at this stage (Cartwright & Cartwright, 1996). Decisions during the negotiations in the merger phase can have further consequences on the success of the post-merger phase. Integration planning in particular can have an influence on the employee's trust later on as the actual

integration can influence the employee's trust. The phase ends with the signing of the contract.
The post-merger phase contains the period of public disclosure as well as a structural and socio-cultural integration of the participating organisation, and thus completes the merger process (Cartwright & Cartwright, 1996). The organisation decides on strategy and politics, structure and techniques, as well as personal and cultural changes. The focus of further discussion is on post-merger phase. Most employees are not informed until this phase (Jöns, 2002) and only here are employees fully affected by the changes of the merger process, hence the biggest impact on trust is most likely to happen at this point. In literature, there is a broad agreement that the post-merger phase has a crucial importance for the success or failure of the whole merger in the long run, as the employees' buy- in is crucial (Cartwright & Cartwright, 1996). In this phase, there will be a lot of structural, procedural and cultural changes for the employees. Since this phase usually lasts from a few months to years, the complete success of the integration design can only be assessed at a later stage (Hall & Norburn, 1987). It can be argued that the faster the integration is realised, the more positive is the perception of the integration in the long run (Schlünzen, 2002).
To rate the success of an acquisition besides financial factors like the company growth or cost reduction, the "soft factors" are crucial (Epstein, 2004). An investigation of post-acquisition satisfaction with a merger (Covin, Sightler, Kolenko, & Tudor, 1996) showed that non-financial factors such as company identification, agreement with the acquiring company's mission statement and turnover intent are evaluation criteria of the success of a merger. Stahl and Sitkin (2005) argue that one criteria for rating a merger's successful outcome is the level of trust. Evaluating this trust requires consideration of the mode of takeover, national cultural distance, interaction history of the acquiring and target firm, retained autonomy, and perceived attractiveness of the acquiring firm's human resources policies and practises.
One can conclude that diverse forms of M/A exists and that different mergers can possibly influence trust in diverse ways. Therefore, nonfinancial points are also important for the trust experience of the employees.

2.1.3 Summary of Organisational Trust during M/As

In the section "Organisational trust during M/A", I clearly articulate how important organisational trust is. This is especially true for change processes such as M/As, which typically cause uncertainty for the employees. I establish a link between organisational trust and M/A processes by clearly emphasising how change processes, such as mergers, entail a substantial risk for a decrease of organisational trust. When the acquisitions are perceived as unfavourable by the employees trust usually decreases during M/A. How employees experience the merger is crucial, as this can determine whether their organisational trust is lost. As an evaluation of the trust literature, I conclude that trust has been studied extensively. However, there has been less research specifically about organisational trust in a change process, such as an M/A process.

2.2 Family Firm M/As under the lens of organisational trust

After considering the role of trust during the M/A process, I now focus on how family businesses experience M/As. The procedure in this section is as follows: First, I consider the specific nature of family firms, then the impact of M/A on family firms. Finally, I assess FF M/As through the lens of organisational trust.

2.2.1 Family Firms

Family firms play a large role in the world's economies (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1999; Morck & Yeung, 2004) and thus make notable contributions to wealth creation and job generation (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). In Germany the medium sized businesses are of a particularly high economic importance (Klein, 2000). Around 95% of all companies in Germany are family firms. They provide over 60% of all jobs and an annual turnover of approximately 2 trillion Euro (Haunschild and Wolter, 2010). Accordingly, family businesses have increasingly come into focus, both for society in general as well as for academic scholars. Scholars examine family firms because they are fundamentally different from non-family firms, particularly regarding organisational behaviour (Chrisman, Chua, & Litz, 2004; Gómez-Mejía et al., 2007). Over the past 25 years, family business research has established itself as a field of study in its own right (Sharma, Chrisman, & Gersick, 2012).

Definition of family firms

Since the beginning of the family business research field, scholars have discussed what a family business essentially is (Klein et al., 2005). However, while Chua, Chrisman, and Sharma (1999) stated that it is "generally accepted that a family's involvement in the business makes a family business unique" (p.19), there is still no generally agreed upon definition of family businesses in the literature (Chrisman & Patel, 2012; Klein et al., 2005). Most definitions of family businesses thus focus on family involvement in terms of whether a family controls a certain percentage of the respective firm's equity, i.e. family ownership (Anderson, Mansi, & Reeb, 2003). However, these definitions are rather static given that the interaction between the family and the business sphere can differ heavily between different family firms, independent of the amount of family ownership (Siebke, 2015). Family firms are not a homogenous group, but form a definitional continuum ranging from consolidated family ownership on one side to more hands-off involvement at board level on the other (Habbershon & Williams, 1999). Accordingly, research findings in the family business context tend to be inconsistent at times as scholars apply different definitions of family firm to their research.

Chua et al. (2009) take a differentiated approach, focusing on both the *components-of-involvement approach* that provides an operational definition, and *the essence approach* that provides a theoretical definition. While scholars following the components-of-involvement approach operationalise family firms according to their components, e.g. ownership, governance or management, the essence approach focuses on the uniqueness of owner families and their firms. The essence of a family firm manifests itself in the family's vision for the firm as developed in accordance with its values and preferences (Chua et al., 1999). As this fits with the organisational trust lens, I follow the essence approach. Chua's definition for family firms under the essence perspective is *"a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families" (Chua et al., 1999, p. 25).*

However, I have focused on a specific type of family firms in the work, where family members are actively involved in the business and are well-known by their workforce. I decided on this emphasis because one can see the influence of the owner much better in this kind of firm (Kraiczy, 2013), since the owner is the most important source of trust in family business (Azizi, Bidgoli, & Bidgoli, 2017). Since this is more likely in small to medium sized businesses (less than 2,500 employees) than in global family firms (Haunschild & Wolter, 2010), this work's emphasis is on small to medium sized businesses. I have also excluded "sole traders" and small organisations like "craft firms" that are mostly operated by family members only (Gallo & García Pont, 1988), as the focus is on the employee's organisational trust.

Characteristics of family firms

Family firms are heterogeneous groups with heterogeneous characteristics, and as such behave in a heterogeneous manner (Chrisman, Chua, & Sharma, 2005; Sharma, 2004). Overall, the concept of family firms is usually connected with positive associations world-wide (Müller, 2013). Scholars say that family firms are fundamentally different from non-family firms with regard to non-financial factors such as their organisational behaviour (e.g. Chrisman, Chua, & Litz, 2004; Gómez-Mejía et al., 2007). Non-financial aspects of the firm that meet the family's particular needs within the businesses, are often more important than purely financial aspects in family firms (Gómez-Mejía et al., 2007). In this context authors often talk about socioemotional wealth (SEW), which is a term defined by Gomez-Mejia and colleagues (2007) and refers to "non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty". Furthermore, Berrone et al. (2012), as well as DeTienne and Chirico (2013), emphasise the difficulty of studying the nonfinancial factors in family firms. Since family firms are so heterogeneous, different family firms also show diverse organisational behaviour. I briefly introduce below some of the commonly mentioned nonfinancial aspects that contribute to the socioemotional wealth of family firms to give an overview about the state of research. I will then focus the analysis further on the research topic, organisational trust, which is one of the biggest non-financial assets of family firms (van Wyk, 2013).

Family firms are often depicted as commitment-intensive organisations (Chirico, Sirmon, Sciascia, & Mazzola, 2011; Sharma & Irving, 2005) because of the family members' devotion and emotional attachment to the enterprise (Gómez-Mejía et al., 2007; Sharma & Manikutty, 2005). So, for family firm owners the family firm is an embodiment of the family's pride and identity that should ideally be maintained for the next generation (Thomas M Zellweger, Nason, Nordqvist, & Brush, 2013). Therefore, family firms create trust in the long-term orientation of the company. They tend to be less driven by immediate financial results and are prepared to sacrifice short-term gains for the achievement of longer-term goals, and to keep their business viable for future generations.

This has been noted by many family firm authors (Graves & Thomas, 2008). For example, Carlock and Ward (2010) state: "Family firms' commitment to a culture is based on long-term performance and accountability. They did not chase the quick profits because they preferred to plan and invest for the long term. Their strong cultures supported organisations where employees, management, directors and owners are all focused on building their businesses, not their bonuses" (p. 81). Therefore, they tend to show an extraordinary emotional commitment to firm survival (Chirico & Salvato, 2008; Chirico et al., 2011). Many researchers such as Olson (2003), Arrègle et al.(2007), Miller and Le Breton-Miller (2006; 2011; 2005) have studied the long-term orientation of family business that traditional public firms often lack. They found that family businesses prefer organic growth and are likely to be successful in the long term because of this attitude. This long-term orientation leads to fewer redundancies and greater job security for employees. They discovered that this is even more applicable for small family-managed firms than larger, family-owned corporations. As beneficial as this is, it is not the only motivation for taking this approach. Reducing employee turnover is essential as family firms may have disadvantages in attracting new hires. They are often small and medium-sized businesses in rural areas, and thus have to rely more on existing employees since there is a limited pool from which to draw their workforce (Michael-Tsabari, Lavee, & Hareli, 2008). Family companies, especially those still based where they were founded, are unlikely to risk what they have built over generations by becoming over-stretched or diversifying from their roots (Kenyon-Rouvinez, 2001).

The point of risk-aversion is also linked to family firm's characteristic long-term orientation, since firm survival is an important concern for families as they view their firms as an asset to pass on to their descendants, rather than wealth to consume during their lifetimes (Anderson, Mansi, & Reeb, 2003). It is common that family firm owners as well as family firm employees, are rather risk-adverse, according to Carlock and Ward (2010). They give the example that family-controlled banks have the tendency to be more risk-averse, but therefore have experienced fewer asset write-offs (Carlock & Ward, 2010). In the same vein, family firm owners, as well as employees, have the tendency to avoid change and are more risk averse (Kets de Vries, Carlock and Florent-Treacy, 2007). They explain that change therefore needs to be actively managed in family firm. "For effective change to occur in family firms it must take place both within individuals and within the larger group to which they belong" (cf. Kets de Vries, Carlock and Florent-Treacy (2007), p. 191). They explain how, especially in smaller family firms where one family member is director, the change is led by the owner. For effective change, however, the willingness and capacity of all employees to change is key.

Additionally, family firms usually have a strong collective identity (Sundaramurthy, 2008) and a set of collective family values (Chirico & Salvato, 2008; Chirico et al., 2011; Siebke, 2015). Family values serve as guiding principles within a family as they define acceptable norms of behaviour and relationships among family members and can also be adapted to family firms (Schwartz, 1992). Usually family firm owners have these values in their DNA because of their upbringing (Carlock & Ward, 2010). Owner families typically make decisions, and behave in ways, consistent with their value system in order to preserve their family image as well as to ensure the firm's long-term survival (Siebke, 2015). Family firms are also concerned about contributing to the welfare of their communities (Stavrou & Swiercz, 1998). Azizi (2017) argues that working in a family firm context creates a positive cognitive state in employees and usually leads to a positive relationship with family owners and a shared collective identity.

Family firm employees often strongly identify themselves with their organisation (especially in midsized family firms with a founder-centric culture). In fact, when non-family employees work for a family firm for a very long time, this might foster psychological ownership feelings (Sieger, 2011). With this sense of ownership and responsibility, employees tend to act in the same way and show the same behaviour as the owner family. This concept was described by Pierce, Rubenfeld, and Morgan (1991). According to their definition "psychological ownership refers to a state in which an individual feels that the target of ownership, or a piece thereof, is his/hers" (Pierce, Rubenfeld, and Morgan, 1991). It is a feeling which induces a possessive characteristic within the individual and which psychologically binds the individual to the target of ownership. Niedermeyer et al. (2010) look at psychological ownership in family firms that have to sell their business. According to their research in the field of family firm M/As, not only the selling family but also their employees will often experience continued feelings of psychological ownership. This aspect is further discussed in section 2.2.2.

Alongside all the listed positive attributes of family firms, however, there also exists a more critical perspective in family business research. Characteristics that are often linked with paternalistic, founder-centric cultures include a lack of delegation, "in-group/out-group" perceptions of non-family employees, and nepotism (cf. Barnett & Kellermanns, 2006; Kelly et al., 2000; Padgett & Morris, 2005; Schein, 1983; Schulze et al., 2001). These characteristics can become potential sources of perceived injustice by non-family employees. Another criticism that is often aimed at family firms is excessive financial austerity. These firms rigorously control how they spend their money, they do not like to contract consultants, for example as Müller (2013) states. This can sometimes lead to reduced professionalism during organisational change.

This sub-section examined different family firm characteristics. As family firms are a heterogeneous group of organisations, family firms are multifaceted. Nevertheless, one can derive some common elements. The literature examining family firms shows that the socioemotional wealth of these firms as a non-financial factor is an important resource that in turn produces an incentive for them to demonstrate trustworthy behaviour (Hauswald, 2013). As this focus on socioemotional wealth makes family firms different from "normal" firms, this demonstrates the need for the research. In the section below, I concentrate on organisational trust, the focus theme of the research.

Organisational trust is a key dynamic in family firms

Family firms are considered to be high trust environments by many authors. Therefore, studies examine the impact of trust on performance and investigate trust as a competitive advantage for family businesses (e.g. Corbetta & Salvato, 2004; Davis, Schoorman, & Donaldson, 1997; Eddleston & Kellermanns, 2007; Sundaramurthy, 2008; Ward, 2005). For example, Ward (2005) states that "Organisational trust does not cost these organisations much, but creates a great benefit for them. When family owners maintain a foundation of trust, they create competitive advantages for their businesses" (p. 145). Specifically, when the family and the organisations share the same goals, trust in - and loyalty to - the company will be strengthened (Colli & Rose, 2003). As a result, family firms might benefit from high trust relationships in the form of lower control costs, faster decision-making and more effective sharing of information (Davis, Schoorman, & Donaldson, 1997). This high organisational trust in family firms is a very valuable asset since work that is done on the basis of trust instead of control saves a lot of time and money (Kellermanns, Eddleston, Barnett, & Pearson, 2008). Nevertheless, Sundaramurthy (2008) raises one restriction to this idea. She claims that trust is a competitive advantage for family businesses in the early stages, but that it is under considerable risk when the firm grows. So, according to Sundaramurthy (2008), trust in family firms changes over time. In the beginning, interpersonal trust is most important, as the employees take the founding entrepreneur as their source of trust. After a while, however, when the family business matures, organisational trust becomes more important. The main message of Sundaramurthy's work is that trust is not maintained automatically in an organisation, but it is something one needs to strive for constantly if one wants to transfer this trust into the next generation. One mechanism for maintaining and growing the initial levels of trust is to increase competence trust by opening the family business system to external experience and knowledge. She argues that this is important as it lowers the risk of blind faith and obsolete outstanding control mechanisms. Sundaramurthy also claims that creating more reliable structures, processes, and more quality communication during the growth of the family business leads to greater organisational trust (referred to as system trust in her work). Nevertheless, one needs to note that her article only describes a theoretical framework of trust that develops from interpersonal to organisational trust. Empirical validation of the theoretical model is still outstanding, according to my knowledge.

An alternative perspective is that trust is a characteristic of family businesses (e.g. Cruz, Gomez-Mejia, & Becerra, 2010; Gomez-Mejia, Cruz, Berrone, & De Castro, 2011). These authors look specifically at organisational trust as a component of the socioemotional wealth in family firms. Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, and Moyano-Fuentes (2007) labelled non-economic goals in family businesses as socioemotional wealth and argued that the preservation of this wealth is the primary reference point of family business. However, in the research field of socioemotional wealth in family firms, trust is only a single facet and has not yet been researched in depth yet.

So, what causes the potential high trust in family businesses? There is no consistent explanation, in why exactly, and to what extent, trust is higher in family businesses. Family firms give employees many reasons to have the feeling that the family is trustworthy. The employees' perception of risk in family firms can be lower because the owners usually behave consistently, and they are accessible to their workforce. According to Kenyon-Rouvinez and Ward (2005) "Ownership structures affect the opportunity for leaders to "do the right thing". If they do so, the employees trust owners even more". But the authors do not explain further what constitutes trust. The most important source of trust in family business is the attributes of trustee (family owners and managers), since they distinguish different elements from other kinds of businesses (mostly non-family firms) according to Azizi et al. (2017). This different, positive source of trust makes them more reliable and trustworthy than non-family ownership and management (Azizi, 2017).

Non-family employees often display a high degree of trust, because family firms are regarded as responsible employers (Lee, 2006). In general, families tend to behave consistently according to a set of principles, encompassing honesty and fair treatment and promise fulfilment (Azizi, 2017). According to Mayer et al. (1995), consistent behaviour positively influences the perceived credibility and trustworthiness. According to Whitener et al. (1998), benevolent behaviour includes that one protects the interests of employees, is sensitive to their needs and does not take advantage of employees only for one's own benefit. These characteristics are typical for family firms (Azizi et al., 2017). When the family members are perceived as competent in what they are doing (in terms of technical and interpersonal knowledge, and skills required to do their job, decision-making and role performance) toward workers and the family business, employees' trust increases. However, very little research assesses whether the importance of these components varies where different actors in business are concerned. One can, for example, raise the question of whether trusting the family firm owner involves the same components and the same degree as trusting a manager. For employees, benevolence and integrity maybe the most important components when it comes to trusting the family owner, whereas competency might be one of the most important skills when it comes to trusting a skilled manager.

But in general, there is no attention to the components of trust. Instead, family business research focusses on trust as a whole (Azizi et al., 2017). Despite its emphasised importance little is known, however, about the nature of trust within family firms (Azizi et al., 2017) and even less is understood about organisational trust. Furthermore, family firm research does not specify who exactly the source of the organisational trust is. But surely this question is going to be crucial in understanding the specifics of family firm in trust research as family owners are an important source of trust in family businesses.

One can summarise that research agrees that the levels of trust in family firms are exceptionally high. Nevertheless, there is not much concrete research about trust in family firms, especially not about organisational trust.

2.2.2 M/A in family firms

I provided a general overview about the M/A process in section 2.1.2. This next section talks about what makes M/A activities in family firms special cases of merger processes (Gómez-Mejía et al., 2007), and why family firm to family firm M/As significantly increase the transaction success. As family firms are known as high trust environments that do not like change (Kets de Vries et al., 2007), and sustaining the family dynasty is central and crucial to family firms (Ward, 1988), mergers and acquisitions as growth scenarios are extremely rare. As already stated in the section about characteristics of family firms, the non-financial aspects of the firm that meet the family's affective needs are often more important than purely financial aspects in family firms (Gómez-Mejía et al., 2007). Thomas (2002) reports cases where the family may judge market-based financial offers as inadequate and reject the sale offer when factors such as the offering party's values do not fit those of the family firm.

As research from Anderson and Reeb (2003) showed, founding families view their firms as an asset to pass on to their descendants rather than wealth to consume during their lifetimes. Therefore, selling the business is a very hard decision for family businesses (Carlock & Ward, 2010). Zellweger, Nason, and Nordqvist (2012) state that "Business exit is always seen as a failure for a family firm" rather than an as intentional strategy to create fresh opportunities, such as a market for new firms, new industries, or new ways of doing business (Sharma & Manikutty, 2005). According to Rau (2013), family firms only sell their business when they really need to, but more and more German family firms are having difficulties finding a proper successor within the family (e.g. because of demographic problems), and are therefore considering selling. Other mentioned family related reasons to sell could be relationship conflicts within the family (Kellermanns & Eddleston, 2004).

So in the recent years, Family Firm M/A (FF M/A) has started to play a more crucial role (Kachaner et al., 2012). Family firms now tend to carry out acquisitions among each other (Ahlers, 2017), so called family firm to family firm M/As (FF to FF M/As). So, when owners have to sell their company (usually because they do not have a proper successor), a stewardship-based exit strategy of family succession is the most likely option (Chrisman et al., 2005), because owners that feel responsible for their firm usually choose a stewardship-based exit strategy (DeTienne & Chirico, 2013).

A stewardship-based exit strategy (Hernandez, 2012) refers to a strategy developed out of an "ongoing sense of obligation or duty to others" (p. 174), and generally provides for business continuity and care of the firm, and the employees (DeTienne & Chirico, 2013). Those pursuing a stewardship-based exit strategy are willing to sacrifice personal financial gains in order to further the long-term vision of the family and to protect the long-term welfare of other stakeholders (Miller, Breton-Miller, & Scholnick, 2008). This means that an owner preferably chooses to sell the firm to somebody with the least likelihood of intervention in the corporate processes and culture (Gómez-Mejía et al., 2007). This is usually the case when they sell to another family firm (Sachs, 2007), meaning a family firm to family firm M/A (FF/ FF M/A). So, the acquiring family firm enjoys a "leap of faith" in comparison to strategic investors or corporations (e.g. Ostertag, 2013; Ahlers et al., 2017; Kachaner, 2012) and is therefore the transaction form of choice. If an FF M/A is not possible the family firm may prefer a specific type of buyer, e.g. a strategic buyer, whose intended goals and strategies are generally known in advance (Robb, 2002) and more in line with the owners' aims. Strategic buyers usually have a long-term relationship with the firm and a strategic vision for their investment (Lipman, 2001).

Because of their sensitivity to non-financial factors, this means that in the pre-merger phase the acquiring, as well as the acquired, family firms choose their target very carefully before they make a decision. In cases where family businesses do undertake M/A, they acquire fewer (and smaller) companies (Kachaner et al., 2012). They favour smaller acquisitions close to the core of their existing business or deals that involve simple geographic expansion (Mahmoud-Jouini, Bloch, & Mignon, 2010). Since family firms are often more risk averse than other companies (Hiebl, 2013), it applies even more to them that acquisitions should by no means represent a kind of "entrepreneurial adventure" (Jöns, 2008). Hence an in-depth investigation of the target organisation beforehand is usually conducted much more rigorously in family firms than in others. Due to their inherent risk (for example maintaining their independence) family firms only undertake acquisitions when they are strategically necessary (Ahlers et al., 2017; Rau, 2013). But when the family is convinced that its traditional sector faces structural change or disruption or when managers feel that not participating in industry consolidation might endanger the firm's long-term survival (Kachaner et al., 2012), then they think about an acquisition in order to protect their company with its socioemotional wealth (Gomez-Meija et al., 2007).

In the merger phase, the following criteria can have an influence on the organisational trust in FF M/A. The friendlier and more balanced a merger is, the greater the mutual trust. When employees do not feel "swallowed" by the merger partner, it has a positive impact on the trust in the new organisation. The more hostile a merger is, the greater the loss of trust on the part of the affected employees (Stahl & Chua, 2002). Additionally, the shared past and history of interaction can have an impact on the reliability of the new organisation. In cases where the merger partner is a direct competitor, it is more difficult to establish reciprocal trust with employees (Stahl & Chua, 2002). This indicates that it depends on the merger form how much organisational trust will be indicated.

Despite the mentioned rising importance of family firm to family firm M/A from some authors like Kachaner et al. (2012) and Ahlers (2017) there has not been any empirical research on this topic. There has been more research in sales of family firms to venture capitalists and private equity houses (Chrisman, Chua, Steier, Wright, & D'Lisa, 2012; Dawson, 2011). These authors all emphasised the importance of non-financial factors, especially trust, in their study but did not really analyse it in depth. Also, authors have rarely examined this topic under the lens of organisational trust, and especially not in M/As of family firms. Therefore, the next subsection looks at mergers and acquisitions in family firms in this context.

As a conclusion of this section, one can say that in cases where family firms need to sell their business, previous research would suggest that family to family M/As should be the method of choice.

2.2.3 Organisational trust in family firms experiencing M/A

Overall, one can summarise that the levels of trust in family firms are exceptionally high but are put under more intense strain during M/A (risk-averse, do not like uncertainty etc.). Surprisingly, despite the aforementioned rising importance of Family Firm to Family Firm M/A (Kachaner et al., 2012; Ahlers, 2017), there is no research yet that exclusively focused on organisational trust. But as I learned from the literature review that family firms are known as high trust environments that do not like change and uncertainty (Kets de Vries et al., 2007), I expect family firm M/As to be an interesting context to study organisational trust within.

During the literature search, I only found the following two studies that looked at organisational trust in family firms experiencing M/A. Ahlers and his colleagues (2017) found evidence that non-financial factors play a role in buyouts, particularly for family firm sellers (such as affective commitment, trust and reputation). They showed that especially trust in the other party is important for family firm owners that sell their businesses. According to them, it is important that the seller believes that the acquiring firm (in this research a private equity firm) will be perceived as being honest, fair and reliable during and after the sale. In his study about the performance of German family firm M/As, Müller (2013) shows that it is not only the company's key financial figures that are important for the selling party. He states that it can create a feeling of trust if decision-makers from both family firms share the same perceptions, beliefs and goals in FF to FF M/A (Müller, 2013).

But in both of the cited studies, organisational trust was only one of several mentioned non-financial factors such as fairness, commitment etc. Therefore, both studies did not look specifically at organisational trust, which means that not one cannot derive fundamental conclusions from it. Also, in both studies, the authors did not have FF to FF M/As in their primary research focus, but also looked at a wide range of family firm acquisitions.

These are only indicators existing that M/A processes also have an impact on the dynamics of organisational trust. But other than that, I could not find anything on organisational trust under the lens of FF M/As. Nevertheless, as the role of organisational trust in family firms in M/A seems to be especially important, it would be valuable to understand organisational trust in family firms better.

I try to address this issue by examining how much this trust definition fits with this specific research context of family firms experiencing M/A (cf. definition in section 2.1.1). In this work, I use Rousseau's standard definition *"a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another"* (Rousseau, Sitkin, Burt, & Camerer, 1998, p. 395). In this paragraph I specially look at the different parts of this definition and consider how this can be specifically adapted for family firms.

One part of the definition that can perhaps be specific for family firms is about "accepting vulnerability": The question is if employees are more or less vulnerable in family firms that are undergoing M/As? There is literature about vulnerability in times of change (e.g. Searle, Nienaber, Weibel, & Hartog, 2016), but it is not clear yet if the assumptions about trust are different in family firms in terms of vulnerability. The relationship between vulnerability and family firms has not yet been researched to my knowledge.

To summarise: The trustor takes the risk to be vulnerable (Mayer et al., 1995).

Perceived risk and vulnerability are results of the loss of control (Graeff, 1998; Vuorenmaa, 2006) and are based on complex and ambiguous situations (Graeff, 1998), like M/As. As literature is not clear yet on this point, one can argue it from both sides: On the one hand, employees in family firms are more vulnerable because of the firm's critical role for employees, e.g. particularly employees in the countryside where there may be limited alternative employment opportunities (cf. Michael-Tsabari, et al., 2008).

In such cases employees are highly committed to the firm, it is a part of their lifestyle and culture, as well as a job, therefore employees are more vulnerable when their relationship with the firm is challenged or changed (as would happen in a merger) (cf. Chirico et al., 2011; Sharma & Irving, 2005).

One can argue on the other hand though that the employees' perception of risk in family firms can be lower because the owners usually behave consistently, and they are accessible to their workforce (e.g. cf. with Kenyon-Rouvinez and Ward, 2005; Carlock and Ward, 2010; Azizi, 2017). So even in times when their relationship with the firm is challenged, employees in family firms are easier to accept vulnerability if they trust the leadership, maybe they feel less vulnerable because they think that the risk is low in family firms because their jobs are safe (cf. e.g. Carnevale & Wechsler, 1992). This question is important though because *"the greater the uncertainty and vulnerability, the more trust is needed and the harder it is to retain or develop trust" (Sørensen et al., 2011, p. 406).*

One can summarise that it is not clear yet whether employees in family firms are more or less vulnerable as the argument goes in both directions (but it is actually more likely that family firms have a buffer and are less vulnerable than other organisations). But as it is not quite clear yet, it needs to be answered by further research in the context of FF M/A and therefore this is something I explore in this research.

Next, I look at the second part of the definition "upon positive expectations of the intentions or behaviour of another": it is not yet clear if employees "positive expectations" of the family firms last through FF M/As. Family firms are considered to be high trust environments by many authors (e.g. Corbetta & Salvato, 2004; Davis, Schoorman, & Donaldson, 1997; Eddleston & Kellermanns, 2007; Sundaramurthy, 2008; Ward, 2005), this is why one can probably assume that these expectations are generally positive in these firms (Carlock & Ward, 2010). Literature suggest that these firms have a strong belief that the company will protect and look after their best interests (e.g. Azizi et al., 2017) as family firms are usually more benevolent (e.g. Cruz et al., 2010). But in times of change, employees reassess their trust in management and in the organisation (Bordia et al., 2004; Lines et al., 2005). So the question is if the high expectations in the family firm's leadership stay the same when employees' relationship with the firm is challenged or changed (as would happen in a merger). It is not clear yet though how family firm employees will react, do their responses demonstrate that trust remaims relatively high, or does it crash – particularly if employees' positive expectations are violated.

Summary of the trust definition: When looking at the trust definition and the underlying concepts in the context of family firms, it is not yet clear if the definition of trust needs to be different for family firms and their employees, particularly for the specific circumstances surrounding trust in family firm M/A . One can assume though that employees are eventually more willing to accept vulnerability because of their high trust in the organisation, which is specific to family firms. Also, it is possible that family firms employees have more positive expectations about their employer, which can be an particularly valuable asset to family firms, but this needs to be examined in future research.

In order to get closer to a general understanding of organisational trust in the specific context of family firms undergoing M/As, I have considered the different trust levels in this research context:
In the highly complex environment of family firms it is not clear which level of analysis is being considered - the role of the owner or the organisation? Does empolyees' trust follow the owner or the organisation? *(*cf. section 2.1.1 where organisational trust is described as being a mosaic of different levels and dimensions of trust). In family firms the role of the owner as a figurehead for trust in family firm organisations can be seem as the key level in which trust is placed. Organisational trust is often represented by senior management, in family firms this is often a long-standing figurehead who may have a closer relationship with employees than one would normally see (cf. Siebke, 2015; Carlock & Ward, 2010). But how is trust different in families because of this? One factor, for example, is the history and family values held by family firms, large overlap between the personality (and trustworthiness) of owner and general organisational trust (e.g. Ward, 2005). This leaves several questions unresolved, for instance: what is the overlap between the family firm owner(s) and the whole organisation in trems of where trust is placed and the nature of that trust.
Trickle effects (up and down) look at the interrelation of trust across referents and levels (cf. with Fulmer & Ostroff , 2017; Fulmer & Gelfand, 2012). For example Shamir and Lapidot (2003) found that individual trust in leaders reflected trust in organisations, as leaders were perceived to represent the organisation. But how does this trust trickle effect manifest in FF M/As (if it indeed does)? Many questions are raised such as: If the owner is replaced, what does this mean for where trust is placed and what it is based on? If the owner stays, but takes on a different role and the employees become part of a larger

organisation, is their trust diluted, or is it located in at new levels and referents? Does cemployees trust follow the owner or the organisation?
It will be particularly interesting to look at trickle effects in FF M/As. This is something further research should examine and something that I hope to answer during the research.

Despite the aforementioned importance, there is surprisingly little research about this topic. In order to understand organisational trust in the family firm M/A context better, I specifically look at the antecedences and consequences of organisational trust in FF M/As. The reason for this approach is that they have been researched more profoundly in the M/A context (cf. e.g. Steinmeier & Jöns, 2011; Ferres et al., 2005). First, I will start with the influencing factors of organisational trust (trust antecedences).

Antecedences of organisational trust in family firms in M/A

As already mentioned there has been little research specifically looking at FF M/As. However, a small number of studies have looked at some of the trust antecedents from M/A as well as the family firm perspective. This means that I approach the topic from two different angles. I look at M/As under the lens of trust antecedences on the one side. On the other side, I look at family firms under the lens of organisational antecedences. I also try to present the differences between those angles. The influencing factors of trust (trust antecedences) are presented below:

- Job security
- Information and communication
- Fairness
- Organisational support

Job security

The relationship between job security and trust has been already described in research, but not in the FF M/A context: “Job security affects the decisions to trust the organisation […] and to take risks in relation to the organisation. Individuals who are confident that their jobs are secure will be more likely to take risks and develop trusting attitudes than those who believe their jobs to be in some jeopardy” (Carnevale & Wechsler, 1992, p. 478). Employees who believe that their workplace is safe, and do not have to fear lay-off, trust their organisation (Carnevale & Wechsler, 1992). A three-year longitudinal panel study by Armstrong-Stassen (2002) in the merger context shows that job insecurity has a long-term negative effect on the employees' trust, which also leads to a decline in the work performance. In a longitudinal study in the context of a merger, Probst (2002) demonstrates that a perceived job insecurity is a burden for the employees. If they assume that their jobs are at risk, this may reduce trust and commitment. Hence, in an insecure workplace, organisational trust is difficult to develop.

One has to notice as well that the employee's desire for job security varies. Employees that have an especially high risk-aversion and a longing for job security tend to choose a safe job, such as civil servants (Hils & Streb, 2010). Since family firm employees are risk averse, job security is very important for their emotional well-being (Hiebl, 2013). This effect can be especially strong in German family firms, where employees expect to spend their whole working life with the company and, consequently, job security is a central issue for the company (Eberl, Clement, & Möller, 2012). Change processes can cause uncertainty in risk averse employees. Uncertainty, e.g. if a work place is safe, is also linked to organisational trust. However, when an organisation can prove that a work place is safe, I would argue that this also has a positive effect on their organisational trust. So even if I have not found a direct link between job security and family firm M/As, I argue that job security is especially important in family firms because of their tendency for uncertainty avoidance and risk aversion (Kets de Vries, 2007). Additionally, I argue that the more certainty there is about job security in a family firm, the more organisational trust is likely.

Information and communication

Information and communication should also have an impact on organisational trust (Ferres et al., 2005; Steinmeier & Jöns, 2011). The major impact of information and communication on the employees' trust can be demonstrated empirically, as a study of Gilbert and Tang (1998) shows. Essentially, information contains the message and communication refers to its transmission, i.e., information is only realised through communication. So, they are mutually dependent and considered as synonymous here. Some studies confirm the crucial role of information and communication in the context of mergers. A very seminal study by Schweiger and DeNisi (1991) for example, where they talk about realistic merger previews, shows that a good and open information policy causes significantly higher levels of job satisfaction, organisational commitment and trust. A communication system that fosters a dialogue with the employees and allows employees to inform themselves about the merger process, and to learn about changes, helps to reduce uncertainty and thereby prevents diminishing trust (Schweiger & Denisi, 1991). The study was a longitudinal field experiment and therefore offers a high level of control to the researchers. However, because of the limited duration of the study they could not check whether the communicated intentions in the merger preview were ever implemented.

A study by Schott (2004) demonstrates that adequate information and communication in merger processes weakens the presumed negative effects of the merger and can be regarded as important support tools that help employees cope with the uncertainties that occur. However, there is often the problem that organisations provide mixed or unclear messages in the course of a merger. This is problematic for the employee's trust because the organisation cannot then be perceived as reliable. A lack of transparency of the goals of a merger may also lead to a loss of trust on the part of the employees (Jansen, 2002). The specific framing of the change communications can influence trust in management (Tucker, Yeow, & Viki, 2013). The study looked at three types of social accounts (causal, ideological, and referential accounts) to see which are effective at improving trust during major organisational changes. A field study method explored two organisations and found that ideological accounts were best at improving trust in management. Ideological accounts address the values of change for the employees. The relationship between ideological accounts and trust was mediated by the success of the social account (i.e., the perceived understanding of the change decision). These findings indicate the benefits of highlighting long-term motives for large-scale organisational change. These results can be key for targeted communication in acquisition as well.

From another perspective, the relationship of trust and communication also works in the other direction: The extent to which people share relevant information is determined by the degree they trust each other (Zand, 1977). Having trusting employees is important for organisations because employees would rather share information with their managers when they trust their firm overall.

In contrast to the many studies of communication in M/A, I have not found anything related to communication and trust in family firms in the literature search. In general, family firms are often not so professional in their change communication (Dyer & Chu, 2003). Harris, Reid and McAdam (2004) show in a study that there is comparatively less official communication and involvement in family businesses since family firms' communication policy is not as professional and targeted. However, their study did not consider the relationship between trust and communication. Therefore, it is likely that the lack of professional communication can lead to reduced trust of the family firm employees because of the perceived insecurity. In cases where they do not know if the new owner is trustworthy, if the jobs will remain secure, there is potential for rumours, which can make the family firm especially insecure and thus lead to a decreasing trust. Therefore, I would argue that the emotional message is crucial as the employees want to feel informed about their own company. This means in summary, that I believe that a relationship between trust and the quality of communication is likely as well in the FF M/A context, but based on current literature analysis, only assumptions are possible. Further research is required.

Fairness

Overall, support for fairness as a pre-condition for trust is strong (Ferres et al., 2005; Steinmeier & Jöns, 2011). According to Colquitt (2001), organisational fairness is a multidimensional construct. It consists of the three distinguishable factors: distributive, procedural and interactional fairness (Greenberg, 1986): Distributive justice is conceptualised as the fairness associated with decision outcomes and distribution of resources. The outcomes or resources distributed may be tangible (e.g. pay) or intangible (e.g. praise) benefits. Procedural justice is defined as the perceived appropriateness of rules, procedures and processes used to allocate goods, benefits, and other outcomes. When individuals feel that the process involves characteristics such as consistency, accuracy and lack of bias, then procedural justice is enhanced. Interactional fairness refers to the perceived appropriateness of interpersonal treatment and can be increased by providing explanations for decisions and delivering the news with sensitivity and respect (Bies & Moag, 1986). Employees mainly draw on distributive and procedural justice perceptions when deciding how to react to the overall organisation, whereas interactional justice perceptions seem to be more relevant when referring to authority figures such as supervisors (Bies & Moag, 1986; Colquitt, 2001; Walumbwa, Cropanzano, & Hartnell, 2009). The relationship between trust and perceptions of organisational justice has been examined in different studies. Trust in the organisation is built from the employee's belief that, since current organisational decisions are fair, future organisational decisions will be fair as well. The continuance of employees' organisational trust and the organisation continuing to meet the employees' expectations of fairness creates the reciprocal relationship between trust and organisational justice (DeConinck, 2010).

In the M/A context, Klendauer et al. (2006) claims that, viewed from the psychological perspective, procedural and interactional fairness are especially crucial for a merger's success. While the scope for designing the merger outcome and therefore for distributive fairness is limited, the design of procedural and interactional fairness is easier to influence (Klendauer et al., 2006). In their theoretical model about current research on mergers and acquisitions (M/A) from a psychological perspective, they link procedural and interactional fairness to organisational trust and commitment. However, empirical validation of their theoretical model still remains absent. Rather, research has found that procedural justice is the strongest predictor of organisational trust (Colquitt, 2001; Hubbell & Chory-Assad, 2005; Mayer et al., 1995).

In family businesses the connection of trust has mostly been researched in the area of succession planning. In family businesses, the application of procedural justice has the potential to reduce, or even eliminate, conflict according to Van der Heyden, Blondel, and Carlock (2005). The authors argue that the participation of the whole family in the decision-making process, the clarity and consistency of information, and the commitment to fairness increase the satisfaction of the family. A fair treatment of the whole family also has an influence on the perception of fairness of each employee (Carlock & Ward, 2010). How exactly the influence of fairness on organisational trust in family firms undergoing M/As works, should be considered in the further research. But as the fair behaviour of a family firm owner is crucial for employees' trust (Siebke, 2015), I would argue that it is important in family firms that the M/A process occurs in a fair manner.

Organisational support

Organisational support is also considered to be a pre-condition for trust. The aspect of organisational support was explored by Eisenberger (1986). He defines the construct as "[…] the extent to which employees perceive that they are valued by their organisation and that the organisation cares about their well-being and supports them" (Eisenberger, Fasolo, & Davis-LaMastro, 1990, p. 51). Organisational support as an antecedent of trust in management is shown by Tan and Tan (2000). A study by Whitener (2001) shows that trust in management partially mediates the relationship between perceived organisational support and organisational commitment. There is a significant relationship between staff development programmes (as a part of organisational support) and changes in trust. In a study of a restructured organisation, Ferres, Connell and Travaglione (2005) confirm that perceived organisational support increases employees' trust as well. Consequently, a lack of perceived support has negative consequences for trust (Ferres et al., 2005). However, Ferres et al.'s study only evaluates organisational support as one of many antecedences of organisational trust and does not give a detailed analysis of this relationship.

In the context of mergers, organisational support can mean, for example, that the persons affected receive sufficient time and support to reorient themselves after the merger, which helps them to better adapt to the new situation and can prevent a trust breach (Väänänen, Pahkin, Kalimo, & Buunk, 2004). However, the aim of this study was to look at the subjective health during a merger. Organisational trust did not stand in the foreground of this study.

Additionally, organisational support as an antecedent of organisational trust is likely to be less pronounced in family firm M/As. In family firms, employees usually feel supported by a management that they know very well (usually the owner family themselves), and the focus is especially on emotional support during the transition process (Morris, Williams, Allen, & Avila, 1997). Since these special connections are likely to get lost in a post-merger integration, as the relationships that can provide an emotional support tend to be gone, it is likely that the employees have the "feeling of losing their safe haven" (Müller, 2013, p. 146) and do not feel supported any more by the new organisation. Therefore, I argue that a lack of organisational support during M/As creates a trust loss in the firm, as organisational support is crucial in family firms. This means, in summary, that I believe that a relationship between trust and organisational support is likely to exist as well in the FF M/A context, but based on current literature analysis, only assumptions are possible.

Summary of literature about antecedences of organisational trust (in FF M/As):

In this section, I especially considered literature about influencing factors of organisational trust in the M/A, as well as in the family firm context. Nevertheless, there is not much evidence yet for the family firm M/A context, and more research needs to be done. There are indications, however, that the considered influencing factors are valuable in order to keep the level of organisational trust as high as possible. Therefore, I argue that the more job security, information and communication, fairness, and organisational support that can be shown in the FF M/A process, the more organisational trust is likely. This indicates that there is room for further research.

Consequences of organisational trust in family firms in M/As:

If the employees perceive the output of a merger as not being favourable for them and, therefore, their organisational trust decreases, this can have far-reaching negative consequences. Lower organisational trust is especially fatal in change processes such as a merger, because it involves high direct costs, like turnover, and indirect costs, like reduced organisational engagement (Berner, 2002). Employees behave more destructively if they believe that the new organisation is no longer trustworthy (Mishra & Spreitzer, 1998).

Looking at these consequences of changing organisational trust can help to better understand its importance. There has been little research specifically examining FF M/As, however, a small number of studies have analysed some of the consequences mentioned. As M/As lead to a decrease of trust (Steinmeier & Jöns, 2011), it is also likely that this will affect the identified trust consequences in family firms, too. Nothing could be found that concretely researches these trust consequences in family firms in M/A. Therefore, I approach the topic from two different angles: I discuss M/As under the lens of trust consequences, and I consider family firms under the lens of trust consequences. I also try to present the differences between those angles. Consequences of organisational trust are presented below.

- Turnover
- Commitment
- Organisational engagement

Turnover

Turnover intention is one of the most likely consequences of lost trust after a merger (Berner, 2002). Turnover intention is defined by Tett and Meyer (1993) as "[…] a conscious and deliberate wilfulness to leave the organisation" (p. 262). Turnover intention is probably the most important predictor of actual turnover, and is defined as the strength of an individual's conviction that s/he will stay with or leave the organisation in which s/he is currently employed (Elangovan, 2001).

Some studies show the influence of organisational trust on the turnover intention of employees (Albrecht & Travaglione, 2003; Ferres et al., 2005; Tan & Tan, 2000), especially after change processes such as restructurings or M/As. Mishra and Spreitzer (1998) show in their study that turnover intention can be a consequence of reduced trust. The study took place in an organisation that cut many jobs. One could observe that it was not only the employees who had to leave their organisation lost their organisational trust, but also their remaining colleagues. This emotional reaction associated with those employees who remain at the company after a period of redundancy has come to be known a "survivor syndrome", where employees believe that the redundancy has not been fair and feel guilty about it. This "survivor syndrome" has also been reported by Appelbaun, Delage and Labib (1997) and could also be found in the study of Ferres, et al. (2005). One can summarise that there is a high likelihood for turnover after M/As in normal literature.

In contrast to this, turnover is generally low in family businesses (Sachs, 2007; Ward, 2005). Possible reasons for this are that employees who decide to work for a family business tend to be more conservative and more risk averse (Hiebl, 2013). This discrepancy between M/A and FF literature shows that there is a research gap that needs to be addressed. Also, turnover has not been researched in connection to organisational trust yet.

Commitment

In the merger context, the most frequently studied behavioural consequence of trust is commitment. In the literature on mergers, mostly a sinking affected commitment is examined as an essential long-term follow-up of mergers (Hodapp & Jöns, 2004). Commitment is defined as "[...] affective or emotional attachment to the organisation such that the strongly committed individual identifies with, is involved in, and enjoy membership in the organisation" (Allen & Meyer, 1990, p. 2). Organisational commitment is usually divided into affective, normative and continuous commitment. Affectively committed employees remain at an organisation because they want to, those with a strong continuance commitment remain because they need to, and those with a strong normative commitment remain because they ought to (Allen & Meyer, 1990). Trust is mostly correlated to affective commitment as mentioned by a number of authors (e.g. Meyer, Allen & Topolnytsky, 1998, Ozag, 2002, 2006, M. Hodapp & Jöns, 2004; Steinmeier & Jöns, 2011).

The difficulty of building or retaining effective commitment after a merger without organisational trust was assessed by Ozag (2006). With his survey study, he shows that emotional attachment after a merger can only arise when the employees trust the new management. For instance, he examines an organisation where he can identify two different groups. A group of employees in one plant received a permanent contract after the merger, but other colleagues in another plant did not, although this had initially been promised to them. The latter group does not trust the organisation any more. Consequently, their commitment, too, decreases rapidly. A limitation of this study is that the data collection was performed two years after the merger, which means that the employees' attitudes regarding trust has been assessed retrospectively.

In general, in the family business context, organisational commitment to a firm has been discussed in comparison to organisational trust (cf. with Carlock & Ward (2010). A study by Vallejo and Langa's (2010) demonstrates that there is a link between trust and commitment in family firms. Therefore, one can assume that if trust decreases in family firms, commitment is likely to decrease as well. This is most likely to be the case if employees lost the owner as an identification object. Another study by Vallejo (2009) indicates that the employees' affective commitment is positively related to the profitability of family firms. This can mean that the commitment is likely to be higher if the acquiring family firm is successful and when the profitability increases after the takeover.

Ahlers and his colleagues (2017) found evidence that affective commitment plays a role in buyouts, particularly for family firm sellers. They showed that sellers would even be willing to incur financial losses in deal-making with the private equity firms because of their strong affective commitment to the firm. Next to commitment, Ahlers et al. (2017) also examined organisational trust in FF M/A. As the authors were not interested in the connection between both constructs, they have been explored separately. In summary, I argue that there are also indicators for assuming a relationship also for trust and commitment in the FF M/A context. Therefore, I argue that that a loss of trust probably has a particular influence on affective commitment in family firms. The influence will probably be less for continuance commitment because employees might still act as they have to. But in general, this relationship between organisational trust and commitment needs to be researched more.

Organisational engagement

Furthermore, organisational trust is likely to have an influence on organisational engagement (Ferres et al, 2005). An engaged employee goes beyond normal job requirements but within the existing role (Organ, 1988). Organisational engagement refers to behaviours that go above and beyond the call of duty. This means acting in a generally helpful and reliable way. Organisational engagement arises from a voluntary decision and not necessarily due to higher pressure or the desire for reward (Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Organ and Konovsky (1989) discover that employees' trust has a positive impact on organisational engagement. Employees who trust the organisation are motivated to demonstrate organisational engagement. They behave appropriately and engage voluntarily. As a result, individuals who are more engaged are likely to be in more trusting and high-quality relationships with their employer and will, therefore, be more likely to report more positive attitudes and intentions toward the organisation (Saks, 2006).

In contrast, if employees feel reduced trust, they are holding back. According to Rousseau, employees who feel well treated reciprocate with social behaviour within the organisation. Conversely, in the absence of trust employees suppress their tendency to behave in a socially and committed way (Rousseau, 1995). Ferres et al. (2005) test this relationship with reference to two groups in a restructured organisation. While for one department nothing is changed by restructuring, the second department shows a strong change. In the first department trust, as well as organisational engagement, remain unchanged, while for the other group both decrease. The authors can, therefore, confirm that organisational change has an effect on organisational engagement and trust.

In a comparative analysis between family and non-family firms, Azoury, Daou, and Sleiaty (2013) showed that employee engagement is higher in family firms. In their survey study, they demonstrate a significant relationship between family firms and employee engagement, as well as with positive psychological climate and employee engagement. Their survey has been conducted in Lebanese firms. This leaves the question open if these results from the Lebanese culture are transferable for every other job market. Also, according to Dyer (2012), family firm employees often show voluntary organisational engagement (Dyer, 2012). If the personal connection to the employer is lost because of diminished trust, then there is no reason for the employees to hold their organisational engagement up according to him. Dyer (2012) shows an example where the employees' trust has deteriorated after losing the former owner's family as identification objects. This affected their organisational engagement as well. Membership in the firm's choir began to decline rapidly shortly after the old owner was lost, because employees were no longer willing to sacrifice their time to sing on behalf of their new company. However, Dyer's results come from only from a qualitative case study in one company. Therefore, the results should be researched in more depth.

The connection between employee engagement and trust in the FF M/A context has not been studied yet, but seems to be at least promising as both FF, as well M/A, seem to influence trust in some ways.
If there is a feeling that it is no longer their company, then the employees' organisational engagement is likely to decline.

Summary of literature about consequences of organisational trust (in FF M/As):
In this section, I particularly considered literature about organisational trust and its consequences in the M/A, as well as in the family firm, context. Nevertheless, while there is not much proof yet for the family firm M/A context, and more research needs to be done, one can assume that decreasing trust in FF M/A influences employees' commitment as well as organisational engagement. The results are not so clear for turnover, as M/A usually causes this to some extent. In family firms, however, turnover is usually low. This indicates that there is room to further explore and understand the consequences of organisational trust in M/As better, in order to reduce the negative influence.

2.2.4 Summary of Family Firms experiencing M/As

As family firms are known as high trust environments that do not like change and uncertainty, I argue that M/As are special for them. It is generally hard for a family firm to sell their business, but when conducting M/A, family firms tend to sell the business to somebody who has the same values. This means that both sides prefer family firm to family firm M/As (FF to FF M/As). In order to have a successful FF to FF M/A, organisational trust is important for the M/A process. This is the reason why I want to explore FF M/As under the lens of organisational trust. However, there has not been any literature about organisational trust in times of change in family firms. This is why I had to perform a sidestep in order to understand organisational trust better. As more literature exists about the antecedences and consequences of organisational trust than about organisational trust itself, I looked at this literature. Therefore, the research showed that there are factors indicating that organisational trust plays a crucial role in family firms. E.g. job security, as well as fairness, seems to play an especially important role in family firm M/As. The same seems to be true for commitment and organisational engagement. The relationship between trust and turnover intention in FF M/As however seems to be inconsistent. In general, more research is needed in order to better understand organisational trust (and its antecedences and consequences) in the family firm M/A context.

2.3 Summary and Research Intention

In the first section of the literature review, I examined organisational trust, which is an asset in every organisation. Evidence suggests that organisational trust usually decreases in times of change, especially during M/A. In the second part of the literature analysis I studied organisational trust in Family Firms undergoing M/A, a scenario that takes place more frequently in recent times (Kachaner et al., 2012). As family firms are high trust environments (e.g. Kets de Vries et al., 2007), this suggests that organisational trust will play an especially critical role for the success of the M/A process. Nevertheless, because family firms have many unique characteristics, it is likely that organisational trust may be different in this context.

One way to approach organisational trust in the setting of M/A processes is to look at trust antecedences and consequences in detail (as antecedents and consequences have been widely studied in a non- FF M/A context).

So, in general, organisational antecedences and consequences of trust in the context of M/As have already been covered in a literature overview of current theory in the complex field of organisational trust in times of change. But how much this is valid for FF M/As is not clear yet and requires further research. At the moment, one could only make predictions based on assumptions as research. I have not found any studies which directly examine FF M/As under the lens of trust. But as trust is important in future family business research, it should be investigated more coherently. It could be problematic to apply current theory just to normal trust background since family firms are especially high trust environments. If one bases strategy on assumptions that do not consider the unique context of family firms, it is possible that one misses out one something which can cause damage to the success of the acquisition. Therefore, the research objective is to address this gap in application and to explore FF M/A under the lens of organisational trust. Thereby the research question is: **"To what extent is current theory about organisational trust applicable to family firms that have undergone M/As?"**

During the literature analysis of current theory in the complex field of organisational trust in times of change, I discovered that there are influencing factors of trust that can have severe consequences on if one does not pay attention to them. Hence, the three hypotheses are:

H1: Organisational trust decreases in FF M/A processes;

H2: Job security, information & communication, fairness and organisational support are antecedences of post-merger organisational trust in FF M/A processes;

H3: Post-merger turnover intention, post-merger commitment, and post-merger organisational engagement are consequences of post-merger organisational trust in FF M/A processes.

3 Study 1 Methodology

In order to address the research question, this study analyses organisational trust in family firms that have undergone M/As. The study has been designed to test the model derived from the literature review in chapter 2, through an employee survey at a family firm undergoing M/A. As a starting point for the research, the aim is to review the extent to which current theory about organisational trust is applicable to family firms that have undergone M/As, and identify any major differences.

This chapter explains the quantitative study approach.

As we know quite a bit about trust during mergers, but not in the context of family firms (cf. chapter 2), I wanted to test whether the existing hypotheses are also valid in this context. By conducting employee surveys, one can gain broad explanations (Bungard, 2018). Surveys are useful to measure variables and to assess their impact on an outcome, and to test existing hypotheses or broad explanations (Creswell, 2008). Therefore, using an employee survey seems to be an economical and targeted approach (cf. Bungard, 2018) for applying current organisational trust theory into the family firm M/A context.

This chapter begins with a description of the sample of this quantitative study. Afterwards, I explain the procedure of conducting the investigation. The questionnaire, as along with a description of the measurement of the variables, will be described afterwards.

3.1 Sample

A medium-sized German family firm, which acquired other family firms in the recent years, was selected as one typical example for the research field of Family Firm M/As. It was generally difficult to get respective data from FF M/As. Family firms are often reserved and not open for research (Benavides-Velasco, Quintana-García, & Guzmán-Parra, 2013) and this is especially true in situations of change such as mergers. But I found one example that represents a typical German midsized family firm in terms of size and structure (Lehrer & Celo, 2016), which can therefore be probably generalised to other family firm organisations.

One organisation as a survey study example is appropriate for quantitative studies provided one has enough data (Yin, 2003), which is the case for the data set as I am able perform all quantitative tests that I want to do. Also, one needs to ensure that all the surveyed employees are able to answer the research questions (Bungard, 2018), which is the case in the example as all employees recently experienced FF M/As.

The firm provided me the access to investigate the background of these M/As with the focus on organisational trust. It was not my first contact with the firm. I knew the company from my former career as a consultant. Knowing their companies' history, I approached the current owner and obtained his approval to conduct a research study in the company. Below is a brief description of the background of the acquired/ acquiring family firms, which are the subject of the empirical study.

The buyer company: The acquiring company is a conglomerate in the consumer goods sector and has been run by the original founding family for ten generations. The buyer company has an excellent reputation in the market and is very successful.

The acquired companies: The four acquired family firms are all well-known brands in their niches within the consumer goods sector. All acquisitions were friendly take-overs, where nobody was forced to sell. Each of the acquired companies had roughly hundred employees before the acquisitions.

The acquisition process: Even though there were four different acquisitions, the same pattern applies to all of them. The buyer company tried to implement the acquisition as quickly as possible. The interval between signing and closing took only a few months. The buying company promised that there should not be any layoffs. Only the previous owner families were asked to leave the company after a set time. However, the open positions that were becoming vacant in the headquarters were not filled during the process, in case they would be occupied twice after the acquisition. This issue was largely solved automatically through retirement and normal employee turnover. Delocalisation of single employees only occurred in a few cases, and then only if they agreed.

In summary, this means that the typical example case is useful as it reflects the research object of studying FF M/As well.

Characteristics of the sample

The following table shows the socio-demographic variables that were measured in the survey. The table shows answer options and analytical dichotomisation. I look at the organisation (seller or buyer), as well as hierarchy and tenure of the employees.

For each of the four acquired companies, as well as the acquiring company, the same questionnaire was used. For reasons of anonymity other socio-demographic variables like the specific acquiring firm or the specific department were omitted at the request of the organisation due to potential small samples from sub-sections of the population which would detect employee responses. This does not seem to be to problematic for the analysis as it does not have an influence on the overall research question.

This means the company prevented me from a cross case analysis between the different bought companies. As such, I am only able to differentiate between the acquired companies and acquiring company. The hierarchy distinction was decided because it makes a difference for the change perception if one is a manager or staff (Doppler & Lauterburg, 2008). In order to better analyse the data, a cut off point for tenure was decided. A cut off point for tenure of 10 years was decided because it meets the median average of the employees.

Demographic variables	**Answer possibilities**	
	Long version	Dichotomisation
Organisation	Acquired Companies (Seller) Acquiring Company (Buyer)	
Hierarchy	Manager of managers	Manager
	Manager of employees	
	White collar worker	Staff
	Blue collar worker	
Tenure	Less than 1 year	< 10 years
	1 year to less than 3 years	
	3 years to less than 10 years	
	10 years or more	= 10 years >

Table 1-1: Demographic variables of the sample

The sample size consists of 352 participants from both sides- seller and buyer. Since the acquisitions, the acquiring company has around 2,000 employees. This corresponds with a response rate of around 18%. This average response rate is not high, but moderate for an employee survey just for scientific purposes (Bungard, 2018). However, the achieved result in this context is acceptable since it was only important for all parties to get a picture of the mood; an exhaustive employment survey was not the goal of the survey (Winter, 2005). Also, since each section of the company is represented, the results should provide a realistic picture. The below gives an overview of response rates of the different areas, regarding the organisational form, hierarchy, and tenure:

	Organisation		Hierarchy		Tenure	
	Seller	Buyer	Manager	Staff	> 10 years	< 10 years
Return of answers (N)	204	148	124	216	183	163
N in %	58%	42%	35%	61%	52%	46%

Table 1-2: Return of answers, splitted in different groups

Organisation: The data consists of 58% responses of the employees of the acquired organisation and 42% of the responses of the employees of the acquiring organisation. With respect to the actual population size, the return from the acquired organisations is much higher. The employee ratio is actually around 60% acquiring company vs. 40% of the acquired subsidiaries. A self-selection tendency is therefore possible because the topic can be seen as more relevant for the acquiring companies than for the acquired one as they are the more affected party (Bungard, 2018).

Hierarchy: 35% of the employees who participated in the survey have a management function. Overall, the managers are over-represented in the survey, as not more than 15% of the employees hold a leadership position in the whole organisation. This effect is true for the acquiring as well as the acquired companies.

Tenure: In general, all of the examined family firms have a long tenure. And for a great part, most of the responses were from people who have already been employed by the company for a long time (46% of the respondents are with the company longer than 10 years). This is also representative for this company, because the employees generally remain in the company for a long time, even in the acquired ones (average retention period in the acquiring company is around 13 years). The response rate suggests that only those who have been in the company for a longer time participated. Employees, who could not say much because of a shorter tenure rate, have therefore preponderantly not taken part.

This shift in the organisation, hierarchy and tenure indicates self-selection effects. It is likely that with increasing participation in the acquisitions the willingness to participate in the survey increases as well (Bungard, 2018). On purely mathematical terms, however, the overrepresentation of some groups should not be too crucial, because according to Bortz and Döring (2007) N over 60 is the start of a prospective normal distribution, which means a presentation of real-valued random variables whose distributions are not known

(Casella & Berger, 2001). Therefore, I do not feel that this has any significant repercussions for the results of the study.

3.2 Procedure

The survey was conducted with paper/pencil. Since the acquiring, as well as the acquired, companies are manufacturing companies, the majority of the employees work in manufacturing and do not have their own computer. The survey was conducted at the different sites of the company. The questionnaires were available in the administration, as well as in the manufacturing halls of all participating companies for two weeks. I was not able to promote or communicate about this to employees in any way. The questionnaires were displayed next to the information board with a ballot box next to it as this was an uncomplicated way for the company, as well as for me, to promote the survey.

After the survey was conducted, the data was provided to me by the sample firm in unopened ballot boxes with the promise that I will treat the data with responsibility to those who generated and provided the data. Nobody besides me had access to the raw data.

I designed the survey to best answer the research question, but the owner of the organisation made some modifications in language to the survey questions, as well as deleting some items of the scale because they were too hard to understand and answer, according to the owner's perception. After a brief pilot survey in the HR department and CEO office, the organisation then made some alterations themselves, especially to the language, in order to make it sound more company specific and less academic. An adaption to the organisation-specific language basically means that the survey language should not sound too academic. "The organisation" for example was replaced with the company's name or with "the company".

For the questionnaire design, I used scales that represent the research model of "current" theory of organisational trust in times of change in family firms that I found in the literature analysis (see section 2.3). The presented research model of current theory results in the inclusion of the following measures:

1. Organisational trust antecedences:
   - Job Security
   - Information & Communication

- Fairness
- Organisational support

2. Organisational trust
3. Organisational trust consequences:
   - Turnover Intention
   - Commitment
   - Organisational Engagement

The original items were in English and then translated into German for data collection. The back-translation was checked by a bilingual native-speaker. The original questionnaire was conducted in German, but the English version can be found in the appendix.
The items were measured by using a five-point Likert scale from “5= strongly agree” to “1= strongly disagree”. The questions and statements were all worded positively besides the question about turnover intention “I often think about quitting my present job”. I reverse coded this item in my analysis. Regarding the distribution of the variables, e.g. skewness, one can say that the data are fairly symmetrical as they mostly have a skewness between -0.5 and 0.5.

3.3 Measurement of Variables

In this section, I present the operationalisation of the aforementioned scales of the questionnaire that are used in the research model. This means that the relevant concepts of the questionnaire are linked to the general research aim to look at “current” theory of organisational trust (see section 2.3). The accompanying table with all relevant items of the questionnaire can be found at the end of this section.

Job Security

Job security was measured with a three-item scale from Albrecht and Traviglione (2003) (originally called the “Satisfaction with Job Security” scale), following Cook and Wall (1980). Items assessed satisfaction with “the actual job security”, “the prospects of your long-term employment with the organisation” and “your career path”. Acceptable alpha reliability coefficients were found in both samples measured by Albrecht and Traviglione (organisation 1, α = 0.75; organisation 2, α = 0.81). The Cronbach's alpha met the criteria in the study (α = 0.71).

Information and Communication

The scale “Information and Communication” asks for the information policy during the acquisition process (see table 1-3). The items are taken from the German survey "Acquisitions from the perspective of employees and managers" (Jöns , 2002). IC_5 is taken from Barghorn who used it in a study with a similar context. It addresses the personal relationship between the line manager and the employee in the integration process, which is an especially important aspect in family firms. Cronbach's alpha met the criteria in the study (α = 0.80).

Organisational Fairness

A common measuring instrument for the level of organisational fairness was developed by Colquitt (2001). The scale shows consistently good construct validity and high reliability in earlier studies. Each of the three factors (distributive, procedural and interactional fairness) was represented by a question of an item. The Colquitt scale is not designed as an overall measure of fairness, but it has also only been used partially in some studies (Judge, Scott, & Ilies, 2006).

For measuring “procedural fairness” (perceived appropriateness of processes) the item “The promises that "Buyer Company" gave at the beginning of the integration process have been met” is used. For distributive fairness (perceived fairness associated with distribution of resources) the item “I got a fair compensation for the additional workload during the integration phase” was applied. For interactional fairness (perceived appropriateness of interpersonal treatment) the item “I believe that the information which I received about the integration was open and honest” is used. Cronbach's alpha met the criteria in the study (α = 0.75).

Organisational Support

In order to estimate the scale of perceived organisational support during the acquisition process three questions from the short version of the POS (Perceived Organisational Support) - Instrument of Eisenberger et al. (1986) were used. I needed to make some changes to apply the scale to the integration context. Therefore, I added “During the integration process" and "organisational changes". Cronbach's alpha met the criteria in the study (α = 0.75).

Trust

After the former scales asked about the employees' perception of the integration process, the trust scale asked about the employees' organisational trust before and after the acquisition.

There are only a few trust scales for organisations, since only a few authors have operationalised this construct so far (Dietz & Den Hartog, 2006). The trust items of this questionnaire were selected following a commonly used scale of Mayer & Davis (1999) that broadly covers the trust construct. The target trust objects in the Mayer and Davis scale are actually the managers of the organisation. In this context they will be replaced by the trust object "organisation". The wording of the scale I have used is different from the original scale, however, the meaning is comparable. The original scale was, for example, already used in a study by Gefen , Karahanna, & Straub (2003) and proved high construct validity. The scale is broad and includes the trust facets of benevolence, integrity and ability. Item T_4 and T_6 come from a German trust scale of Lehmann - Willenbrock and Kauffeld (2010). Not to blame each other and being able to honestly share information are two aspects that are also important for organisational trust according to the authors (Lehmann-Willenbrock and Kauffeld, 2010). Cronbach's alpha met the criteria in the study (α = 0.72).

Commitment

For the measurement of commitment items by Allen and Meyer were used. The scale measures the emotional attachment of employees within the organisation, meaning that it measures the affective component of the commitment construct.

In order to allow an economical measurement of the construct, the author took the selected two items from various studies using this instrument (Allen & Meyer, 1990; Culpepper, 2000) because they showed the highest loads on each facet. In addition to item C_1 and C_2, another item was selected that shows an additional important aspect of the commitment facet, according to the findings of Neurohr, particularly the aspect of emotional attachment to the company. Cronbach's alpha met the criteria in the study (α = 0.80).

Organisational Engagement

The two items "I feel motivated to go beyond my formal job responsibilities and to contribute more than what is required" (OE_1) and "I help my colleagues who have heavy workloads" (OE_2) were used to measure the construct organisational engagement. They are actually both part of Podsakoff's et al. (1990) Organisational Citizenship Behaviour scale but focus on organisational engagement. As the items indicate organisational engagement refers to behaviours that go above and beyond the call of duty. This means acting in a generally helpful and reliable way. Organisational engagement arises from a voluntary decision and not necessarily due to higher pressure or the desire for reward. Cronbach's alpha of this 2-item scale does not meet the criteria in the study ($\alpha = 0.64$). This is probably the case since the construct has only two variables. Nevertheless, the measurement model will be assumed, as there is a lack of alternatives for measuring this construct. One can summarise that this highlights the need for further research in understanding Organisational Engagement in family firms.

Turnover Intention

In the questionnaire I tested Turnover Intention pragmatically with the item "I often think about quitting my present job". The questions were adapted from the Intention to Turnover Scale contained in the Michigan Organisational Assessment Questionnaire (Cammann, Fichman, Jenkins, & Klesh, 1979). This item was also the most significant item on this scale used by Ferres et al. (2005), Albrecht and Travaglione (2003). 330 participants answered the question. The item was reverse-coded for the analysis. Even if it is only a single-item I believe that it has strong informative value but cannot be tested in this context, of course.

Variable	Item code	Item wording	Source	Alpha
Job security	JS_1	I was convinced... that my job will be secure in the new company	Adapted from Cook and Wall (1980)	0.71
	JS_2	I was convinced … of my long-term employment with the new company		
	JS_3	I was convinced … that my career development will be positive in the new company		

Information and Communication	IC_1	I felt adequately informed about the goals of the acquisition	Adapted from Jöns (2002) and Barghorn (2010)	0.80
	IC_2	I felt adequately informed about the upcoming changes that affect my company		
	IC_3	I felt adequately informed about upcoming changes that affect my job		
	IC_4	I felt informed about the acquisition early enough		
	IC_5	My line manager was able to answer all my questions about the integration		
Fairness	F_1	I believe that the information which I received about the integration was open and honest	Adapted from Colquitt (2001)	0.75
	F_2	The promises that "Buyer Company" gave at the beginning of the integration process have been met		
	F_3	I got a fair compensation for the additional workload during the integration phase		
Organisational Support	OS_1	I felt adequately supported to manage the organisational changes	Adapted from Eisenberger (1986)	0.75
	OS_2	I felt that the organisation really cares about me		
	OS_3	Help was available from the organisation when I had a problem		
Trust	T_1	Top management is well qualified	Adapted from Mayer & Davis (1999), Lehmann-Willenbrock & Kauffeld (2010)	0.72
	T_2	The company produces high quality products		
	T_3	Employee's good ideas will be valued in the company		
	T_4	In case of problems and mistakes one focuses on		

		finding the causes instead of blaming each other		
	T_5	In the company one pays attention to the well-being of all employees		
	T_6	In case of conflicts employees can honestly share their opinion without being punished		
	T_7	In the company one can rely on each other's absolute confidentiality		
	T_8	In the company employees are treated fairly		
	T_9	The company actively supports employees who have difficulties		
	T_10	The behaviour and the actions in the company are guided by a clear line		
	T_11	In this company one walks the talk		
	T_12	One can be sure that qualified decisions are made within the company		
Commitment	C_1	I would recommend my company as a place to work to family and friends	Adapted from Meyer and Allen (1990), Neurohr (2004)	0.80
	C_2	I feel emotionally attached to my company		
	C_3	I am proud to work for this company		
Organisational Engagement	OE_1	I feel motivated to go beyond my formal job responsibilities and to contribute more than what is required	Adapted from Podsakoff (1990)	0.64
	OE_2	I help my colleagues who have heavy workloads		
Turnover Intention	TI	I often think about quitting my present job	Following Barghorn (2010)	-

Table 1-3: Operationalisation of the variables

Measurement of the scale:

In the following section, I briefly explain the change measurement and the quality assessment of the scale.

In terms of change measurement: Since I am particularly interested in the change of trust in FF M/A processes, a quasi-indirect measurement of this change was used for trust and the trust consequences. This does not apply to the antecedents, because they concern the time during the integration.

Employees' attitudes towards organisational trust prior to and after the acquisition were collected with a special method: A quasi-indirect measurement of change is used (Steffanowski, Lichtenberg, Nübling, Wittmann, & Schmidt, 2003). This question form opens the possibility to explicitly detect change in attitude post hoc. The below figure provides an illustrative example. As the time of measurement was after the M/A all items were answered retrospectively, including the questions about trust prior to the M/A. For each of the statements of the change items there are two lines in the questionnaire (see fig. 1 below). The questionnaire is in the appendix.

There are some obvious reasons to criticise this method here. There is the possibility that this method introduces a bias because the perception of the experience could have changed over the years. But since I could only select a method with a single point of data collection due to the company-specific restrictions, it was the best method I could use. I did not have the option to conduct a before and after longitudinal study because the acquiring company only allowed me to conduct the survey after the acquisitions had been undertaken. So, the survey needed to be performed retrospectively, despite these limitations.

However, there are a number of other studies that used this method in the post-merger integration research (e.g. Steinmeier & Jöns, 2011; Hodapp, 2004; Weiss , 2005), also because of the same restriction that they were only able to measure at one point. These authors found it to be appropriate in situations where longitudinal studies are not possible. "Prior to acquisition" and "after acquisition" are presented adjacent to each other firstly to force comparison and to let the respondents think about what changed.

CULTURAL CHANGE							
			Strongly agree	Agree	So- so	Dis-agree	Strongly disagree
1	Employee's good ideas will be valued in the company	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
2	The company has a non-bureaucratic style	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1

Fig. 1: Example of conducting for pre- and post-merger changes in the questionnaire

Explanation of the quality assessment of the scale:

The means, standard deviations and correlations for all scales are shown in table 1-4. Issues of intercorrelation: Having an insight into the results of Pearson correlation, it can be seen that there are positive and small, statistically significant, relations between many of the variables in the correlation matrix (Cohen , 1988). But all the variables show that the correlation among variables is sufficient to carry out regression analysis (there are no variables with a linear correlation of 0.7 or more). Also, Harman’s single factor test is one technique to identify common method variance. In the analysis, the Harman's single factor score shows that common method bias should not be a problem (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003) because the variance explained by a single factor is less than 50 percent

Variable		Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1	Job Security	3.41	1.06	1.00											
2	Information & Communication	3.23	1.05	.519**	1.00										
3	Fairness	3.12	0.98	.328**	.570**	1.00									
4	Organisational Support	3.10	0.96	.175**	.232**	.250**	1.00								
5	Pre-merger Trust	3.51	0.56	0.09	.160**	.218**	.256**	1.00							
6	Pre-merger Commitment	4.08	0.70	0.03	0.06	.123*	.157**	.494**	1.00						
7	Pre-merger Org. Engagement	4.07	0.55	.227**	.208**	.136*	.183**	.259**	.312**	1.00					
8	Pre-merger Turnover Intention	3.25	1.04	.134*	-0.01	-0.01	.115*	0.00	.247**	0.02	1.00				
9	Post-merger Trust	2.97	0.64	.123*	.123*	.149**	.251**	.373**	.131*	.134*	0.09	1.00			
10	Post-merger Commitment	3.73	0.56	0.04	.130*	.128*	.186**	.176**	.626**	.299**	0.09	.359**	1.00		
11	Post-merger Org. Engagement	3.57	0.81	.132*	.121*	0.10	.236**	.530**	.247**	.693**	.123*	.490**	.364**	1.00	
12	Post-merger Turnover Intention	3.05	0.98	.164**	.161**	.140**	.162**	0.10	.135*	.286**	.310**	.157**	.148**	.302**	1.00

Note: N=352, *P<0.05; **P<0.01

Table 1-4: Means, Standard Deviations, and Correlations for all scales

In summary, this means that the example case is good, as it reflects the research object of studying FF M/As well. But as the company put certain restrictions on the questionnaire and the display of certain demographic variables, I cannot analyse and interpret all data in the way I would like to. This becomes particularly evident when looking at the selection of the items of the questionnaire.

Nevertheless, I would evaluate the potential usefulness of the case study as positive since I can still draw conclusions. Also, the measurement criteria are acceptable, the correlations among the variables are good enough for carrying out regression analysis.

4 Presentation and interpretation of Study 1 results

The aim of this study is to answer research question 1 "To what extent is current theory about organisational trust applicable to family firms that have undergone M/As?". Current theory about organisational trust (cf. chapter 2.3) was derived from the literature review and is summarised in the below research model, from which the following three hypotheses were derived:

H1: Organisational trust decreases in FF M/A processes;
H2: Job Security, Information & Communication, Fairness and organisational Support are predictors of post-merger organisational trust in FF M/A processes;
H3: Post-merger Turnover intention, post-merger Commitment, and post-merger organisational Engagement are consequences of post-merger organisational trust in FF M/A processes.

To address the first hypothesis, that organisational trust decreases in FF M/A processes, I will look at whether the participants' trust decreases by comparing their attitude prior to vs. after the acquisition. To answer the second and third hypotheses, I performed a hierarchical regression analysis of each single trust relationship that that was indicated in the literature review (cf. chapter 2). For the analysis SPSS is used.

4.1 Results

In the following, I show the statistical results that are the most important ones to answering the hypotheses.

Hypothesis 1 (H1): Organisational trust decreases in FF M/A processes

In order to test the first hypothesis, I simply performed a t-test comparing means for pre-merger organisational trust with post-merger organisational trust to see whether there is a significant difference between them. The analysis showed that all t-tests are significant. As one can see in the below table 1-5, the means of the pre-merger trust items and the post-merger trust items go all in the postulated direction besides one exception. Item T1 ("Top management is well qualified") is the only item that goes in a different direction. A reason for this could be that the new senior management could convincingly proof their management qualifications, but the overall trend that organisational trust decreases in FF M/A processes is clear.

	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper	t	df	Sig. (2-tailed)
Ta1- Tb1	-.509	1.323	.070	-.647	-.370	-7.214	351	.000
Ta2- Tb2	.813	1.091	.058	.698	.927	13.975	351	.000
Ta3- Tb3	.645	1.018	.054	.538	.752	11.891	351	.000
Ta4- Tb4	.728	1.054	.056	.618	.839	12.965	351	.000
Ta5- Tb5	.901	1.040	.055	.792	1.010	16.252	351	.000
Ta6- Tb6	.856	.965	.051	.755	.958	16.649	351	.000
Ta7- Tb7	.863	1.140	.061	.744	.983	14.216	351	.000
Ta8- Tb8	.678	.910	.049	.582	.773	13.967	351	.000
Ta9- Tb9	.485	1.011	.054	.379	.591	8.999	351	.000
Ta10- Tb10	.481	.956	.051	.380	.581	9.429	351	.000
Ta11- Tb11	1.149	.980	.052	1.046	1.251	21.999	351	.000
Ta12- Tb12	.413	1.091	.058	.299	.528	7.110	351	.000

Table 1-5: Paired Samples Test Trust

I then investigated the means of the trust scale further to determine the direction of the change. When looking more closely at the means, then one can see that the mean values after the acquisition with those prior to the acquisition have been compared and the scale shows the delta (cf. with fig. 1 in section 3.3). "Positive Change" is when the values were lower before the acquisition, "No change" is when the values stayed the same. "Negative change" is when the values were higher before the acquisition. Tab. 1-6 illustrates the difference between the mean value comparisons for these construct variables. Overall, there were 42% of respondents with a negative change of trust in the organisation. In contrast, only 14% have a positive view of the change after the acquisition and 44% of the respondents perceived no change. The relatively high standard deviation of 1.11 also shows large differences in the perception of the acquisition between the respondents. The circumstance that more employees saw no change than employees that reported a negative change of trust is unexpected.

This means that hypothesis 1 can only be partially confirmed. Trust decreases in the course of FF M/A processes, but only for less than half of the employees. Further research seems to be required.

	Mean	SD	Pos. change	No change	Neg. change
Trust (Delta)	0.60	1.11	14	44	42
Commitment (Delta)	0.39	0.77	5	58	37
Organisational Engagement (Delta)	0.41	0.83	11	48	41
Turnover Intention (Delta) *	-0.35	1.05	12	60	28

*reverse-coded

Table 1-6: Response tendencies of change in Trust and Trust Consequences

Furthermore, I look at the change of the trust consequences commitment, organisational engagement and turnover intention. Again, all t-tests comparing pre-and post-merger trust were significant. As one can see in table 1-7 only the turnover intention item "I often think about quitting my present job" goes in the different direction, but is also reverse-coded.

	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
				Lower	Upper			
Ca1 - Cb1	.333	.665	.035	.263	.402	9.381	351	.000
Ca2 - Cb2	.335	.587	.031	.273	.397	10.707	351	.000
Ca3 - Cb3	.379	.692	.037	.306	.451	10.275	351	.000
OEa1 - OEb1	.526	.743	.040	.448	.604	13.271	351	.000
OEa2 – Oeb2	.423	.702	.036	.743	.706	11.742	351	.000
TIa1 - TIb1	-.303	1.139	.061	-.423	-.184	-4.990	351	.000

Table 1-7: Paired Samples Test Trust Consequences

Overall, one can see that not only trust, but also commitment and organisational engagement changed through the acquisition. The majority of the employees (58%) do not see a big change in their commitment, but there is also a tendency towards a negative change with 37%. Additionally, a large number of the employees (48%) do not see a big change in their organisational engagement, which is more than those reporting a negative change in their organisational engagement (41%). Only the turnover intention reports almost no change through the acquisition as the above table shows. A total of 60% of the respondents show no increase in their intention to quit their job. One explanation for this result can be that employees do not quit their job if the perceived costs of switching seem to be too high for them- regardless of their actual feeling of trust. Thinking about quitting a job is a major difference to taking the step of actually doing it.

Generally, one can summarise that hypothesis 1 “Organisational trust decreases in FF M/A processes” can be confirmed.

Hypothesis 2 (H2): Job Security, Information & Communication, Fairness and Organisational Support are predictors of post-merger organisational trust in FF M/A processes

To test the second hypothesis that Job Security (JS), Information & Communication (IC), Fairness (F) and Organisational Support (OS) are predictors of organisational trust in FF M/A processes, a hierarchical regression was performed.

I used pre-merger trust (Ta) as a control variable and then took the antecedents (during). The outcome is post-merger trust (Tb), this means I am looking at different times.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.373[a]	.139	.137	.49797	.139	56.695	1	350	.000
2	.412[b]	.170	.158	.49184	.031	3.194	4	346	.013

a. Predictors: (Constant), Ta

b. Predictors: (Constant), Ta, JS, OS, F, IC

c. Dependent Variable: Tb

Table 1-8: Model Summary H2

After the application of hierarchical multiple regression, the results were obtained in Table Model Summary H2 (see table 1-8). They indicate that R^2 is, after entering the control variable pre-merger organisational trust in Block 1, equal to 0.139, meaning that the full Model 1 explains the 13.9 percent variance. After entering prediction variables (job security - JS, information and communication - IC, fairness - F, and organisational support- OS), the model as a whole explains 17.0 percent.

By inspecting the column R^2 change in the second line for Model 2, this value is 0.031. This means that job security, information and communication, fairness, and organisational support, explain the additional 3% of the post-merger organisational trust variable. This is a statistically significant contribution, which shows the amount of Sig. F change in that row (0.013).

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	14.059	1	14.059	56.695	.000[b]
1	Residual	86.791	350	.248		
	Total	100.850	351			
	Regression	17.150	5	3.430	14.179	.000[c]
2	Residual	83.700	346	.242		
	Total	100.850	351			

a. Dependent Variable: Tb

b. Predictors: (Constant), Ta

c. Predictors: (Constant), Ta, JS, OS, F, IC

Table 1-9: ANOVA H2

In table 1-9 ANOVA H2 it is estimated the statistical significance of R^2 because these are the results of the null hypothesis that the population R^2 is 0. It shows that the model as a whole is statistically significant [F (5, 346) = 14,179, p <0.000].

Model		Unstandard. Coefficients		Stan-dard.			Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig	Zero-Order	Par-tial	Part	Tole-rance	VIF
1	(Constant)	.952	.269		3.542	.000					
	Ta	.558	.074	.373	7.530	.000	.373	.373	.373	1.000	1.000
2	(Constant)	.421	.309		1.363	.174					
	Ta	.486	.077	.325	6.327	.000	.373	.322	.310	.909	1.101
	JS	.051	.044	.067	1.167	.244	.123	.063	.057	.726	1.378
	IC	-.010	.044	-.015	-.225	.822	.123	-.012	-.011	.548	1.826
	F	.026	.059	.027	.438	.661	.149	.024	.021	.649	1.541
	OS	.177	.060	.153	2.927	.004	.251	.155	.143	.882	1.134

Dependent Variable: Tb

Table 1-10: Coefficients H2

Results of testing multicollinearity are given in table 1-10 Coefficients H2. Tolerance values must be above 0.10 and VIF values below 10, as in this case, that would not be violated the assumption of no multicollinearity. By looking at the second row for Model 2, it is determined how much each variable contributes to the final equation. In the column Sig. it is noticed that only two variables give a statistically significant contribution (because only their value in the cell is less than 0.05). By relevance, these are: pre-merger organisational trust (Ta with beta = 0.325), and organisational support (OS with beta = 0.153). Beta coefficients represent the unique contribution of each variable after statistically removing the impact of overlapping with all other variables. Based on the results can be drawn the following conclusion: Predictor variable of Organisational

Support (OS), and control variable pre-merger organisational trust (Ta) significantly predict post-merger organisational trust (Tb), respectively post-merger organisational trust is the consequence of organisational support and pre-merger organisational trust.

Altogether, this means that hypothesis 2 that job security, information and communication, fairness and organisational support are predictors of post-merger organisational trust in FF M/A processes can only be partially confirmed. However, given that pre-merger trust is significant in determining post-merger trust indicates that in family firms the pre-merger trust is significant for the employee's perception of the merger.

Hypothesis 3 (H3): Post-merger turnover intention, post-merger commitment, and post-merger organisational engagement are consequences of post-merger organisational trust in FF M/A processes

To address the third hypothesis that turnover intention, commitment, and organisational engagement are consequences of organisational trust in FF M/A processes, I ran the following three single regressions:

(H3 a) Predictor = Post- merger organisational trust (Tb), outcome = Post- merger Turnover intention (TIb)

(H3 b) Predictor = Post- merger organisational trust (Tb), outcome = Post -merger Commitment (Cb)

(H3 c) Predictor = Post- merger organisational trust (Tb), outcome = Post -merger organisational engagement (OEb)

However, to increase the robustness I added in the pre-merger variable for each outcome as a first level in a hierarchical regression as a control (as in hypothesis 2) to better isolate the trust influence, i.e. predictor level 1 = Pre-merger Turnover intention, predictor level 2 = Post-merger organisational trust and outcome = Post-merger Turnover intention.

H3 a: Is post-merger turnover intention a consequence of post-merger organisational trust when the impact of pre-merger turnover intention has been removed?

After the application of hierarchical regression, the results obtained in Table Model Summary H3 a (see table 1-9) indicate that R^2 is, after entering the control variable in Block 1 (pre-merger turnover intention), equal to 0.096, that the full Model 1 explains the

9.6 percent variance. After entering prediction variables in Block 2 (post-merger organisational trust), the model as a whole explains 13.0 percent.

By inspecting the column R Square change in the second line for Model 2, this value is 0.034. This means that the post-merger organisational trust variable Tb explains the additional 3.4% of post-merger turnover intention TIb when the pre-merger turnover intention TIa is statistically removed. This is a statistically significant contribution, which shows the amount of Sig. F change in that row (0.000).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.310[a]	.096	.094	.842	.096	37.239	1	350	.000
2	.360[b]	.130	.125	.827	.034	13.481	1	349	.000

a. Predictors: (Constant), TIa

b. Predictors: (Constant), TIa, Tb

c. Dependent Variable: TIb

Table 1-11: Model Summary H3 a

In table 1-12 ANOVA H3a it is estimated the statistical significance of R Square because these are the results of the null hypothesis that the population r^2 is 0. The table shows that the model as a whole (with both blocks variables) is statistically significant [$F (2, 349) = 26.024$, $p <0.000$].

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.370	1	26.370	37.239	.000[b]
	Residual	247.845	350	.708		
	Total	274.214	351			
2	Regression	35.588	2	17.794	26.024	.000[c]
	Residual	238.627	349	.684		
	Total	274.214	351			

a. Dependent Variable: TIb

b. Predictors: (Constant), TIa

c. Predictors: (Constant), TIa, Tb

Table 1-12: ANOVA H3a

Results of testing multicollinearity are given in table 1-13 Coefficients H3a. Tolerance values must be above 0.10 and VIF values below 10, as in this case, that would not be violated the assumption of no multicollinearity. By looking at the second row for Model 2, it is determined how much each variable contributes to the final equation. In the column Sig. it is noticed that two variables give a statistically significant contribution (because their value in the cell is less than 0.05). By relevance, these are: pre-merger turnover intention (TIa with beta = 0.293), and post-merger organisational trust (Tb with beta = 0.184). Beta coefficients represent the unique contribution of each variable after statistically removing the impact of overlapping with all other variables.

The following conclusion can be taken from these results: post-merger organisational trust significantly predicts post-merger turnover intention (as well as control variable pre-merger turnover intention). This means that post-merger turnover intention is a consequence of post-merger organisational trust.

Model		Unstandard. Coefficients		Stan-dard.			Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig	Zero-Order	Par-tial	Part	Tole-rance	VIF
1	(Constant)	2.328	.126		18.417	.000					
	TIa	.263	.043	.310	6.102	.000	.373	.373	.373	1.000	1.000
2	(Constant)	1.468	.265		5.534	.000					
	TIa	.248	.042	.293	5.841	.000	.310	.298	.292	.991	1.009
	Tb	.304	.083	.184	3.672	.000	.211	.193	.183	.991	1.009

Dependent Variable: TIb

Table 1-13: Coefficients H3 a

H3 b: Is post-merger commitment a consequence of post-merger organisational trust when the impact of pre-merger commitment has been removed?

The results of the hierarchical multiple regression (see table 1-14) indicate that the control variable pre-merger commitment explains 37.1 percent variance, but with the prediction variable post-merger organisational trust, the model as a whole explains 39.8 percent. This means that the post-merger organisational trust variable explains the additional 2.7% of post-merger commitment. This is a statistically significant contribution.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change

1	.626[a]	.371	.370	.43892	.371	225.474	1	350	.000
2	.631[b]	.398	.394	.43737	.027	13.484	1	349	.000

a. Predictors: (Constant), Ca

b. Predictors: (Constant), Ca, Tb

c. Dependent Variable: Cb

Table 1-14: Model Summary H3 b

Conducting an ANOVA (table 1-15) demonstrates that the model as a whole (with both blocks variable) is statistically significant [F (2, 349) = 115.28, p <0.000].

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.438	1	43.438	225.474	.000[b]
	Residual	67.429	350	.193		
	Total	110.867	351			
2	Regression	44.105	2	22.052	115.279	.000[c]
	Residual	66.762	349	.191		
	Total	110.867	351			

a. Dependent Variable: Cb

b. Predictors: (Constant), Ca

c. Predictors: (Constant), Ca, Tb

Table 1-15: ANOVA H3 b

Results of testing multicollinearity show that the assumption of no multicollinearity has not been violated. In the column Sig. one notices that post-merger organisational trust (beta = 0.178) gives a statistically significant contribution (as well as pre-merger commitment (beta = 0. 0. 606).

Model		Unstandard. Coefficients		Stan-dard.	t	Sig	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-Order	Par-tial	Part	Tole-rance	VIF
1	(Constant)	.855	.193		4.429	.000					
	Ca	.705	.047	.626	15.016	.000	.626	.626	.626	1.000	1.000
2	(Constant)	.659	.219		3.008	.000					
	Ca	.693	.047	.606	14.693	.000	.626	.618	.610	.983	1.018
	Tb	.082	.044	.178	1.867	.000	.159	.099	.078	.983	1.018

Dependent Variable: Cb

Table 1-16: Coefficients H3 b

These results lead to the following conclusion: Predictor variable post-merger organisational trust significantly predicts post-merger commitment (as well as control variable pre-merger commitment. This means that post-merger commitment is a consequence of post-merger organisational trust.

H3 c: Is post-merger organisational engagement a consequence of post-merger organisational trust when the impact of pre-merger organisational engagement has been removed?

The results of the hierarchical multiple regression indicate that the control variable pre-merger organisational engagement explains 50.8 percent variance, but with the prediction variable post-merger organisational trust, the model as a whole explains 54.7 percent. This means that the post-merger organisational trust variable explains the additional 3.9% of post-merger organisational engagement. This is a statistically significant contribution.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.713[a]	.508	.507	.57170	.508	361.320	1	350	.000
2	.739[b]	.547	.544	.54956	.039	29.763	1	349	.000

a. Predictors: (Constant), OEa

b. Predictors: (Constant), OEa, Tb

c. Dependent Variable: OEb

Table 1-17: Model Summary H3 c

Conducting an ANOVA (table 1-14) demonstrates that the model as a whole (with both blocks variable) is statistically significant [F (2, 349) = 210.38, p <0.000].

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	118.093	1	118.093	361.320	.000[b]
	Residual	114.394	350	.327		
	Total	232.487	351			
2	Regression	127.082	2	63.541	210.387	.000[c]
	Residual	105.405	349	.302		
	Total	232.487	351			

a. Dependent Variable: OEb

b. Predictors: (Constant), OEa

c. Predictors: (Constant), OEa, Tb

Table 1-18: ANOVA H3 c

Results of testing multicollinearity are given in table 1-19 Coefficients H3 c. They show that the assumption of no multicollinearity has not been violated.

Based on the results, the following conclusion can be drawn: Post-merger organisational trust (beta = 0.198) significantly predicts post-merger organisational engagement (as well as control variable pre-merger organisational engagement (beta = 0.686)). This means that post-merger organisational engagement is a consequence of post-merger organisational trust.

Model		Unstandard. Coefficients		Stan-dard.	t	Sig	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-Order	Par-tial	Part	Tole-rance	VIF
1	(Constant)	-.750	.229		-3.269	.001					
	OEa	1.061	.056	.713	19.008	.000	.713	.713	.713	1.000	1.000
2	(Constant)	-1.482	.258		-5.742	.000					
	OEa	1.021	.054	.686	18.868	.000	.713	.713	.680	.982	1.018
	Tb	.301	.055	.198	5.456	.000	.290	.280	.197	.982	1.018

a. Dependent Variable: OEb

b. Predictors: (Constant), OEa

c. Predictors: (Constant), OEa, Tb

Table 1-19: Coefficients H3 c

4.2 Limitations

In this section, I will only discuss technical limitations that are associated with the model. In the next chapter, I will reflect whether I used the right approach in general in order to answer the research question (cf. chapter 5). A central limitation of this study is linked to the measurement of central variables due to the pragmatic approach of survey design. The organisation placed a lot of restrictions on the questionnaire, which is why I did not always have enough items in order to measure the scale. The potential impact of this is that the reliability (e.g. Cronbach's Alpha) is not as high as it could have been. Another limitation in survey design is that I sometimes used scales in a different context to how they usually should be used (e.g. Mayer & Davis trust scale looked at trust of the senior management instead of the organisation).

This means that I had to balance rigorousness with pragmatism when conducting the study and analysing the data set. So I usually just focused instead on "what works" best (Tashakkori & Teddlie, 2003). Sometimes the gain of impact outweighs the loss of methodological purity (Chang, Van Witteloostuijn, & Eden, 2010)

I also had to consider that the response rate itself could have caused some bias in the response tendencies (more manager, more employees of the acquired companies, and people with a longer employment with the organisation answered the questionnaire). On purely mathematical terms, however, the overrepresentation of some groups should not be too crucial. According to Bortz and Döring (2007) N over 60 is the start of a prospective normal distribution. Other than in mathematical terms, self-selection biases could have been the potential consequences on the research.

Furthermore, it is important to note that the perception of trust and trust consequences was investigated retrospectively, after the acquisition. This may have led to a negative retrospection effect in the perception of respondents as people have the tendency to overestimate how unhappy they had been when a negative event (like M/A) took place (e.g. compare with Wilson, Meyers, Gilbert, 2003). I am aware of this limitation and am cautious about drawing conclusions about the effects of time. This limitation will be discussed further in chapter 10.1.

4.3 Summary of quantitative study

By comparing organisational trust theory derived from a systematic literature review with respective survey data this study helps to answer the research question and the three hypotheses.

The study shows that theory about organisational trust is different in some ways when applied to family firms which have undergone M/As. As trust changes also play a role in the context of family firm M/A it seems that there are aspects in family firms that are similar to the literature in general, as mostly everything goes in the postulated direction in family firms, but there are also other aspects which require further research. Hypothesis 1 that organisational trust decreases during the acquisitions can be answered as all t-tests comparing pre- and post-merger trust were significant. However, given that more people experienced no change than a negative change is unexpected, and something which merits further exploration.

The results of the second hypothesis are rather surprising. They show that only organisational support significantly predicts post-merger organisational trust, not job security, information and communication, or fairness as presumed from the literature review. Surprisingly, the control variable pre-merger organisational trust significantly predicts post-merger organisational trust - something which seems to be quite unique to family firms. This can indicate that, especially in family firms, the pre-merger trust is significant for the employee's perception of the merger and the development of the post-merger trust. This leaves some room for open questions, and requires more research, especially focusing on the special influence of family firms.

The results, however, support hypothesis 3. They show that post-merger turnover intention, post-merger commitment, and post-merger organisational engagement are consequences of post-merger organisational trust in FF M/A processes and are in line with literature (see chapter 2.3).

So altogether, the findings reveal that M/As can cause a loss of trust in family firms and that current theory about consequences of organisational trust is principally applicable to Family Firm M/As. For the antecedences this is only the case for organisational support. However, study 1 leaves room for further questions, e.g. why more people experienced no change than a negative change and why pre-merger trust most significantly predicts post-merger trust.

5 Reflective chapter

This chapter is different to the other chapters of this thesis. It describes the transition of my thoughts during the research journey and provides an explanation about how and why the research approach shifted during this time. After not being able to add any instructive contributions with the first study, I realised that a different research approach would be better to study trust in FF M/A. As I still believe that research in this area is relevant and worth further study, I want to continue exploring this research field. For this I need to modify the research question and to develop a plan for next steps.

In order to explain and illustrate my thinking I will make references to my research diary, notes from the change log, emails, and assignments during the dissertation programme and received feedback from stakeholders. The purpose of the change log is to keep note of all activities, such as discussed changes with my supervisor. The purpose of the research diary is to help me with self-reflection throughout the research journey. This practise is advocated in literature by Engin (2011). A research diary is often described in research methodology literature as a way to log decisions made and write down reflections on the research process (Gibbs, 2007; Silverman, 2005). A research diary can be an integral part of a researcher's knowledge development (Engin, 2011). According to her, the internal dialogue and reflection becomes part of the research data and can inform the research interpretations. I use the quotes from the research diary to illustrate thought processes and research. Notes from these two sources change log and research diary were very helpful for self-reflection and provided indications of how to improve the research approach.

Situation: My dilemma after conducting study 1

After the quantitative study unexpectedly showed barely any new and publishable results for family firms M/A in comparison to what researchers already found out about other firms, I faced a dilemma. While the results are partially significant, they do not explain enough and do not add many of new contributions. Study 1 revealed some interesting findings (e.g. that trust decreases in FF M/As), but they do not offer enough explanations, and do not necessarily show a significant difference to other firms. I realised that this might not be perceived as a worthy contribution of a PhD (cf. with Baptista, Frick, Holley, Remmik, Tesch & Åkerlind, 2015). According to them, a widely shared notion is that a PhD contribution should be both novel as well as significant. Although the research question about organisational trust in family firm M/As is novel, the findings in Study 1 are not since they lack significance. Therefore, one can argue that the work does only entirely fulfil the criterion of relevance (cf. with Bennich-Björkman, 1997). Despite the dilemma of having significant, nonetheless uninteresting results, I am further disappointed in the study's output, as I thought that it would gain more family firm specific results, which can be of interest for researchers as well as practitioners. But as the PhD process is a journey (Roberts, 2010), I will continue this journey on exploring trust in FF M/As, as stated in the research diary.

> Research diary: *"I realise that simply confirming that organisational trust theory also works in the family firm context, where it has not been tested before, is no contribution. I have to demonstrate more broadly why family firms are specific. (...) This means, that I need to continue my research journey in order to demonstrate that I am able to contribute something that is novel as well as relevant to my research topic- and something that offers more explanations" (April 2017)*

In the debate about what constitutes a valid PhD contribution, Morris and Smit (2003) also say that the emphasis must be on discovering that a model can be used in a different setting, not on merely reaffirming the use of a model. This will mean a qualitative assessment into ways of broadening the contextual assumptions of the theory, rather than "mere quantitative expansions" (Whetten, 1989, p. 493). So, this is what I am going to try to achieve as a good theoretical contribution is something that adds in a way to existing theory or models.

My realisation: I chose the wrong approach for studying trust in family firm M/As

The described dilemma meant that I started to question if I might have chosen the wrong focus with wanting to test the applicability of current theory to family firms that have undergone M&As. Particularly focusing on antecedents and consequences of organisational trust was probably not the right way to look at this research topic. In retrospect, I think that I primarily did this because most previous literature choose this approach (e.g. Ferres, 2005). But on reflection, I realise that looking from this perspective does not help me to explain unusual findings from study 1. For example, given that more people experienced no change than a negative change is unexpected, and something that merits further exploration.

Research diary: *"It is frustrating that my results do not help me to answer any why-questions that could help me to explain some of my unexpected findings."* (January 2015)

This obviously does not mean that everybody in literature chose the wrong approach. It just means that the other researchers had other reasons for doing this, and that for other circumstances their approach might have worked (e.g. Albrecht & Travaglione, 2003; Ferres et al., 2005), particularly because their research questions were different. But I now realise that the research approach did not fit with the research question. I simply found the specific data I asked for and could not reach a deeper level of how and why questions. The research diary shows this as well:

Research diary: *"I realised that I was looking for comparable literature in order to follow their approach. I then realised that, since it is a new research question, there is not really comparable approach – and that I need to be more explorative ... But this takes courage. Also, if you realise that you're on the wrong track, it is not easy change your mind."* (January 2015)

After becoming aware that I had probably not tackled my research interest in the best way, and it needed to be changed, I had to decide if I should proceed with studying the same research field. The most important question for answering if this research topic is still worthwhile studying is: "Why is it important to study organisational trust in the M/A process from the family firm perspective?". To come to an answer, I had to undertake a longer debate with myself in order to reflect on the pros and cons of continuing with the research topic. As the first study did not show many hints that trust in family firms is specific, it seemed economical and convenient to just end the research there and focus on a different research topic. Conversely, I realised that even after the disappointment of not finding any specific differences in family firms the topic is still relevant to me. Therefore, I want to further explore the specifics of organisational trust in FF M/A. I also realised that I still believe that there are family firm specifics like emotionality, risk-aversion and long-term orientation (cf. chapter 2.2) that might influence organisational trust in family firms, and which study 1 was not able to address, but should be further explored from my point of view. The reasons for this conclusion are described below:

First of all, I can see from my practical experience of working with family firms in my previous career that it actually makes a difference to family firms if they get acquired from another family firm. I personally experienced that there is something specific about trust in family firm M/A. The two references show that these were the reasons from the beginning, and that they still hold true.

> Excerpt from my assignment "Reflective Professional Development": *"Former experience that I brought in right from the start of my research is my knowledge about change management in organisations and knowledge about family businesses. Both pools of my professional experience showed me that the subject of organisational trust is especially relevant and important to family firms."* (December 2014)

Not only in the assignment, but also in the research diary I was already convinced at this point of time that the research topic was still relevant. For me, the question was how I should undertake the new research approach.

> Research diary: *"My professional experience shows that different dynamics work in family firms. There usually is more drama involved as family firm employees in particular are very emotional and attached to their employer. Therefore, I think that my research will be a contribution for them as well as for academia."* (December 2014)

Secondly, other people- from literature as well as family firm professionals- think that family firm M/As are special (and that the topic needs further analysis).
There is academic literature which suggests that family firms are fundamentally different from non-family firms, particularly with regard to organisational behaviour (e.g. Chrisman, Chua, & Litz, 2004; Gómez-Mejía, Haynes, Nuñez- Nickel, Jacobson, & Moyano-Fuentes, 2007). Family firms are usually risk-averse, do not like change and rely on a personal trusting relationship with the owner (Müller, 2013). In particular, employees' organisational trust in the owner tends to be a key dynamic in family firms and is mentioned by many authors (e.g. Eddleston & Kellermanns, 2007; Sundaramurthy, 2008; Ward, 2005; Gomez-Mejia, Cruz, Berrone, & De Castro, 2011). Therefore, I also argue that there is something specific about trust in FF M/A.

Furthermore, the family firm professionals I talked to think that family firms are special, as the below reference from the CEO of the company where the study was conducted shows:

> Memo of discussion with the CEO of my sample company: *"I am certain that it mattered to the success of the acquisitions that we acquired other family firms with similar values. I also think that employees stayed because they like our culture." (1.4.2015)*
>
> => Note to myself in my change log: *"How to better demonstrate his points (specific family firm values, culture) in my results!? How can I improve my approach?"*

This entry in the research diary shows me that I have already taken a step forward. I realise that the topic is interesting, but also that I do not have the right concept yet to fully explore it to the full extent.

Thirdly, another reason why I want to continue to study the topic is that I think that I have not exhausted all possible opportunities while conducting study 1, as I had to make a lot of organisational compromises with the company. I summarised this dilemma in an email excerpt to a friend. The mentioned compromises I had to make with company X, for example. In terms of the the research design and the questionnaire are also discussed in detail in the limitation section in chapter 4.3:

> Email excerpt (12.4.2017) to a befriended researcher*: "The survey of study 1 was designed jointly by the organisation and me, and I had to accept some iterations that the organisation demanded. I would not have received any data from them. The result of this was that I always had to compromise, which gives me a hard time now, as I e.g. can't do any cross-organisational analysis."*

If I had known better at the beginning of the research journey, I would have adopted a different approach in the first place. However, despite its reduced meaningfulness for academia, this study was still beneficial for me. It was an integral part of the journey to make the contributions that I did at the end. For example, without the results of Study 1, I would not know that organisational trust plays a crucial role in FF M/As. Without the results of study 1 showing that the levels of trust in family firms are exceptionally high, but drop during M/A, I might have not considered further exploring trust repair.

Research Philosophy: The gradual shift from a positivist to a more interpretivistic research approach.

While I was thinking about the changed research approach towards exploration, I also realised that the research philosophy gradually shifted. This means while reflecting, I realised that an interpretivistic approach is more appropriate to research the topic of trust, because what really matters for the research project is to understand how employees perceive the integration process, how they experience living through the merger, working with the new firm, and how that corresponds with their trust development (or its changing nature). This means that the employees are invited to share their lived experience. So for me it gradually became more important to understand a different viewpoint when exploring trust in a change process: **How** do employees experience trust in the specific context of FF M/As? I realised that one can better understand how trust is constructed from the interpretation of the employees. This means that it is particularly important to understand how they see the integration process and how they lived through the merger experience and how their trust developed in that time. As such, the focus of the research is on understanding the social world through the interpretation of that world by its participants (Bryman & Bell, 2011). Hence,the qualitative interpretivist approach offers a more appropriate and helpful world view from which to address the research aim. This means that the focus of the research shifts to developingunderstanding and meaning.

I have started to believe that one cannot objectively determine and measure trust with certain attributes and methods; but rather perceive that trust is socially constructed. As each person's experience is unique, it is not an absolute reality, but socially constructed (cf. Bryman & Bell, 2011). Talking to the employees in the interviews triggered this belief as I experienced firsthand that each interview partner had a slightly different perspective on the M/A process. With this new approach, I became more aware that I had a more interactive role as a researcher, I asked the interviewees about things they may not have otherwise reflected on. So the role as a researcher is different with this interpretivistic approach (cf. Bulpitt & Martin, 2010). It is the researcher's task to read between the lines of what interviewees say, to understand their meaning and the context of their articulation, as well as the words themselves. I appreciate that quotations are subjective interpretations, i.e. they are the own personal interpretations of what is important. For me this also means that my role became more interesting. But this was a shift over time and it did not happen overnight. This means at the beginning of the research I had a rather positivistic perspective, which lay in my professional background as a data-driven consultant. This also means I faced challenges as a new qualitative researcher, as I unconsciously was still influenced by my previous positivist world view. This can be seen, for example, in the first choice to use thematic analysis to remain structured, this reflects the need for rigour as I previously perceived qualitative research as 'too loose'. This means I only gradually become more interpretivistic in the research journey – and the perspective and skills related to qualitative research developed gradually as part of the unfolding of the research process.

The next steps: A new literature as well as methodological approach

This means that in the following, I will concentrate on the lessons learned and consider how I can improve the study approach further in order to be able to explain more. The next steps of exploring trust can be divided into this new contextual, as well as methodical, approach:

New literature approach: Analysing trust processes in family firm M/As deeper

After realising that the literature review (cf. chapter 2) was considering the question from the wrong angle (the research approach was too static and was concentrating too much on trust antecedences and consequences), I will now focus on understanding trust as a process in family firms better. I will particularly explore the nature of organisational trust in a change process and will put the specifics of the family firm culture in the foreground. This aligns with my supervisor's advice as she also had the impression that the real benefit of the results lay in the field of trust processes:

> *Email from supervisor: "I generally felt that many of your most significant findings seem to come in the section where you describe the development trust in family firm M/A – this is the point with which your findings deviate from what we already know from literature." (20. 2. 2016)*
>
> *=> Note to myself in my change log: "This is the part that talks about the process of changes in trust during FF M/A. Maybe I should dig*

deeper here? As there is rarely any literature about this, I have to find to find other ways to explore this matter."

After realising where to dig deeper, I was conducting more research and found further interesting aspects in articles about the trust development and, especially, about trust repair that seems to be promising for this topic (particularly Gillespie & Dietz, 2009). The focus of this second literature chapter will be on discovering deeper underlying family firm specifics in the organisational trust process. As other researchers have rarely evaluated family firm specifics from this angle yet, I am confident that this new literature approach (that will be described in chapter 6) helps me to contribute to the research field.

New methodological approach: Decisions about the new study approach

As the decision for a changed research focus goes hand-in-hand with the choice of the research philosophy and the research methodology, I must consider whether the chosen methodological approach is still valid. I concluded that I have two premises for analysing trust better than I did with the first study. Writing the reflective assignment was a true milestone for me, as this assignment helped me to channel my thoughts and to discover what kind of methodological approach I really wanted.

Premise 1: Explore trust in a qualitative manner

I learned along the research process that it is better to explore trust in a qualitative manner. The qualitative method proves to be particularly well suited for the intangible construct of trust. According to Schweer and Thies (2003), qualitative research procedures are generally a common method for studying organisational trust. This applies in particular when the goal is to shed more light on unexplored aspects of the trust phenomenon, such as exploring the trust process in change processes. But coming to this conclusion was a gradual shift in my thinking and took time. When looking at the notes in the research diary and the change log, I realised that my mindset about methodology changed throughout my research journey.

When I first started with my doctoral thesis, I only wanted to conduct quantitative research. The reason for this lay in my professional background as a consultant. Also, the emphasis of university education in psychology was about studying quantitative methods.

The below excerpt of the notes of my self-introduction at the first taught module illustrates my quantitative focus:

> Notes of my self-introduction at module "Reflective Professional Development" (keywords): *Strengths of my university education = Statistics, Psychodiagnostics and Psychological Assessment. (…). Strengths of my consulting experience: Management Diagnostics, Employee Surveys, and HR analytics." (9/27/2013)*

Visiting the different classes in the first two years of the doctoral programme made me more aware of qualitative options. Nevertheless, I was not open for a change of methodology at this point of the research journey as the below note shows:

> Research Diary: "*Having a suitable family firm for conducting my research is a big asset, and an employee survey is a good means to study trust. It would be a pity to let this opportunity go after all the work I have already put into building this relationship with the company."* (May 2014)

Looking back, I think I was unwilling to completely change the study (aside from the above). The reasons for this were plentiful. Firstly, I was still unable at this point to see the value of qualitative research. Conversely, I must admit that I still had a fear of letting go of methods I know better, and a fear about issues of rigorousness. The wording 'the best of both worlds' – shows that I was just starting to think about the benefits of qualitative research but was yet to really understand the issues of compatibility that I came across later on. It was only in the process of analysing the survey results and realising the problems that go along with it, that I decided to give a new method a try as the below shows:

> Research Diary*: "I am thrilled to have survey results that suit my research question. These results allow some clear statements. However, I am worrying that they might not be interesting enough. I still need to figure out where the contributions lay, which worries me. Let's see what my supervisor will say when we are discussing the results. I am very keen to get her feedback on this, but I am also afraid that she will say that the results do not give enough input for a dissertation." (December 2014)*

=> Note to myself in my change log: *"Discuss with supervisor how to make the results more meaningful – or what I should add to make it more interesting. Long term study or qualitative interviews?" (13/12/2014)*

This new thinking is already reflected in the assignment that I submitted in the same period:

> Excerpt from my assignment for module "Reflective Professional Development"*: "The methodological fundamentals course was very interesting and an eye-opener for me. It brought up topics that I did not know before. I learned that there are different ways of knowing, and different levels and types of truth in the world. Coming from a psychologist background with empirical, quantitative research, I suddenly discovered other ways to do my research. (…) Trust is such a soft and intangible topic, and not everything can be measured by a survey, so interviews will be a great additional approach. I do not have any experience with working with qualitative data, but I am keen on learning it. I will broaden my horizon by giving a qualitative approach a fair chance. Listening and talking to affected employees in particular will be interesting for me."* (December 2014)

As described, it was a long process to make up my mind about the right research approach for analysing trust in times of change in family firms. But after the decision to explore organisational trust qualitatively, I am confident I am on the right track.

Premise 2: Explore trust in a practice-focused and applied manner

Furthermore, the second premise for exploring trust in family firms with a new approach is that it should still have practical value for my professional work life. This is, of course, a personal reason that is independent from general academia, but nevertheless important to me.

The statements below show that the goal is that the research should be designed in such a way that it also helps me with my professional life.

> Excerpt from my assignment for module "Reflective Professional Development": *"Maybe because of my consultant background, I realised during my research journey that I am very result and application-*

orientated. That is why my dissertation should have a practical component and should also be of value for my professional work life." (December 2014)

A reason for this premise lays in my background, and the purpose I started with the thesis in the first place. I began the dissertation in order to gain knowledge, and to further work in the interface of change management and consulting of midsized businesses, as the below statement describes.

> Excerpt from my assignment for module "Reflective Professional Development": *"After finishing my thesis, I want to continue to work as a change consultant. (...). The knowledge I gained during my research of merging family firms helps me in my professional life as a change consultant as it broadens my horizon. (...). I think that the dissertation will help me a lot for my future work life and will support my career development". (December 2014)*

For me, having a practise-oriented research approach concretely means that I want to talk directly to the concerned employees, and that I want to interview them in order to learn more about their situation. That is why a semi-structured interview approach with employees from all levels sounds promising to me. This hopefully helps me to gain research results that are of practical value for me as a practitioner.
I am confident that this new approach will help to get to the core of family firm specifics in organisational trust.

Furthermore, the programme change from DBA to PhD in March 2017 shows the desire to have the research designed in such a way that it also helps me with my professional life. I know that it begs the question "if I am so practise orientated, why did I switch from DBA to PhD?". But despite what one could conclude, the programme change is not primarily related to the question whether I am practise focused or not, because the programme change was for other more practical reasons: the reputation of the degree. The DBA is relatively new and globally not as well-recognised, as I personally experienced. I particularly realised this when I was relocating to Asia, where I now live and work. Here the title of DBA is relatively unknown, which is why I had the impression that this degree might limit me career-wise later on. Conversely, the Doctor of Philosophy is a globally recognised degree that is the traditional qualification for academic researchers, and therefore more self-explanatory. This is the reason I concluded that a PhD could be of greater use for me.

Nevertheless, I struggled with the decision to change programme. As the note below in the research diary shows, it was not easy to decide what was the most important for me and my career development.

> Research Diary: *"Should I change my research program or not? Most importantly: I want to have results that are applicable in practice and in my real life.*
>
> *Conversely, I want to make the most out of my degree for my professional work life. I believe that, for my research approach, both are actually possible and alright!!!" (February 2017)*
>
> => Note to myself in my change log: *"Discuss with supervisor what her perception is. Can I study real world problems as well in my PhD?" (13/12/2017)*

But as the comment shows, I believe that the applied research approach is still a balance between a practical focus on real-world applications and the more theoretical approach of the PhD. While I am primarily focusing on researching specifics of family firm M/As, I also desire to seek solutions to current problems for my professional life. This shows that, despite the programme switch from DBA to PhD, my practitioner focus is still important to me, and I subsequently want to explore trust in a practise-focused manner especially by talking to employees. In chapter 7, I describe how I incorporated this practise-focused approach into the interview methods.

Conclusion:

A quick reiteration of the reflective thought process. After conducting research study, I faced a dilemma. The results proved a general theory of organisational trust, but rarely discovered anything specific about organisational trust in family firm M/As. I realised that I might have chosen an unsuitable approach for studying trust in FF M/A. Nevertheless, I still concluded that the question is relevant and came to the decision that there should be more family firm specific elements of organisational trust in change processes to discover.

The new challenge is how I can better address the research interest about family firm specifics. I developed a plan to better explore trust in FF M/A. The next steps will be a new literature approach, as well as a new methodological approach. I will first look at new literature about the development of trust processes. The next goal is to then produce a new and 'better-suited' research question. Methodologically, I will start to explore trust in a qualitative, as well as practise-focused, manner in order to receive instructive answers.

6 Literature Review 2: Exploring organisational trust repair

As described in the reflection chapter I realised that I was approaching the topic from an inappropriate perspective in the literature review (cf. chapter 2), as well as in the first research study (cf. chapter 3). I was concentrating too much on trust antecedences and consequences instead of the more application-oriented question of how trust can actually be repaired in organisations. The initial findings from study 1 of shifted the focus to trust repair. The levels of trust in family firms were initially exceptionally high but dropped during the M/A process. As trust is important in family firms, it is also particularly important that trust is repaired. Hence, I decided to change the research approach to organisational trust repair literature. I aim to consider how far this is already researched in family firms. The next goal then is to develop a new and better-suited research question for the new research approach that will help me to address the application gap. This literature review differs from the first one because I am looking at studies which answer 'how' questions about trust, such as how trust develops and how is trust repaired. I rigorously try to stick to the research question, and to only look at the intersections of research of organisational trust repair in times of change (like M/A). In general, there is only sparse theory or research on the processes of trust destruction and repair at the macro-level like the organisational level (Dirks, Lewicki & Zaheer, 2009; Kramer & Lewicki, 2010). Instead, research to date has focused largely on trust repair at the interpersonal or group levels. Yet research suggests that the processes of trust repair are different at the organisational level compared to interpersonal contexts (Gillespie & Dietz, 2009) because one needs to approach the trustee in a different way (in a group on the organisational level in the working context). This is the reason I excluded everything from interpersonal trust and non-business contexts and only included from organisational trust contexts and change/MA contexts. I am aware that drawing a clear line is not very explorative, but felt that it is more important for me to clearly focus on the research question.

Organisational Trust Processes:

As already said in the first literature chapter (cf. with chapter 2.1.1) in the present work, the following definition of trust is used "...a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" (Rousseau et al., 1998, p. 395). This definition of trust as a psychological state is generally accepted and used by a lot of authors (such as Mayer et al., 1995; Rousseau et al., 1998; Graeff, 1998). Studies operationalise trust as rational-choice behaviour, such as cooperative choices in a game (e.g., Deutsch, 1958; Komorita & Mechling, 1967; Hardin, 1993) or as a disposition (Rotter, 1967) were excluded because of their one-dimensionality.

In what way the trust definition and the underlying concepts can be applied to the specific context of family firm M/A processes, is not yet clear at this point. One can assume though that family firm employees undergoing a FF M/A process are more vulnerable when their relationship with the firm is challenged (as would happen in a merger). It is also not clear yet how family firm employees will react, if these positive expectations are violated in the FF M/A process – it could be that employees' trust stays at a relatively high level,or it crashes, or is moderated in some fashion.

Defining trust as a psychological state is valuable for the research because I am specifically concentrating on change processes. A state is not fixed, but has the potential to change (Lewicki, Tomlinson, & Gillespie, 2006). Also, the definition of trust as a state shows that the assessment of a situation of trust depends on the current perception of the trustor and the psychological state (s)he is in—and not on hard facts (Klaussner, 2012). According to Schoorman et al. (2007), trust develops over time. According to Lines (2005), trust in management (related to organisational trust) is seen as a semi-stable psychological state, but changes in organisations that make trust issues salient, and organisational members attend to and process trust relevant information resulting in a reassessment of their trust in management.

Organisational trust in change processes can be reinforced by positive events, but also withdrawn as a result of negative events (Korsgaard, Sapienza, & Schweiger, 2002; Lines, Selart, Espedal, & Johansen, 2005). However, the latter usually occurs in change processes like M/A processes (Steinmeier & Jöns, 2011). One explanation why changes are critical for the existence of trust is that they are perceived as being risky (McLain & Hackman, 1999). High-risk processes can lead to insecurity of employees e.g. through their growing complexity (Kiefer, 2002) and the fear of losing something that has been already achieved (see Prospect Theory (Tversky & Kahneman, 1974)). Every change also means the loss of known structures, tasks and position. Change causes uncertainty. The results of a study by Bordia et al. (2004) indicate that uncertainty had a direct and an indirect (via feelings of lack of control) relationship with psychological strain, which can also lead to a change of trust.

Trust literature typically takes an individual, psychological perspective on interpersonal trust development, such as in the transformational model from Shapiro, Sheppard, and Cheraskin (1992), which asserts that trust has different forms that develop and emerge over time. But on an organisational level, which is the focus of this research, there is very little work which has looked at the process of organisational trust development (Lockey, 2017). In their assessments of the progress of trust research, Schoorman et al. (2007) stress the importance of studying and describing the evolution of trust over time and call for studies of organisational level trust.

Although there is some recognition in the literature that trust in itself is a process Khodyakov (2007), longitudinal empirical investigations are scarce. Inkpen and Currall (2004) examined the evolution of organisational trust in joint ventures. In his study on an organisational level, Graeff (1998) shows that the employees' trust perception varies depending on how an organisation treats its employees. As family firm are known to be high-trust environments (Kets de Vries, 2009), treating their employees well, this study can be especially relevant for family firms. Trust particularly decreased in ambiguous situations when working processes changed (Graeff, 1998). So, according to Graeff (1998), organisational trust is not a disposition, but develops in a process and can be changed. However, Graeff's study did not take place in a major change setting, but he was rather evaluating small changes in the working conditions within an organisation.

As the research focuses on organisational trust in M/A processes (cf. Steinmeier & Jöns, 2011), I will now focus on two key trust processes in times of change: how trust is lost, and how it can be repaired. This section is an assessment of the state of the literature about trust loss and trust repair, as studied by Gillespie & Dietz (2009).

How is organisational trust lost?

An organisation can demonstrate its trustworthiness through the technical competence of its operations, products and services (ability), its positive motives and concern for its multiple stakeholders (benevolence), and honesty and fairness in its dealings with others (integrity). But a deficiency or abuse of any of these attributes, in the form of a scandal or failure, can lead to broken trust (Gillespie & Dietz, 2009). This loss of trust can lead to unfavourable outcomes for organisations at both micro and macro levels (cf. Dirks & Ferrin, 2002; Lockey, 2017). Indeed, employees may engage in obstructive or rebellious behaviour (Bies & Tripp, 1996), psychological withdrawal, or may withdraw from the organisation entirely (Robinson, 1996). Lost organisational trust especially matters in threatening change situations, such as enhancing survivors' ability to cope with their fears and emotions during layoffs (Mishra & Mishra, 1994), in enhancing resilience (Harvey, et al. 2003), and in coping with cultural changes like M/As (Steinmeier & Jöns, 2011).

But how does a trust loss occur? The level of uncertainty and the vulnerability experienced by organisational members during change leads to a processing of trust-relevant information by the employees. This in turn leads to an increased salience of the trust relationship, as trust becomes more relevant for the employees in this situation. Based on this information processing, organisational members reassess their trust in management and in the organisation (Bordia et al., 2004; Lines et al., 2005). If this assessment comes to the result that the negative expectations of the employees are indeed realised, and the employees feel harmed, organisational trust can be considered as being no longer justified. As a result, it may decrease or may even be withdrawn. Some researchers argue that this is particularly the case when the psychological contract between employees and the organisation is not fulfilled. The term "psychological contract" describes implicit expectations of employees and employers as part of the working relationship, which go beyond the employment contract (Rousseau, 1995). If the employer undertakes major changes such as mergers and acquisitions, this may be perceived as a breach of the psychological contract and therefore lead to a loss of trust by the employees (Wagenblast, 2013; Steinmeier, 2011). Furthermore, organisational trust may continue to decrease and be difficult to repair if employees do not identify with the changed organisation after the merger has been take place, but still grieve their former organisation (Maguire & Phillips, 2008).

Acts that lead to a reduction in trust are generally classified as either competence-based violations (e.g., the trustee displays a lack of ability or skill) or integrity-based violations (e.g., a trustee shows a lack of integrity, such that they act immorally or for self-gain) (Dirks & Ferrin, 2002; Kim et al., 2004; Dirks et al., 2011). The "violation" within these acts relates to the fact that the trustee's behaviour or assumed intention violates a trustor's expectations about their trustworthiness (ability and integrity beliefs) on which trust is based. Of the two main types of trust violations, a lack of integrity is thought to be most detrimental to employee trust and the hardest to repair (Reeder & Coovert, 1986). This is because a single act of honesty would not be considered a reliable indicator of integrity since both honest and dishonest people may engage in these acts. However, a single act of dishonesty would be considered indicative of low integrity as only a person with low levels of integrity would act in a dishonest way. Therefore, and in contrast to competence-based violations, integrity-based violations have a stronger impact on trust and are typically harder to repair owing to the different ways in which people process positive and negative information. M/A processes could be seen as integrity-based violations. They might be perceived as betrayals from employees since they destroy the company's long-term orientation. But even if authors (such as Steinmeier & Jöns, 2011) say that organisational trust decreases during the M/A processes it is not clear yet from the literature if they really violate organisational trust.

One problem I faced when researching literature about trust loss/trust repair was that the terminology was not consistent. Some authors speak of loss of trust and some speak of trust breach, but the differences are not clear in literature. Also, in the research I found it hard to concretely distinguish between the two. Nevertheless, I try to give a rough differentiation.

When one talks about lost trust, or breach of trust, this means that trust is completely absent. A trust breach can appear in an instant after a trust violation (Stahl & Sitkin, 2010). A breach of trust is experienced as an act of violation, a reneging upon previously agreed obligations (Robinson, 1996). As a result, employees may withdraw from the organisation entirely (Robinson, 1996). Examples of such incidents - Gillespie and Dietz (2009) call it organisation-level failures - include frauds, deceit, incompetence, exploitation of vulnerable people, and massive compulsory job losses. Another example for such an event could also be an announcement of job redundancies over the course of a merger. This can be especially seen as a trust failure in family firms since employees usually rely on safe jobs. This means that a trust breach is a - usually sudden - breaking point from which recovery is difficult (e.g. Grover, Hasel, Manville & Serrano-Archimi, 2014). According to Shleifer and Summers (1988), after an acquisition, especially after a hostile takeover, literature generally sees a trust breach taking place.

Trust decline, loss of trust or decreased trust mean a lower level of trust than before. It could be a little bit lower or a lot lower, but these terms imply that there is still a low level of residual trust, which can be rebuilt, as opposed to an absence. This decrease of trust seems less radical as it does not tend to lead to the whole relationship being questioned. For Wagenblast (2013), a loss of trust is when promises or perceived commitments in the sense of psychological contracts (Rousseau, 1989) are not met. For her, a loss of organisational trust is like a disappointment in a trust relationship that does not already mean an absolute trust breach has taken place. In her study, the decrease of organisational trust was initiated when expectations were constantly disappointed (in this case expectations particularly regarding career development and compensation). So, in her case, it is something which happens after a series of incidents rather than after a single event. In comparison, a trust breach that can happen in an instant after a trust violation (Stahl & Sitkin, 2010).

In their study about trust relations in management of change, Sorensen, Hasle & Pejtersen (2011) show that if low trust turns into absent trust, the result may be a “deadlock” that is difficult to break, so the trust repair is much more difficult. In their study, the management made many mistakes that resulted in a trust loss right at the beginning of a change process. Once trust was absent, even positive management intentions to repair trust ended up reinforcing negative and distrustful interpretations, so that trust could not be repaired anymore. It does not mean that trust cannot be regained after it has been totally lost, but it takes much more effort “to break the vicious cycle of distrust” and to build up, more or less from scratch, again than after only a reduction of trust. Even though this paper is helpful to show that different levels of trust decline need different strategies of trust repair, these strategies have to be described more clearly in future research.

This brief literature review shows that it is not clear in literature if M/A causes a loss of trust or a trust breach, and it needs to be researched more. Also, finding good M/A examples is very difficult as the companies do not allow lots of research. Open questions are whether there is always a trust breach after M/A and does the need for repair always occur after acquisitions. In general, I believe that we are only beginning to understand about the impact of trust loss as there has not been much research about it to date, especially not on an organisational level. Because of this lack of literature, I cannot clearly differentiate between loss of trust and trust breach in the M/A context. This is why I believe a loss of trust and trust breach are not distinct enough for the purpose of the research. This means that in the research I can only differentiate loss of trust and trust breach by the intensity of loss of trust. So, I am not saying that they are exactly the same, but for the reasons explained above, I will not differentiate loss of trust and trust breach in this literature. One can say that the more the whole organisation is put at risk, the more trust repair is needed. What strategies to use in order to repair trust will be discussed in the next section.

How is organisational trust repaired?

Research suggests that even broken trust can be repaired (Bottom, Gibson, Daniels, & Murnighan, 2002; Lewicki & Bunker, 1996; Mishra, 1996). Dirks, Kim, Ferrin & Cooper (2011) describe trust repair as a process in which a trustee is "attempting to increase trust following a situation in which a transgression (i.e. untrustworthy behaviour) is perceived to have occurred" (p. 88). Trust repair means re-establishing the trustor's positive expectations of the other party and, in turn, the "willingness to be vulnerable"(Kramer & Lewicki, 2010). But a trust repair is not easy (Gillespie & Siebert, 2018; Haselhuhn, Schweitzer, Kray, & Kennedy, 2017). In order to repair damaged trust, one needs to overcome confident negative expectations, as well as to rebuild confident positive expectations (Kim, Ferrin, Cooper, & Dirks, 2004). A cognitive re-appraisal of the relationship of employees to their organisation is required as employees need to re-interpret past and future actions. This is especially hard as humans have the tendency to avoid cognitive re-appraisal (After a trust failure, employees are very sensitive to trust clues (Kramer & Tyler, 1996), and pay more attention to negative than positive information. This can impede accurate sense-making and trust repair efforts (Gillespie & Siebert, 2018). These are all reasons why trust is difficult to rebuild.

Reducing the negative impacts on trust helps to maintain organisational functioning (De Cremer, Van Dick, & Murnighan, 2011). Trust becomes especially important when economic transactions occur under high risk and complex conditions (Currall & Judge, 1995) as it is the case in M/As. Trust infuses relationships with stability by transforming uncertainty into predictability (Doney & Cannon, 1997). Therefore, trust requires less monitoring and facilitates risk-taking (De Clercq & Sapienza, 2006). These are all reasons why an effective trust repair is important for an organisation after M/As. Lewicki and Bunker (1996) argue that given the prevalence of trust failures, and seriousness of the consequences, knowing how to repair trust has become a "critical management competency" for managers. But according to Bhide and Stevenson (1992), most organisations respond poorly to trust failures. So, despite this emphasised importance, there has not been much research that examined how to repair trust in a working context. Also, most studies regarding trust repair only consider trust at an individual, but not at organisational level (Lockey 2017).

How can organisational trust actually be repaired? Repairing organisational trust requires more than a single response and is complex. The strategy to repair trust can also depend on the intensity of the loss of trust (Gillespie & Dietz, 2009). In their study, Gillespie and Dietz (2009) discuss trust repair after an organisation-level failure, pointing out that a wide array of internal components (management practice, culture, strategy and structures), as well as eventually external factors, are needed for the trust repair process. They define the following two mechanisms for organisational level trust repair. The first mechanism, "distrust regulation", involves imposing constraints, conditions and controls on employees' conduct that are designed to ensure no reoccurrence of the failure. Interventions include new compliance procedures, an overhaul of deviant cultural norms, and the removal of guilty parties. But this is the minimum expected, and it is not sufficient for trust repair. The second mechanism is about "trustworthiness demonstration": In order to be able to build up organisational trust again, the organisation has to prove that it is trustworthy. Therefore, it is important that the organisation provides repeated, consistent signals as they are required to overcome cognitive bias towards negative and positive information. Statements and actions must provide compelling new evidence of the organisation's ability, benevolence and integrity, over and above the distrusted regulation reforms. Interventions include substantial investments in promoting trustworthy, ethical practice. The behaviour of organisational representatives affects the levels of trust, so it depends on the people leaders whether trust can be repaired, not on the systems. So, for trust to be repaired there needs to be interplay between formal policies and systems, and the behaviours of direct and senior managers that makes a difference to levels of trust. Trust must work on many different levels in order to re-establish trust in the whole company. Therefore, congruence amongst trustworthiness signals is required. In their approach, Gillespie and Dietz (2009) outline four stages of effective trust repair after a trust violation, which follow a simple chronological sequence: 1) The immediate response (in the first hours after the failure), 2) a thorough and systemic diagnosis of the causes and facilitators of the failure, 3) a comprehensive and targeted series of reforming interventions aimed at producing an organisational system that engenders and sustains trustworthiness, 4) regular evaluations of progress. Nevertheless, one needs to note that the trust repair model of Gillespie and Dietz (2009) considers trust repair especially after an organisation-level failure. Even if M/As are sometimes called trust violations or trust failures (Yan & Zhu, 2013), I am not sure if M/As can be really understood as an organisational failure. Problems behind organisation-level failures could be expected to affect the organisation at large, whereas M/As, while they may affect the entire organisation, are initiated and controlled by management - in the case of this research the family firm owners. The employees therefore focus their attention on the management of the firm and hold it responsible for a possible breach of trust. Therefore, this model might have limited value for the research.

In general, there is a need for further research to understand the topic of organisational trust repair during M/A as existing models do not offer enough explanations yet. Also, there is no relevant literature regarding trust repair after M/As to my knowledge. Furthermore, we have little understanding of how trust repair might differ across the public and the private sectors, as well as between large corporations and family firms. Therefore, it can also be interesting to see how contextual factors like family firm specifics can be accounted for organisational trust repair (Bachmann, Gillespie, & Priem, 2015), as I was unable to find any studies that evaluated organisational trust repair in family firms specifically. For the same reasons as described above, I do not think family firm M/As are organisational level failures, so the Gillespie and Dietz model might not be applicable for the research context. But it is generally not clear yet how organisational trust will develop in family firms in times of crucial change, such as in the case of M/As. It is also not yet clear whether family firms are more likely to lose their advantage of being a high trust environment during the uncertainty of a major trust change. Conversely, perhaps trust does not decrease very much as it is usually at a high level in family firms. To understand the connections of trust repair in FF M/As better, more empirical investigations is needed.

6.1 Summary and Research Intention

Following Study 1 that indicated that trust repair is needed after M/As but the underlying processes where not clear yet, the goal of this literature chapter was to take a deeper look at organisational trust in change processes, and to concentrate on the aspects of trust repair at the organisational level.

There is barely any research about organisational trust repair in family firms. But as family firms are known as high trust environment that do not like change, it could be interesting to research trust repair in this context. Furthermore, as we have little understanding of how trust repair might differ across different sectors (Bachmann, Gillespie & Priem, 2015), it can also be interesting to see how contextual factors like family firm specific characteristics influence trust repair. This can also be especially relevant because of the increasing number of FF M/As (cf. chapter 2.3).

Therefore, I want to discover more about the development of organisational trust processes and organisational trust repair in M/A processes in family firms. As there is hardly any research about this intersection of the fields of organisational trust, M/A processes and family firms, the approach is explorative.
Along with that go the following questions: How does a M/A process lead to an organisational trust loss in a family firm? How can one repair organisational trust after family firm M/As? As there are a lot of open question and not much research on this topic, the research on this needs to be explorative. Hence the research question is **"How do the specific circumstances of family firms impact organisational trust in M/A processes?"**

7 Study 2 (Qualitative analysis) methods

As described in the reflection and in the second literature analysis, I decided that I wanted to better understand how organisational trust develops as a process in family firm M/As. I am therefore more explorative. The subsequent research objective is to specifically examine the family firm context. By conducting qualitative interviews, in-depth knowledge of the unique circumstances that influence trust in family firms that have undergone M/As should be gained, and open questions should be asked.

After describing the approach of data collection and data analysis, I outlined the context of the research in detail. Then, most importantly, the interpretation of the findings follows. The last section of this chapter gives a summary of the key conclusions.

7.1 Approach of data collection

The qualitative approach allows me to capture data on “the perception of respondents in the context of their setting, through a process of attentiveness and empathetic understanding” (Miles & Huberman, 1994, p. 6). So, in the present study, qualitative research allows me to get a deep understanding of the personal views of family firm managers and employees about the family firm acquisitions, etc. That helped me to develop an in-depth picture of the stories behind each relationship, and thus very detailed, rich qualitative data was collected. This is especially important to help me to answer research question 2, where I want to further explore how the specific circumstances of family firms impact organisational trust in M/A processes. Also, as the approach of studying family firm M/A under the lens of organisational trust is an applied topic, it is important to me that I explore trust in a practise-focused manner. For me, having a practise-oriented research approach concretely means that I want to talk directly to the concerned employees and ask as many deep questions (how-/why- questions) as possible (e.g. cf. Creswell, 2008). That is why I chose a semi-structured interview approach with employees from all levels. As I am exploring organisational trust in the integration process, I now try to better understand this process. In his influential methodological essay about process perspectives, Andrew Pettigrew (1997) talks about how time, context and agency are important when understanding processes. Therefore, I will also try to consider these dimensions when analysing the development of trust during the integration process. This means that, during the interviews, I will especially pay attention to comments regarding timing in the trust development as well as the stakeholders in the process and the specifics of the family firm.

I begin by describing the choice of interviews as a qualitative research method in more detail in section 7.1.1. Later in this section, the data collection method and procedure is explained.

7.1.1 Interviews as Research Method

Conducting interviews is the most widely employed method in qualitative research, and is attractive to researchers because of its flexibility (Bryman & Bell, 2015). Using interviews for this thesis allowed me to pick up on the interviewees' responses and to ask new questions – especially about the trust process and judgements about trust. It is an effective way to be explorative. The aim was to get a detailed and deep picture of the interviewees' perceptions in order to gain new insights from the data. Semi-structured interviews facilitate this aim. As Silverman (1997) stresses, qualitative interviews provide us with a means to explore the points of view of our research subjects. This is an especially helpful and valid method for exploring trust processes, as trust is something intangible and on a deeper level (e.g. Schweer & Thies, 2003). Therefore, I decided to use semi-structured, one-to-one interviews. I chose one-to-one interviews because the interviewees can better talk about their experiences of the acquisition in this private and personal setting (Flick, 2000). The semi-structured interview form provides some direction, but still leaves enough room for flexibility (Flick, 2000). Importantly, the use of an interview schedule increases the comparability of the data, as well as providing structure for the data. The structure guarantees the consideration of essential aspects of the research question. Conversely, this form offers flexibility in the order of the questions. Interviewers decide for themselves if and when they ask in detail and follows the detailed descriptions of the interviewee (cf. Flick, 2000).

Through the interview session, the focus was on discovering the experiences of the FF to FF M/A, especially about the development of organisational trust in this context. Therefore, understanding the points of view of the research subjects helps to dig deeper into their M/A experience, and provides more profound answers to the research question. The advantages of this method are that participants can provide historical information, and that it allows me to contextualise the line of questioning (Creswell, 2013), which allows me to fully explore the topic from the respondents' perspectives. As Denzin and Lincoln (2005) argue, an interview is a conversation; it is not a neutral tool, for at least two people create the reality of the interview situation. I gained historical and in-depth information about the successful and unsuccessful examples of FF to FF M/A with a clear focus on their organisational trust by asking actors from the acquiring as well as from the acquired side. From my experience of conducting the research, this was useful because it allowed be to dig deeper and to better explore trust as I was able to do in study 1. One benefit of me being explorative is that I sometimes pick up questions in the course of what somebody is saying during the interview. One example of that is that most interviewees of Company B mentioned a special remarkable event for the company (a dispute between the owner and his brother-in-law, who worked for the same company). This is why I asked deeper questions about this event, as I realised this was important for the company's history. Learning more about this incident was especially helpful to me as it taught me more about the development of organisational trust within the company.

In general, the qualitative method proves to be particularly well suited for the intangible construct trust. For example, the interviewees can be more particular about their feelings. This enabled me to explore trust and to find out more about trust as a process, which was not possible in the quantitative study.

Despite all the insights that were provided by the qualitative data, this method also has its natural boundaries. The interviewees will make choices about what to mention during the interview. Their story will not contain complete information, but is only their understanding from their perspective, and probably contains biases. Self-reports of family firm members in particular make their findings especially prone to social desirability bias (Meglino & Ravlin, 1998). They want to protect the firm's reputation and decisions of family firm members. As a researcher, it is important to also have this in mind when interpreting their answers, and to be cautious to generalise specific answers (cf. eg. Wagenblast, 2012).

The details of data collection procedure and the rationale behind them are explained in the following section.

7.1.2 Data Collection Procedure

I conducted 21 interviews. Data collection started in July 2015 and ended three months later, in October 2015, after I was constantly faced with repetition in my answers. To recruit the sample, I relied on a personal network of family firms I had from my former career as a consultant. Knowing their companies' history, I approached the current owners of company A and B and obtained their approval to conduct research in their companies. The main reason for selecting exactly these two acquiring family firms was that their acquisitions took place in the right time frame for the research: The integration phase started not too long ago, so that interviewees still have fresh memories. However, it was long enough ago that the interviewees can already judge the acquisition's consequences, which is important for the research as I am interested in the trust development of the post-merger process as well. Section 7.2 describes the context of the research in detail.

It was important to find participants with the relevant knowledge about the topic, which increased the quality of the data, providing rich and reliable information. It was also important for me to examine different angles in order to get a balanced picture. Therefore, I tried to recruit interviewees from diverse backgrounds to combine different perspectives and enrich the picture. These differences included seller vs. buyer, different acquisition forms and job departments, differentiation between blue and white-collar workers, etc. The interviewees were suggested by the current owners based on these criteria. As they were explicitly chosen by the owners, one can assume that there is a risk that the answers of these interviewees are biased somehow when it comes to judging the new owner and their colleagues. However, when conducting the interviews, I experienced that those I interviewed also had critical views about the owners and their decisions. That is why I believe I did not experience any biases from the selected interviewees. Another means to reduce the impact of the mentioned potential bias is that I contacted the potential interviewees independently via email to arrange the interviews after getting their email addresses from the current owners of company A and B. The owners informed them about the request before, though, so nobody was caught by surprise. By sending the participating request to the potential participants, the research aim was clarified, and they were informed that the only purpose of the interview was for supporting the research, and it would not be used for any other purpose. They were provided information about the confidentiality of the interview contents and were also informed that I would like to make an audio file recording if they agreed, otherwise alternative methods such as note taking would be considered. All the respondents confirmed their interest in participating by email. The following interviews were mostly scheduled at off-peak hours in order to avoid interruption. The interviews lasted for an average of an hour and were conducted over the telephone. The inability to read body language is a major disadvantage of not having a face-to-face interview. If one can see the interviewee, one can ascertain whether the interviewee is interested in the questions asked. With a telephone interview is it very hard to make a judgement on how attentive they are. But in weighing up the advantages as well as disadvantages of performing interviews on the telephone rather than in person, I decided for the telephone approach as it is the most pragmatic research approach for me. Also, I decided to apply telephone interviews as I realised after two pilot telephone interviews that this approach works well for me: I got a lot of valuable insights from the interviewees.

Developing of the interview questions by using a research framework

Before I started to design the interview schedule, I made a guideline for its theoretical framing. As the research framework (see table 1-20) shows I developed interview questions guided by a list of aims derived from gaps in the literature, after first clarifying what the objectives were given the research question. The interview questions were developed as a reponse to the literature, as well as through a review with practioneers. The resulting set of questions are meant to be a guideline. I asked broad questions about the respective themes (family firms, mergers/acquisition, FF M/A, organisational trust, as well as the development of organisational trust). The interview schedule can be found in the appendix.

Aim	Gap in literature	Objective	Asked in question...
Exploring family firm characteristics	see ch. 2.2.1, characteristics of family firms => literature suggests that family firms focus on socioemotional wealth, such as long-term orientation (Graves & Thomas, 2008), risk-aversion (Anderson et al., 2003), collective family values (e.g. Siebke, 2015) and identification (Sieger, 2011), but there is rarely any research yet in the context of FF M/As	The objective is to explore the "Specific circumstances of family firms" (see RQ 2)	**2. Before we talk about the acquisition, can you tell me, what is it like to work for a family firm?**
Analysing how the organisation managed the integration process exploring the employees' reactions concerning M/A process/ the integration process	see ch. 2.1.1 Organisational trust in change processes; 2.1.2 Organisational change: Mergers and Acquisitions (M/A); to rate the success of an acquisition, "soft factors" like the employees' reaction are crucial (Epstein, 2004), but there is rarely any research yet in the context of FF M/As	The objective is to explore the employees' reaction in the "M/A processes" (see RQ 2)	**3. Can you tell me about how the acquisition came about?** **4. Can you describe the integration process?** **5. Can you describe the employees' reactions concerning the integration?**
Exploring the characteristics/specific circumstances of FF M/As	see chapter 2.2.2 M/A in family firms, despite the mentioned rising importance of Family Firm to Family Firm M/A from some authors like Kachaner et al. (2012) and Ahlers (2017) there has not been any empirical research on this topic	The objective is to explore "the specific circumstances of Family Firm M/A processes" (see RQ 2)	**6. What difference did it make for the integration that both merging companies are family firms?**

Table 1-20: Research framework

At the beginning of the interview sessions I thanked respondents for their participation, repeated the conditions of participation and then recorded the participants' reconfirmation about using the audio tape recorder. There were no cases where the participants objected to using the recorder during the conversations.

In the semi-structured interviews, the participants were asked questions related to their experience of the family firm M/As, with the focus on specific circumstances that influence trust. I had a list of questions, mainly focussing on the integration process (the integration process is the entire process of the acquisition, starting with the negotiations between the companies until the total completion of the integration), and especially how trust developed during the integration process. Prior to the main questions about exploring trust in the M/A process in family firms, some background questions were asked, such as the role of the interviewee in the organisation and especially during the acquisition. The basic ice-breaker questions at the beginning of each interview (e.g. "Can you tell me of how you came to be in this role?", "What were your tasks?", "How much of your time did it take up?") made respondents more comfortable in answering the rest of the questions during the interview session, because that led the conversation into a trusting relationship between the interviewee and me. As this is the context I am interested in, I asked about the specific circumstances of working in a family firm as well as about Family Firm M/As (e.g. "What difference did it make for the integration that both merging companies are family firms?"). I then asked them to describe the integration process precisely. After warming up, I tried to lead the respondents in the direction of exploring the less tangible topic of organisational trust during the integration process. For example, the question "In your point of view, did employees' trust change in the organisation during the integration process? If yes, why and in what way?" revealed much about the employees' trust journey (cf. chapter 8) (see also appendix for a full list of interview questions). While interviewing, I did not rigidly follow the list, but instead varied the sequence as I picked up on particular things said by the interviewee. This gave me the chance to clarify the questions and answers, and also ask new questions, following up interviewee's replies through the interaction between the participants and me in order to get a rich picture of each interviewee. In general, this open approach was very helpful for me to explore organisational trust in the M/A process, as I often received unexpected answers. At the end of the interview, all of the respondents indicated that all relevant topics were covered ("Are there any other issues we haven't covered yet, and you would like to mention?").

In general, this open approach was very helpful for me in order to explore trust in the M/A process, as I received unexpected answers. One example for this was that I did not expect to hear about an observation period of organisational trust (cf. section 8.2). Overall, I did not find it easy to ask employees about organisational trust. The participants sometimes had a different understanding of organisational trust, and talked about their trust in a specific person, such as a co-worker. In this case I sometimes used prompts in order to guide them towards organisational trust again. If they kept talking about their trust towards a specific person (e.g. a customer) instead of organisational trust, then I did not consider it in the analysis. Nevertheless, I believe that the questions and questioning technique worked well for me in general.

The same generic version of the interview schedule was used for all interviewees. However, I adapted some of the prompts during the interviews depending on the interviewee's role (owner vs. employee). For example, one prompt that was more directed to the owner/management was "What was your one key message to your employees about why they should support the acquisition?" vs. "What was the key message why you should support the acquisition?" for the front-line employees. As already mentioned, I interviewed employees from different managerial levels. In the context of trust relationships, their higher hierarchical position may give them a different perspective that affects the statements (e.g. a better insight into the decision-making process of the owner during the FF M/A through increased contact). Therefore, it can be assumed that some trust-related topics are valued differently by managers, resulting in a greater variety of the findings (cf. Wagenblast, 2012). As the interview questions clearly focused on organisational trust, questions regarding interpersonal trust relationships between management and staff were not evaluated. The inclusion of different levels of hierarchy can be seen as an enrichment of the data as it gives a broader picture of the topic (e.g. Wagenblast, 2012).

In the interviews, I perceived the interview atmosphere between the interviewees and me often as very pleasant. This suggests that respondents were very open in their feedback, which was the aim of the interviews in favour of an open discussion attitude. The interviewees described the investigation topic as relevant and interesting, and in some cases a reflection process was triggered by the conversation (e.g. interviewee A1 16: "So in this respect the conversation itself was eye-opening for me"). This experience was also beneficial for the research, because the more interested the employees seemed, the more open they were towards the questions.

The interviews were conducted in German. As I did the research in German companies, it was beneficial for me that also the interviews were conducted in German. It was good for the discussion that employees could describe their feelings to me in their mother-tongue. An obvious disadvantage of this approach is, that this made the whole data analysis more time-consuming as I had to perform translations. The translation process is described in section 7.3. But for me the positives clearly outweigh the negatives.

7.2 Context of the research

The previous section described the data collection approach of the qualitative data. Now this section aims to explain the context of the companies and participants in the acquiring and acquired family firms.

Both examples are German mid-sized family firms. At the time of the interviews, all of the acquired companies had been fully integrated into the acquiring mother companies. Since companies and interviewees with different profiles were chosen this enrichened the picture. I also chose two different samples for the benefit of a wide variety. One sample company is big (~4.000 employees), the other sample company is small (~150 employees). One sample company belongs to a bigger owner family (~200 family members), the other one has only own owner directly. One company has a lot of experience with M/A, the other has not. One company is financially very successful, the other one made a loss in the two years after the acquisition. Because of these described criteria the examples of two medium-sized German family firms that acquired other family firms in the recent years has been chosen. The companies are both based in rural areas and are one of the main employers in their respective home towns.

Of course, the selection might have an impact on the results and the reported levels of organisational trust, as the following particularities possibly indicate. The sample firms do not have work councils. In Germany, this is a sign for a high level of trust, as employees in Germany always have the possibility to build up a works council and 81 percent of midsized companies actually do have a work council (Schlömer & Kay, 2009). Also, all of the presented cases were acquisitions from one family firm to another. The owners sold for various reasons, but all of them did so of their own free will, i.e. they were not forced by insolvency. I believe that the outcome of the interviews could have been different if the acquisition had been more harmful for the employees, e.g. with major lay-offs. This shows that the results one receives always depend on the specific sample, and I need to consider that for the interpretation of the findings. The next section explains the background of the study, and of the interviewees from the different companies.

Descriptive Characteristics of participating Family Firms

This section explains the background of the participating family firms, the acquisitions, and the participants.

Company 1

The acquiring company A is one of the oldest manufacturers of household goods in Germany, such as knives, cookware as well as beauty instruments and is almost 300 years old. The company has around 3,800 employees. It is financially very successful, with turnover of around one billion €, and had enough liquidity to perform all these acquisitions in a relatively short period of time. For example, they expanded their business model from kitchen supplies to include beauty supplies. The company belongs to a large German family (around 300 shareholding family members) and is committed to their Christian family values. The Group CEO is a family member as are three quarters of the board of directors.

The companies that company A acquired are all well-known brands in their niches of kitchen or beauty supplies. The acquisitions were all friendly takeovers, which means that all owners sold voluntarily. Their main reasons to sell was because they did not have a suitable successor.

The companies bought are briefly introduced in the following sub-section:

Company A1, bought in 2006, specialises in beauty tools. It was formerly managed by its founder (founded in 1980) and was further professionalised through the acquisition. Through the acquisition, a new business area was developed for the acquiring company. "Beauty Company" is known throughout the world for professional high-quality beauty tools and has achieved aggressive growth since the acquisition. The company had about 150 employees before the acquisition.

Company A2, bought in 2007, specialises in the beauty and hairdressing equipment sector, and was founded in 1928. The acquisition was delicate for the following reason: A2 was the strongest competitor of the "hairdressing division" of Company A. It is from the same small German town, in exactly the same business and the same size in terms of turnover and manpower. This acquisition was a horizontal acquisition. After a transition period, both production sites, as well as the commercial administration, were merged at the Company A location. Company A2's old location has been sold. The company had about 150 employees before the acquisition.

With the acquisition of Company A3 (founded in 1908) in 2008, the cookware segment of the business was further expanded. The owner sold because of a very profitable offer from Company A. The former founding family is still on board as managers, though. The company had about 150 employees before the acquisition. It was a concentric acquisition.

Company A4, acquired in 2009, was founded in 1974 and is in the cookware business as well, but with a different focus to company A3. It had about 350 employees before the concentric acquisition. The founder and owner mainly sold because he did not have a successor. One of the two sites of company A4 has been closed after the acquisition.
Company A5 was founded by its owner in 1989 and sold to Company A in 2012. It is the only real beauty company within the group and specialised on high quality nail design. The founder and owner sold because she received an attractive offer in times where the company's liquidity was low. The acquisition had a concentric character. The company had around 100 employees.
In 2013 Company A6 (founded in 1991) was acquired, a producer of beauty tools (mainly for private label). The daughter of the founder is still CEO and leading company A6 from within the merged organisation. The acquisition had a concentric character. The company had around 75 employees. The numbering for each company comes from the order in which they were acquired.

Further information about the interviewees of example 1 is presented in the following table 1-20. The numbering comes from the order in which the interviews were conducted as well as whether the interviewee is from the acquiring side (A0) or acquired side (company A1 is the first company A0 has acquired). This means the label "interviewee A0 1" stands for the first interviewee of company A (A0 =acquiring company), the label "A3 7" stands for the seventh interviewee of the company A (A3=third acquired company).

Company	Interview No.	Title	Tenure since	Note
A0	1	Group CEO and family member	2001	Family member, was elected by management board which partly consists of family members
A0	2	Manager	1999	Business Development, responsible for the integration of company A4, and onsite at that time
A0	3	Employee	2006	Controlling department

A0	4	Manager	2006	Operations manager, responsible for the integration of company A4, and onsite at that time
A0	5	Manager	1990	HR department, responsible for the integration of the HR business processes
A0	6	Employee	2000	Operations, involved in the integration of company A1, and onsite at that time
A3	7	Manager	2004	Former owner, now CEO of company A3
A0	8	Manager	1998	Operations manager, responsible for the integration of company A2 and still onsite
A2	9	Manager	2006	CFO of company A2
A1	10	Manager	2012	CFO of company A1
A1	11	Manager	2004	CEO of company A1
A4	12	Employee	2010	Business development, hired by Company A after the acquisition
A5	13	Employee	2000	Finance, nephew of the former owner, family firm member
A6	14	Employee	2010	Sales
A4	15	Employee	2004	Operations
A1	16	Employee	2000	Sales

Table 1-21: List of interviewees of company 1

Company 2

Company B is a packaging company founded in 1922. The company is proud of its almost hundred years of history. It has around 140 employees. The turnover is about 30m. €. After taking the firm over in 2005, the current owner totally transitioned and modernised the firm over the following years. The owner's wife, son and daughter work in the firm as well, and the owner's brother-in-law also used to work there.

Company B1 is a very innovative packaging company, with high technology applications and has highly skilled employees. The company was founded in 2008 and was acquired by company B in 2011. It had 9 highly-qualified employees at the time. The founder and owner at that time sold because of a very attractive offer from Company B.

Both companies are located at the same site now. Until 2011, Company B1 was located somewhere in the same area. Company B1 is in a new, modern building, whereas

Company B is in an old building. They share the commercial administration. In retrospect, the purchase price was very high, and it took a long time before the first successes could be achieved. This is one of the reasons the company had big financial problems for three years after the acquisition and were close to bankruptcy. Now it seems the turning point has been reached and the revenue is increasing again. The acquisition had a concentric character.

Descriptive characteristics of interviewees of example 2: The following table 1-21 shows the characteristics of the different interviewees. As above, the numbering comes from the order in which the interviews were conducted as well as whether interviewees are from the acquiring side (B0) or acquired side (B1). This means the label "interviewee B0 1" stands for the first interviewee of Company B (B0 = acquiring company), the label "B1 3" stands for the third interviewee of the Company B (B1= acquired company).

Company	Interview No.	Title	Tenure since	Note
B0	1	Owner	2005	100% owner of both companies
B0	2	Employee	1995	Operations
B1	3	Employee	2010	Operations
B1	4	Employee	2010	Sales
B0	5	Employee	2008	Sales

Table 1-22: List of interviewees of company 2

In summary, the introduced cases give a broad spectrum, and a good overview of different forms of family firm to family firm acquisitions. Both mother companies are really diverse from each other, and the introduced acquisitions are diverse in terms of type of strategic orientation, industry, integration level, etc. The interviewees are unfortunately not equally diverse. I do have a mixture of family firm members/owners as well as employees, but I do not have as many blue-collar employees in the selection of the interviewees as I would like to have. The potential impact for the research might be that the interviewed employees were more involved in the integration process and therefore have the tendency to justify their decisions within this process more than the average member of the companies' staff would.

7.3 Approach to data analysis

Audio file interviews were transcribed into Microsoft Word files. In order to ensure the company's and participants' anonymity, I used codes to replace the names of the companies in the transcription. Where direct quotes are used, any identifying information was removed in order to protect participant identity.

Audio files were transcribed word for word and typed into Microsoft Word files. I decided to manage and analyse the data manually since I only had to manage 21 transcripts in total. The process of transcription was time-consuming, but it enabled me to get very close to, and familiar with, the content of the data.

I decided to adopt an exploratory inductive approach. But it was an extended process to reach this position. Initially, I started with quantitative content analysis. I initially selected this approach because of the positivistic background. But I soon realised that this approach is too fixed to achieve the goals and to answer the research questions. I was ostensibly counting words, so no rich analysis was possible. Therefore, I then chose an approach that makes the most sense for what I sought to achieve.

According to Thomas (2006), the general inductive approach is a procedure for analysing qualitative data in which the analysis is guided by specific evaluation objectives. It refers to detailed readings of the raw data, and this drives the identification of concepts, themes, or a model through interpretations made from the data by the researcher. The following section explains the step-by-step qualitative data analysis procedure that I went through.

Data analysis began simultaneously to data collection. Thereby, I summarised and reflected on each interview directly after conducting the interview. I especially noted the usefulness of an interview. This means that I attributed a value to evaluate the comment's potential usefulness in order to make judgements about data saturation. The values of the interviews went from 5 "very informative" to 1 "Not informative, no new insight". An interview was "very informative" for me when it contained novelty, depth, and openness of respondents. By contrast, interviews were "not informative" when I had the feeling that interviewees only provided standard answers without giving any depth, or without being open to me.

After a time, I noticed that I ranked most of the later interviews with "1=Not informative" because there was significant repetition in the participants' answers. I then decided to stop the data collection. Looking at the numbers of the value attribution was very helpful for me to realise this. Also, Lincoln and Guba (1994) state that the process of coding can be finalised when the categories are saturated, incidents can be readily classified, and sufficient repetition occurs in the data. I am fully aware that this is, of course, a very subjective nature of this value attribution. But as I am taking a pragmatic research approach, and this was the easiest way to reach the goal, this procedure worked well for me.

According to Thomas (2006), a coding process in inductive analysis explains data reduction in such a way that the first step of the process is an initial close reading of the text. This includes identifying specific text segments related to objectives, labelling these segments of the text to create categories, reducing overlap among the categories and creating a model integrating the most central categories. I adapted this coding process for the research. As Thomas (2006) argues, the inductive approach is similar to other qualitative data analysis approaches such as grounded theory. However, the outcome of analysis in the grounded theory approach is a theory that includes themes or categories, while in general in the inductive approach, the outcome of the analysis is themes or categories most relevant to the research objectives. Therefore, the presentation of findings is a description of the most significant themes.

This fits well with the main aim of the research. I looked at the core meanings in the text that is relevant to the research objective. The outcome is that I identified themes and categories that are most relevant to the research objectives. The goal is the presentation of the most important themes in this complex, dynamic, multileveled organisation. Figure 2 below details the the coding process:

⇒ Transcribed audio files into word files
⇒ Multi reading transcriptions, coded each phrase and created a list of 541 codes (Stage 1)
⇒ Data reduction: Copied codes into excel, merged the similar free codes together and created 56 subcategories (Stage 2)
⇒ Merged relevant subcategories into 21 categories (Stage 3)
⇒ Created of main themes/concepts (Stage 4)

Fig. 2: Description of the coding process

In this research, I read each transcription several times, and labelled and coded every sentence, phrase or paragraph that referred to the research question based on the interpretation of the raw data. In the coding, I was guided by considering the statements that help to answer the research question. Thereby, I coded every statement that was related to the topic of trust, the family firm and its specifics as well as M/A and integration processes. I labelled the segments of the text in order to create first order codes via the "comment" function of Microsoft Word for every interview (see Figure 3 and 4).

Ranking: 5
Organisation: B
Function: Owner
Tenure: 2005

1. How were you involved in the integration of company B1 by company B0. What was your role?

Well, I am the owner. I am the one is responsible for the acquisition.

2. Can you tell me about how the acquisition came about?

It was clear to me that we needed something new and innovative. Our old business model had served its time. That's why we acquired the ten-man start-up company. Ultimately, the price was too expensive with the machines being so costly. My fault in it was the timing. I thought the organisation would already be capable of a big acquisition, but it wasn't. We had acquired a small family business prior to that and integrated it well, but that had been easy. Father, mother, son, and two machines. That was a different story. Integrating company B was very time-consuming. Now the atmosphere within the company is electric. The acquisition is seen as the main culprit for the near-bankruptcy, which isn't completely untrue.

3. Can you describe the integration process?

During the acquisition, many of them told me "wow that's brave". But in principle, entrepreneurs have to be brave to pull off the balancing act between long-term orientation and employee protection and business decisions.

The employees of the old company were angry. According to them, investments that belonged to them had been moved and money had only been invested into company B1.

Lind, Stella Charlotte
Innovation was the reason for buying the company

Lind, Stella Charlotte
Timing was the problem of the acquisition

Lind, Stella Charlotte
The organisation was not capable of a big acquisition

Lind, Stella Charlotte
Integration of small company worked well

Lind, Stella Charlotte
The acquisition is seen as the main culprit for the near-bankruptcy

Lind, Stella Charlotte
Entrepreneurs have to be brave.

Lind, Stella Charlotte
Entrepreneurs have a balancing act between long-term orientation and employee protection, and business decisions.

Lind, Stella Charlotte
Employees of the old company were angry with the acquisition and felt disadvantaged

Fig. 3: Coding transcript, translated into English for better illustration

Nützlichkeit (1 bis 5): 5
Name: A4 12
Funktion: Business Devolopment
Tenure: 2010

1. Wie waren Sie bei der Integration von *Unternehmen A4 12* durch *Unternehmen A* involviert. Was war Ihre Aufgabe?

Ich bin als verantwotlicher für den Bereich BD 1 Jahr nach der Akquisition hinzugestossen. Die Akquisition war zwar beendet, aber die Integration hatte grad erst begonnen.

2. Können Sie mir beschreiben, wie es ist, für ein Familienunternehmen zu arbeiten?

- es ist sehr angenehm hier, wir haben eine wirklich niedrige Fluktuation- das spricht für die gute Kultur!!
- Werte der Führungsmannschaft: Sieht man jeden Tag! Man merkt dass die Familienmitglieder sehr integer sind und als gute Vorbilder die Werte der Organisation leben. – v.a. im Gegensatz zu den Geschäftsführern der Vergangenheit, die nicht zur Familie gehören.
- FF= Soziale Einrichtungen, soziales Unternehmen mit Fokus auf Arbeitsplatzsicherheit. Deswegen nun Vertrauen. Außerdem Vertrauen in die handelnden Personen. (aber das gilt nur für die führenden Angestellten/ Nichtarbeiter (wahrs. 75 von 350 Leuten). Für mich ist das Familienunternehmen sichtbar durch Wärme, Emotionalität und dadurch entstehendes Wir Gefühl. Als der letzte Eigentümer in Ruhestand gegangen ist, hab ich geweint. Mir gefallen Familienunternehmen einfach gut wg der Stimmung & weil man so ein enges Verhältnis zu den Eigentümern aufbauen kann. Das gibt mir sehr viel.

3. Welche Auswirkung hatte es Ihrer Meinung nach auf die Integration, dass es sich bei *Unternehmen x* um ein Familienunternehmen handelt?

Das ist nur wirklich für die Blue Collar Worker und diejenigen auf der höheren Führungsebene relevant. für den Rest der Beschäftigten egal. Die wollen regelmäßig das Geld auf dem Konto haben. Der Rest zählt nicht. Für die höhere Führungsebene hat aber eine sehr wohl eine Auswirkung da sie zu einem Familienunternehmen mit Gesicht schneller Vertrauen aufbauen können.

V.a. in ländlichen Gebieten, wo Familien schon ewig dort arbeiten, wechselt man nicht- auch wenn

Lind, Stella Charlotte
The owner family shows good values.

StellaLind
FF means loyality, emotional attachment

StellaLind
FF values are mostly important for white collar, for blue collar job security is most important.

StellaLind
Low turnover in rural areas – independent of trust

Fig. 4: German transcript with English coding

As already mentioned, one particularity in this process in this thesis is the language issue. Since the interviews were conducted in German, the transcripts were in German as well (besides Figure 3 where the illustrative quotations are translated into English for illustrative purposes). I did not translate all of the interview text for economic reasons (some of the text did not appear to be relevant to the research objectives). As I speak both languages I performed English coding in the German transcript (see Figure 4) as well as the rest of the analysis process in English. The transcripts remained in German to maintain the contextualisation and original meaning of the informant. The coding is in English to allow interpretation and constant comparison with the literature review and theory building. In case there is doubt about the context of a code I am easily able to go back to the original German phrasing to resolve this. The other option was to translate everything before I start with the data analysis. I rejected this approach because it was too time-consuming for me. Also, Hickey (1998) argues for pragmatic translation approach, as long as one can ensure that the content does not get distorted. At the initial coding stage, a list of 541 codes was established. This long list occurred because I was not very specific in the coding at this stage, but rather coded every statement that was related to the topic of trust, the family firm and its specifics, as well as M/A and integration processes.

At the second stage of the coding process in inductive analysis (Thomas, 2006), I tried to find the similarities between the codes. The aim of this stage was to find codes with the same or similar meaning and merge them together in order to reduce large amounts of data into a smaller number of analytic units (Miles & Huberman, 1994). In other words, at this stage I moved from first-order to second-order concepts (Miles, Huberman, & Saldana, 2013), considering more general theoretical ideas in relation to codes and data, and starting to group the codes together around these ideas. All codes were labelled, and categories created. When labelling the categories, I also had the categories in mind that emerged in the literature review. So rather than being grounded in the respondent's language, as it was at the first order level, I integrated the literature at this stage (Thomas, 2006). The category of job security is one example of how I merged codes together (cf. figure 5). From the literature I was informed about the importance of job security for organisational trust. So, when interviewees talked about a secure job, I assigned the comment to this category. All codes were copied in an excel sheet and analysed there because excel provided me the easiest and most flexible handling of such a large amount of data (see figure 5). But since this suggests separation, I made sure that there was always a link between the new excel sheet and the word documents where the interviews were stored (An in line and page numbering is added so one can always check back). Therefore, I maintained a link between the raw data and the interpretation so that I was able to perform a constant comparison (Lewis-Beck, 2004). So, for example, when I was unsure of the respondents meaning behind the phrase which led to the code, I went back to the transcript to clarify this before grouping this code with others. As already mentioned in Figure 2, at this stage I created 56 subcategories. Some of the codes remained as singular constructs, as they did not link or fit into any other category or were ‘off-topic’. I mapped them under “miscellaneous”.

1	Code	Docun	Line	Subcategory	Category	Concept
117	Family Firm => Seen as safe haven	A3 7	59-60	Importance of job security		
121	Reason for better accepting the integration: Job Security	A3 7	74	Importance of job security		
145	Too much trust in job security is as well a double-edged sword.	A2 9	81-82	Importance of job security		
237	We promised a secure job	A0 8	95-99	Importance of job security		
241	Promise: Nobody will be laid down	A0 8	115-127	Importance of job security		
360	We try to keep as many people as possible- good for trust in the company	A0 3	145-146	Importance of job security		
451	Tried to give everybody a feeling of security	B0 1	103-105	Importance of job security		
485	The people who like to work in our family business would rather have security and a c	B0 1	299	Importance of job security		
509	“Employees fight for a successful company because they sleep better with a secure and	B0 5	34-37	Importance of job security		
515	Job Security is the most important fact why the employees love our company	A0 1	118-122	Importance of job security		

Fig. 5: Example of the coding sheet in stage 2

At the third stage of the coding process in inductive analysis (Thomas, 2006), I merged the relevant subcategories into 21 categories. Some of the categories that had a link, or relationship with other categories were merged together in a hierarchical category system and labelled with a larger heading (Thomas, 2006). These links may point to superordinate, parallel and subordinate categories (Thomas, 2006). I examined relationships between the subcategories and combined them as depicted in fig. 6. This is consistent wiith the theory of data reduction (Miles & Huberman, 1994; Thomas, 2006), which expects a reduction in the number of categories. As Thomas (2006) claims, for the findings to be useable, the researcher must take decisions about what is important (and less important) in the data in relation to the research questions. While I had a very broad approach in the beginning, this became progressively more focused at this stage. But, as the amount of data was still very large, some of the categories were not assigned to any of the main themes and left aside to be used as the basis for suggested further research. The number of categories decreased to 21.

1	Subcategory	Category
5	The old owner is crucial for a successful integration	Defining the role of the old owners
9	Emphasize on family firm values for integration stratey	Similar values
11	Same values= less cultural chage	Similar values
21	Clear decision about the old owner's role necessary	Defining the role of the old owners
31	Importance of integration team	Having a clear structure
32	Importance of clear role, structure, processes	Having a clear structure
37	Not driven by a short-term goal	Long term orientation
38	FF employees are resilient	Long term orientation
39	Thinking for the next generation	Long term orientation
40	FF employees are patient	Long term orientation
41	Strategic long term planning approach	Long term orientation
42	Low fluctuation in the management	Long term orientation
43	Ethical behaviour	Responsibility
44	Protecting employees and their families	Responsibility
45	Owners try to keep jobs safe	Ownership feelings
46	High identification with the company	Ownership feelings
47	Employees see themselves opposed to non-family firms	Ownership feelings
48	Close personal relationship to the family firm	Ownership feelings
49	The employees are connected and intimate with each other	Ownership feelings
50	No clear barrier between private and work life	Ownership feelings
51	The career depends on the relationship towards the owner	Ownership feelings
52	Agile decision-taking between family members	Fast decision-taking
53	Not so many different stakeholders/decision takers	Fast decision-taking
54	Family members are usually a well-functioning team.	Fast decision-taking
55	High ability to act	Fast decision-taking

Fig. 6: Example of the coding sheet in stage 3, creating categories

The fourth stage is about constructing a theory around how the categories are related to one another. Therefore, I organised the categories into main themes (characteristics of FF (M/A), trust in FF M/A processes, influencing factors of trust in FF M/A processes, consequences of trust changes in FF M/A processes). As a result of this analysis, four main themes emerged from the 21 categories, as demonstrated in figure 7. The presentation structure reflects the research aims and is organised in a way most useful to help answer the research questions.

Merged relevant categories into 21 categories/ thereby creation of main themes/concepts
=> Merged 4 relevant categories and created Theme 1a "Characteristics of FF"
=> Merged 3 relevant categories and created Theme 1b "Characteristics of FF M/As"
=> Merged 3 relevant categories and created Theme 2 "Trust in M/A Processes"
=> Merged 6 relevant categories and created Theme 3 "Trust Influencing Factors"
=> Merged 5 relevant categories and created Theme 4 "Trust Consequences"

Fig. 7: Creation of main themes/concepts

Figure 8 gives an example of the coding sheet in stage 4. At this stage, I put "Observing" under the main theme/concept of "Trust in M/A processes". The main theme "Trust in M/A processes" consists of all the codes that talk about trust changes. Under "Observing", I kept all comments about not taking a trust decision immediately (cf. with section 8.2).

Code	Doc	Line	Subcategory	Category	Concept
I give the new company a try	A1 16	146-150	No immediate	Observing	Trust in M/A processes
Our trust in the organisation has changed insofar aft	A4 15	29-31	Observing	Observing	Trust in M/A processes
No harm has been done, therefore observant. Nothi	B1 3	107	Observing	Observing	Trust in M/A processes
It is always good to be first observant and unagitate	A1 11	86-87	Observing	Observing	Trust in M/A processes
After a while you just need to decide if you want to	A0 8	174-178	No immediate	Observing	Trust in M/A processes
I waited for a while and to observe.	B0 2	184-187	Observing	Observing	Trust in M/A processes
After the integration was not as successful as planne	B01	193-195	No immediate	Observing	Trust in M/A processes
Since we did not know what to expect, we were obs	A4 15	35-37	Observing	Observing	Trust in M/A processes

Fig. 8: Example of the coding sheet in stage 4

The example below of the emerging theme 1a summarises the complete coding process. I started to merge similar codes together to sub-categories (stage 2), then merged these subcategories to 21 categories (stage 3). From these categories I derived the different main themes/categories (stage 4). Theme 1 is discussed in detail in Chapter 8.1, where I analyse the categories and sub-categories together with literature.

Subcategory	Category	Maintheme
		1a Characteristics of FF
Not driven by a short-term goal	Long term orientation	
Resilience		
Thinking for the next generation		
Patience		
Strategic long term planning approach		
Low fluctuation in the management		
Ethical behaviour	Responsibility	
Protecting employees and their families		
Owners try to keep jobs safe		
High identification with the company	Ownership feelings	
Employees see themselves opposed to non-family firms		
Close personal relationship to the family firm		
The employees are connected and intimate with each other		
No clear barrier between private and work life		
The career depends on the relationship towards the owner		
Agile decision-taking between family members	Fast decision-taking	
Not so many different stakeholders/decision takers		
Family members are usually a well-functioning team.		
High ability to act		

Fig. 9: Example of the process of data reduction for Theme 1a

After this extensive analysis, the next step is to create a framework of the findings from the list of main themes and categories. Parallel with the process of coding, I already started to write down the ideas and early interpretations of the data in order to arrange it to a framework. Developing a framework was an iterative process of exploring the topic (e.g. Gale et al., 2013), as I proceeded through several iterations of the analytical framework and continued to reanalyse the data. So, the framework was examined and re-examined, compared and contrasted with all of the data and between the various components of the model, and then revised (cf. Gale et al., 2013) until I believed that no changes needed to be made.

As the research aim is to primarily explore organisational trust, I organised the framework around trust. Thereby, I was especially interested in aspects of trust repair- this is why I particularly focused on trust development aspects in the framework. The framework consists of three different process stages of the trust relationship: loss of trust, observation and regaining trust. Thereby, I was mapping connections between categories to explore relationships (such as identifying the three stages including their influencing factors). I was interrogating theoretical concepts of the literature that stood in contrast to the findings (cf. discussion about trust loss vs. breach in chapter 9.1). Also, new concepts emerged from the findings, such as the observation period in the framework (cf. chapter 9.1). The approach illustrates that coding is cyclical. It goes from the data to the idea and back to other data (cf. Saldana, 2013). An example of this was exploring the observation period. After I coded for the first time that employees are "first observing" after the M/A announcement, I went back to the data. Then I realised that several interviewees mentioned a period where their trust judgement was still under consideration, and that observing is likely to be one process step in the trust development. When digging deeper, I realised that the employees are willing to observe because they transferred their trust from the former owner to the new company. I illustrate this in the framework in chapter 9 by creating a link between trust loss (under the premise of a responsible outcome) and the observation stage. I am aware that creating a framework based on the main themes and categories is a subjective procedure, and therefore I tried to integrate as many checks to ensure that the interpretation of the results is valid, credible, and plausible, so that somebody else could see something similar issues when coding the data. For instance, I showed the framework to the management of both examined companies and both recognised the interpretation as appropriate. The intention is to get a deeper understanding of the context of this phenomenon in this particular moment and at this point of time. It is a framework that aims to summarise the FF M/A processes that occurred in the two examined firms. The process framework of trust in family firm M/As is fully explained in thethe discussion presented in chapter 9. In general, I found the framework method appropriate for the analysis as it is important to be able to compare and contrast data by themes across many cases, while also placing each perspective in context by retaining the connection to other aspects of each individual's account.

In the next chapter these categories are summarised, including illustrating quotes to better explain and understand the categories. The illustrating quotes were all translated into English. Thereby, the translation-back translation procedure was applied in order to ensure that the meaning and context of the native language in the coding was kept (Harkness & Schoua-Glusberg, 1998).

It was challenging to manage the amount of qualitative data and use the most relevant data to analyse. The way that I overcame this challenge was by focusing on the research objective (exploring family firm M/As under the lens of organisational trust) and selecting the information which was explicitly related to this research objective (Thomas, 2006). Obviously, it lays in the nature of interpretation in qualitative analysis that the interpretation of the data is not the only possible one (cf. e.g. Flick, 2000). But as explained in this section, I tried to ensure that the data collection as well as data analysis process is as accurate as possible.

To conclude, I believe that the qualitative analysis worked very well for the research of M/As in family firms under the lens of organisational trust. In particular, for the new approach of analysing the development of organisational trust in times of change, it was very helpful indeed to have a flexible research approach.

8 Study 2 (Qualitative analysis) findings (Presentation and interpretation of the results)

As a result of the extensive coding process, four main themes emerged as explained in chapter 7. These main themes are also linked to the research aim (and to some of the questions from the interview schedule). In this chapter, I analyse how each of the following categories are related to these themes and consider the relevant literature. In the presentation I obviously give prominence to what is interesting and different. As this chapter is long, I used the table 1-23 below to show how I organised the data that emerged during the discussions.

Theme	Category
1a Characteristics of FF	
	Long term orientation
	Responsibility
	Ownership feelings of the employees
	Fast decision-taking
1b Characteristics of FF M/A Processes	
	Similar values
	Defining the role of the old owners
	Having a clear structure
2 Trust in M/A Processes	
	Loss of Trust
	Willingness to Observe
	Trust Regain
3 Trust Influencing Factors	
	Clarity about roles and responsibilities
	Fairness
	Communication
	Organisational Support
	Role models
	Involvement in the integration
4 Trust Consequences	
	Turnover
	Commitment
	Engagement
	Collaboration
	Innovation

Table 1-23: Outline of chapter 8, according to the derived themes and categories

8.1 What are Specific Characteristics of Family Firm M/As?

In order to be better able to answer research question 2, I am analysing the specific circumstances of family firms that have undergone M/A processes. Hereby, I am looking at two different aspects: "What are specific characteristics of Family Firms in general?" and "What is specific about M/A Processes between two Family Firms?". This should help me to explore the specific circumstances of family firms.

The literature I researched provided indications that there are specific circumstances of family firms undergoing M&As that influence the changes in trust (cf. chapter 2.2.3).

What are specific Characteristics of Family Firms in general?

This section shows the theme of "specific characteristics of family firms" that emerged from the data. All the interviewees emphasised that it matters to them that they work for a family firm.

Long Term Orientation is a major family firm characteristic:

A characteristic of family firms that was mentioned in every interview is the long-term orientation of family firms. Interviewee A0 5, the Employee of Company A, provides this observation:

> *"The great thing in a family firm is resilience – to think further and beyond to the next generation. A quick success is not requested. We have the patience to wait until success occurs when we are convinced that the basic strategy is right (...)). That gives people the ease and composure to approach things in an intelligent way. (...). This long-term approach is the huge advantage in a family firm." (A0 5 - Manager)*

One can learn from the interviews that the examined firms plan for the future and are not driven by a short-term goal. This is also in accordance with literature which also sees long term orientation as a main characteristic of family firms (e.g. Arrègle et al., 2007; Miller and Le Breton-Miller, 2006, 2011, 2005; Siebke, 2015). The interviewees from the finance department explain that, in comparison to non-family publicly-listed firms, there is less need for reporting for short term financial target figures in family firms. The result of this long-term approach is a more strategic than tactical procedure "which gives the employees more security" (A03- Employee). An example for this observation is given by interviewee A0 3, who states that the pricing strategy for 2020 was already decided in 2015 by Company A1.

Further evidence of this long-term approach is the long tenure of the employees – in Company A, as well as in Company B, and all their subsidiaries. This long-term approach of Company A is as well represented by its CEO who has worked for the company for fifteen years.

> *"I stand for long term orientation. That's what provides the employees a sense of security. Apart from all the social benefits it is this that gives the employees the biggest security (a successful business with very little fluctuation)." (A0 1 - Group CEO and family member)*

This goes hand-in-hand with the assumption that there is a link between long tenure in family firms, the owner's responsibility (Siebke, 2015) and job security (Siebke, 2014). When employees feel secure because of the company's long-term approach they do not feel the need to look for another job, so they usually have a long tenure. This might also be related to organisational trust in the way that the employees feel that the company's long-term orientation lowers their risk of redundancies, and therefore their vulnerability. So, long term orientation is a specific characteristic of family firms in the two analysed companies.

Owners attempt to show responsibility for their employees:

A characteristic of family firms that was mentioned by both an owner and a former owner is showing responsibility for their employees. This as well goes hand in hand with findings from Siebke (2015), who claims that owners often show "universal responsibility" for their employees, meaning they have a sense of obligation for them beyond the employment relationship.

One example for this is how the owner of Company B describes his attitude as a family entrepreneur. Even during tough financial times, he tried to retain all of his staff. Standing up for his employees seems to be more important to him than improving the company finances by reducing the personnel costs.

> *"As an entrepreneur, I want to be family-oriented, a father-figure, and I want to protect my staff. That's my claim to myself (...). I feel this need to stand up for the people and give them and their families' security.*

Never have I wanted to jeopardise that. I know that at least a thousand people (counting the employees' families) depend on me and the livelihood of the company." (B0 1 - Owner)

This also suggests that this behaviour is related to trust in the sense that they want to be benevolent ("protecting my staff") and show integrity ("never wanted to jeopardise" the security for the employees and their families).

However, it must be pointed out that this quote comes from the owner himself. Therefore, it does not suggest that employees have exactly the same perception as the owners do.

But in this example, one can assume that it is actually the case: The owner recently put a huge amount of his private money into the company after the company got in to financial trouble after the acquisition and was not bankable anymore.

The employees are emotionally connected and intimate with each other:

The employees' long tenure often results in the fact that employees are emotionally connected and intimate with each other, as well as emotional attached to the firm. This assessment has two different aspects. Firstly, there is an emotional unity between colleagues. Secondly, owners know everyone.

Regarding the first point, since tenure in the examined companies is high, the employees usually know each other well and are quite connected and intimate with one another. This is likely to facilitate their mutual trust. An interviewee of Company B describes the effects of this on the employees:

"One characteristic of our company is that we have known each other for such a long time and are very closely connected with each other (...). Most aspects of my life have become intertwined with the company somehow thanks to the friendship to some colleagues who e.g. are in my football team. That is why it is difficult for new people to be fully integrated at our company." (B0 5 - Employee)

According to interviewees, one can particularly see how employees care about the company and their colleagues in difficult emotional times. An interviewee, who joined Company A4 shortly after the acquisition, was impressed of the employees' team spirit and how they tried to stand up for each other:

> *"For me a family business is visible through warmth, emotionality and a sense of unity. You can especially see that when times get tough. (..). An example for the sense of unity in these firms: When we closed one of the two production sites, all employees were very depressed, not only the affected ones. The more influential employees stood up for their colleagues and tried to protect them." (A4 12 - Employee)*

Regarding the second point: The employees experience the owner or eventually the owner family in their daily life. As, for example, described by interviewee A3 7 (Former owner of A3, now manager) it is not only important to the employees that he knows them by name but also their background.

> *"I know all of them- and not only by name but as well by their background. I know a lot of the life stories of my employees – the good ones as well as the bad ones. In case something emotional happens in their lives, I am often the first person that they talk to. (...). This shows that I, as the owner, have a special bond to my employees and am important to them." (A3 7 - Former owner of A3, now manager)*

All of the acquired companies are usually small enough that "one can talk with each other easily and clarify personal questions (at least in the first three levels of management)" according to A0 1, Group CEO and family member. This described asset seems to be one of the biggest advantages of being a small family firm as it creates a sense of belonging for the employees.

Nevertheless, the question is if this is the case because they are a small firm or because they are a family firm, and if the same would hold true if they were a large family firm. However, one can assume that being a small family firm is the best precondition for an intimate connected environment. These specific circumstances of a small firm have also a positive effect on the employees' trust as they create a sense of belonging in the two researched companies. Also, this environment favours trustworthy behaviour by the owner because he is more likely to be in the focus of everybody's attention in such a firm. On the other hand, the downside of family firm's connectivity can be that a career depends on how closely an employee is connected with the owner/ the family or not. Interviewee B1 3 states that in Company B everything "depends if you get along with the owner or not. This fact decides whether you will stay or leave". Conversely, there were plenty of former colleagues who did not get along with the owner and then left for this reason, according to interviewee B0 5. None of the interviewees seem to have a problem with having a close relationship to the family though. It might even be reflected in their choice of employer that they like this connectivity.

This reflects that choosing a connected and intimate environment seems to be a specific circumstance of family firms. This is discussed by literature (e.g. Sundaramurthy, 2008) where a strong collective identity is indicated as one characteristic of family firms. This also indicates that a strong collective identity lowers the employees' feeling of risk and vulnerability.

The employees show ownership feelings:

One reason for the high emotionality and connectivity to the firm could be that the employees develop ownership feelings after a long tenure. As interviewee B0 1 describes, some employees see themselves as co-owners who want to have a say. A reason for these ownership feelings could be the long tenure of the employees in Company B. A lot of the older employees have been in the company longer than the owner who bought the company only ten years ago. Since they feel more experienced, they also feel more authorised than the owner.

This is a sign that they see the company as a part of themselves.

> *"In such a small company, people want to have a say, which is actually absurd since I own 100% of the company (...). The old, deep-rooted employees regard themselves as co-owners." (B0 1 - Owner)*

The concept of "psychological ownership" as introduced by Pierce, Kostova, and Dirks (2001) and Pierce, O'Driscoll, and Coghlan (2004) helps to elucidate such behaviour. Psychological ownership refers to a state in which an individual feels that the target of ownership, or a piece thereof, is his/hers (Pierce, Rubenfeld, and Morgan 1991). It is a feeling which induces a possessive characteristic within the individual and which psychologically binds the individual to the target of ownership. The employees consider this target as their own, and the target becomes a part of their identity. Sieger (2011) also states that as non-family employees work for a family firm for a very long time, this might foster ownership feelings (Sieger, 2011). With such an ownership feeling, employees tend to act in the same way, and show the same behaviour, as the owner family. It appears from the interviews that, for the firm's identification as a family firm, it is important to differentiate themselves from other firms in relation to their values. They present themselves as opposed to larger corporations, especially to large enterprises and private equity houses. It was noticeable how often differences to larger, non-family firms were emphasised by the interviewees. The following examples illustrate how larger, non-family firms were framed in a negative way, whereas the own company is clearly framed in a positive way. Illustrating quotes:

> *"We are a family firm and not one of those American private equity houses. In contrast to them, our investment in people is long-term oriented." as well as "In big enterprises they might earn more and are located in more attractive cities: But we are friendly, we are a big family." (A0 5 - Manager)*

> *"The family members live the values of the organisation each day - unlike some other managers in the company's history." (A4 12 - Employee)*

Another reason mentioned for high identification is close personal relationships to the owner family. In Company A, interviewees emphasised that they like to work for Company A because they like to work for the CEO. Interviewees reflected on their close relationship to the CEO and described him like a friend or family member rather than a patriarch. This language evidences the closeness and caring nature of their relationship. Another example: Interviewee A1 16 describes his close relationship to the former owner. He describes the former CEO as being like a father. This choice of phrase illustrates his relationship as being like a family, with similar roles and relationships.

> *"I usually have a close relationship with the owners of the family businesses. When our former owner retired, I cried. It was like losing a father figure" (A1 16 - Employee)*

Other interviewees also use family terminology, which indicates that they have the tendency to feel like family members. Interviewee B0 2, a sales manager who has remained with company for a long time, says that "my colleagues are like my family". The employee welcomes the employees of the acquired firms with the words: "You are now part of our large family" (A05- Employee). And the owner of Company B even describes himself as "a father who wants to protect his staff" (B0 1 - Owner).

In summary, this shows that employees who work for a company for a long time have a close relationship to the firm and are likely to feel connected to it. This means that it is a specific circumstance of family firms that employees are very closely connected to their firm and develop "ownership feelings". This is also discussed by literature where a strong collective identity is indicated as one characteristic of family firms (cf. Sundaramurthy, 2008).

Fast Decision-Making is possible:

Another theme that emerged from the data is the high level of flexibility and quick decision-making in family firms. The HR director of Company A explains that, in a family firm, one has considerable ability to act. He emphasises that flexibility is especially needed in complex situations where one cannot use a standard "One size fits all" solution. The more familiar one is with other people within the firm, the faster one has a mutual basis for making decisions. According to him, this aspect is a positive aspect of family firms, who are flexible and fast in their decisions because they usually do not have to deliberate with too many other stakeholders. He provides an example of a situation where quick and mutual decision-making was key. One family member revealed improper, unethical behaviour by the old CEO, a non-family member. He realised that the CEO had to be fired with immediately effect before he was able to destroy evidence. So, this family member quickly called for a secret, unplanned board meeting without the CEO and a decision was made rapidly:

> *"Due to the fact that the directorate consists of only family members (especially cousins who have known each other for their whole life), one call was enough, and within one hour it was clear – the old CEO must go. This extremely fast decision was only possible because there was mutual trust between the family members." (A0 5 - Manager)*

For interviewee B0 2, an employee of Company B, one advantage of working for an owner-managed company is that one only has to be orientated towards the owner. He knows that a solid decision basis only has to be prepared for the owner so that they are quickly satisfied. "Knowing each other well saves a lot of time in the daily routine" he adds. This means that it is a specific circumstance of family firms that they are usually able to take quick decisions (if the owner is able to do this).

The mentioned characteristics of family firms are mainly in accordance with the family firm literature that is illustrated in section 2.1.1. Long-term orientation as a major family firm characteristic was mentioned by authors (Graves & Thomas, 2008). That owners show responsibility for their employees was mentioned by Siebke (2015) as well as Lee et al. (2006). That employees are connected and intimate with each other, and employees display feelings of ownership was referenced by Niedermeyer (2010). Another characteristic that was frequently mentioned in the interviews, but not in the literature, is that fast decision-making is possible.

What is specific about M/A Processes between two Family Firms?

Where interviewees discussed general family firm characteristics, I asked the interviewees for the specific circumstances of family firms that are undertaking M/As. In general, their answers indicate that the M/A process in family firms contains a lot of emotional aspects. As interviewee A1 16 described it "We grew together during the M/A process, but it was quite an emotional roller coaster ride." Also, trust has been raised in the interviewees as one key element of the process, as one can see in the specific answers summarised below.

Similar family firm values in the merging family firms affect the integration positively:

Interviewees from both the acquiring as well as the acquired side were asked for the reason of the acquisitions. Besides strategic reasons (like fitting industry and product) interviewees also talked about the joined family firm values. They all underlined the values a family firm stands for (long-term orientation, responsibility for the employees, etc.) as an important motivation to choose a family firm as acquisition partner. The desire to find a partner with similar values indicates that family firms do not focus solely on strategic aspects, but also on emotional aspects. This was also discussed in a study by Ahlers and colleagues (2016) who found evidence that non-financial factors (such as affective commitment and trust) particularly play a role for family firm sellers in management buyouts. The present CEO of Company A1 describes a fitting culture as a condition for successful negotiations:

> *"The old owners have only sold their business because the right buyer was there. Positive values, long history and tradition - a huge plus that Company A has. It is also emotionally easier to sell to a family business. Here it is simple: the trust in the family values that they will be fair, responsible and act in the interests of their employees. Furthermore, there was a personal fit between both families in the negotiations during the M/A process. (..). And the two companies knew each other for a long time. There was trust from the beginning onwards, so that the negotiations did not take too long. It was just the right feeling…" (A1 11 - Manager)*

The acquiring side also confirms that the integration works better with managers who are familiar with similar family values. The HR director of Company A explains the strategy of preferring to employ managers from other family firms:

> *"One reason why we preferably buy family firms is that the behaviour of their managers usually already fits with us. We do not have a dull process of shaping them afterwards when integrating them in our system (…)." (A0 5 - Manager)*

One can learn from the interview that decision-makers from both acquired and acquiring sides assess the new organisation in detail. They take the time to get to know their targets well in order to decide whether they fit culturally or not. Interviewee A5 13, who belongs to the former owner family of Company A5, confirms "We had rejected many offers until we have found the right one. We were very picky. The advantage of Company A? A family firm means longevity". The HR director of Company A, who joined the purchase negotiations relatively early in the process, described the rigorous selection process.

> *"We take our time to examine the suitability of the cultures and organisational structures of our targets before closing the deal. It is a small world for family companies in our sector. Our owners usually know the owners of the target companies and already check whether they match us culturally. This is quite a good success indicator. Usually, by*

analysing the acquisitions of the last few years, especially small family businesses were quite suitable because of their value set." (A0 5 - Manager)

In reminiscence, the interviewees describe the cultural change as rather minimal. One of the interviewees says that he is certain that the cultural integration would have taken even longer if the acquiring company had not been a family firm:

"It was definitely for the integration process that we were bought by a business with similar values. Of course, at the beginning I had a hard time to understand the new processes and policies at Company A. But it helped that we and them had the same thinking. I realised quickly that the CEO and I are pretty similar in terms of style and values. If we had not clicked so easily, the cultural integration would have taken even longer for the whole company, I think." (A3 7 - Former owner of A3, now manager)

In summary, one can say that interviewees from the acquiring firm, as well as from the acquired side, agreed that it eased the process of the acquisitions and the later integration that two family firms with similar family firm values were involved. This means that similar family firm values in two merging family firms certainly have an effect on the employees' organisational trust. This finding is in accordance with findings in literature, such as Siebke's research of family firm values (2015), as well as from Ahlers et al. (2016), who looks at family firm acquisitions (cf. section 2.2.2).

Defining the role of the old owner is key for the integration process:

The first fundamental personnel decision before the acquisition concerns the future role of old owners. In some companies, the former owner is still on board (e.g. A3 or A6), while in some companies the owner left right away (e.g. A1 or B1). The decision-making process behind the future role of the old owner seems to be unique for family firms. They think about this more than a normal merger might. Some considerable thought goes into the impact of what happens to the former CEO, the emotional impact for them of either option, the impact for other family members who remain without the CEO, and for other non-family members. This is in accordance with the finding in literature that the owner family often acts as a role model in family firms (e.g. compare with Siebke, 2015) and that the M/A process often is an emotional topic (e.g. Steinmeier & Jöns, 2011).

For interviewee A3 7, CEO and former owner of Company A3, it was easy to adapt from his role as entrepreneur to only a managing director. According to him this had various reasons but was mainly because he describes himself as very rational and not sentimental at all. Besides, he had experience as a leading employee in other companies before running his own business. He also states that it was a good solution for both sides, because A3 7 is very trusted by both his former employees on the acquired side as well as those from the acquiring side. Additionally, Manager A3 7 can be managed independently without much control of the parent company.

> *"It was a good solution for everybody that I remained as the CEO of the company even after the acquisition. Company A0 trusted me that I know my stuff and were glad they could concentrate on other things. For the employees, it was an easy switch and a lot of them even thought that with the change of ownership, it was actually great that I stayed because they trusted me." (A3 7 - Former owner of A3, now manager)*

In Company A6 the role of the former owner, who is still in the company, produced a lot of confusion in the beginning. It was not clear to the employees to whom (parent company or former owner) one has to address which topic, according to interviewee A6 14. One reason, according to him, is that the former owner still wanted to be involved in every decision. Another apparent reason can be that - in contrast to Company A3 – Company A6 is controlled much more directly by the head office. The CEO of Company A summarises his experiences in the below comment. These two different examples show that it very much depends on the personal relationship and the specific circumstances of the M/A process.

> *"We of course try to find the best possible solution for us as well as the old owners. We were flexible and found targeted solution for every acquisition. But after having experience with a lot of different options, I can clearly state that leaving the old owner on board, is always the second best option. It entails the risk that it will not go well because the former owner continuously tries to impose his style of leadership and his ideas – and the employees usually listen most to their old boss. Then it is*

incredibly difficult to enforce certain, often necessary changes. It may go well of course (see example of Company A3), the risk, however, is almost always greater. That's why we usually try to get rid of old owners if possible." (A6 14 - Group CEO and family member)

Another important personnel consideration is to let all family firm members act in concert. Opinion leaders usually have a significant impact in small family firms, especially when they are part of the family. They seem to have special credibility because of the ties and history that they share. This means that when they are opposed to the acquisition it puts the integration success at risk. The example of Company B shows how a bad personnel decision, holding on to a difficult employee with a negative opinion, can harm the integration process:

"My brother in law, who worked here as an employed manager, was very popular, and a role model for everyone. (...) But then he felt insulted that I didn't rely on his opinion regarding the acquisition of Company B1. He was adamantly against the acquisition, as he thought it would be too much to handle. But as I own 100% of the company I am the one who takes the decisions. So, Company B1 became his personal bogeyman. One of my biggest management mistakes: I should definitely have let him go sooner because he shaped the employees' negative image from B1. The damage he had done was irreparable afterwards." (B0 1 - Owner)

Furthermore, this example shows one of the difficult aspects of family firms: holding on to employees only because of family bonds. Segregation later on is really difficult. It creates tension and it is difficult to get family members to leave without huge repercussions (e.g. De Vries & Carlock, 2010). Family members seem to be especially sensitive, as the example of this brother-in law shows. This means that the right personnel policy reduces their uncertainty and therefore reduced their organisational trust as family firm employees have an aversion to risk and avoid change, according to literature (e.g. Gómez-Mejía et al., 2007; Ward, 1987). This finding is in accordance with findings from the literature that family firm owners prefer the stewardship approach and want the best for their employees (Miller & Le Breton-Miller, 2006).

This example of defining the role of the old owner in the integration process demonstrates how complex the issues can become, and how complex the process can be. It shows that family firms are diverse (cf. Gómez-Mejía et al., 2007), as is the role of the owner (Kets de Vries & Carlock, 2007), along with the variety of different forms of acquisitions (Cartwright & Cartwright, 1996). But in general, despite this diversity, the research shows the prevalence of the stewardship approach in M/A processes.

Having a clear structured integration process that leaves no room for uncertainty: Some interviewees stress how an unprofessionally managed integration process can harm the success of the whole integration. These examples below of interviewees show how important it is in a family firm M/A that the integration is handled actively and professionally-structured by a clear dedicated team. Having a dedicated team to manage the integration is certainly not specific to family firms. Nevertheless, it is mentioned here because family firm integrations usually tend to be managed less professionally. Dyer and Chu (2003) found that family firms tend to hire less professional management consultants during the M/A process. In this study, though, I found that employees in family firms like the process to be very clear and structured because of their aversion to risk. Therefore, one needs to actively manage this discrepancy.

The acquisition of Company A6 was supposed to be mainly managed by line managers from Company A1, and not by a dedicated professional integration team. But according to interviewee A1 10, CFO of the company and with the primary responsibility for the integration of Company A6, it is important to have a dedicated integration team on site in order to professionalise the process and to check that the firm's values are conveyed correctly. He describes how more concrete support would have been helpful during the integration of Company A6:

> *"It all went with our own initiative. No central project lead was determined. No one was exempted for this extra acquisition work. When the acquisition was made, we only got the following instructions from the management: "We have acquired the company. And here are your new business partners. Together with them you can fight the market now. So just go ahead"! There was only a little support for the new organisation, as well as only a little support for the new project team! (...) Our newly acquired colleagues from A6 noticed this - of course - as well and did not feel so welcomed, and rather insecure." (A1 10 – Manager)*

Interviewee A0 1, Group CEO and family member, agrees that a dedicated professional integration team has to have a leading role in the integration process. He particularly emphasises the importance of a professional dedicated integration team for a smooth integration:

> *"My most important lesson learned concerning the integration processes: We definitely have to improve the clarity of the responsibility and professionalise the integration process. What we have done wrong in the past is that every department was allowed to speak to each other on a bilateral base. The result was that the acquired company at the end had a lot of different contact people, which led to confusion and anger on all sides. We now want to coordinate everything better, following the slogan: "One face to the new company." So, one dedicated integration team with clear responsibilities as a bottleneck (...).*
>
> *Rethinking was required. In the past, I thought that the responsible employees will just manage the integration without much intervention. Now I realize that the integration team also needs to be managed professionally when we are becoming a bigger company." (A0 1 - Group CEO and family member)*

In summary, one can say that interviewees from the acquiring, as well as from the acquired, side agreed that a professionally-managed process reduces their uncertainty. This is in accordance with findings from the literature that family firm employees have a high degree of risk aversion (e.g. Gómez-Mejía et al., 2007; Miller & Le Breton-Miller, 2005; Ward, 1987). This means that, in the specific circumstances of FF to FF M/A, it is certainly likely that the management of the FF M/A will have an effect on the employees' organisational trust.

The interview results show that emotional aspects play an important role in the M/A processes of two family firms. Firstly, similar values in the two merging family firms are central criteria in the search for the right partner. Secondly, personnel policies play a crucial role. For the integration to be a success, they should focus on personal relationships between the different stakeholders. One needs to decide on the future role of the old owner and ensure that all family members act in concert. Furthermore, while a dedicated professional integration team is rare in family firms, it is crucial for a successful integration process since its improves the perception of the integration on the employees' side. This evidence supports the proposition that there are specific circumstances of family firm M/As that are especially related to family firm employees.

As there has not been any research specifically on FF M/A yet, one could only make assumptions before this study. The results about the characteristics of FF M/A are similar to what literature suggests about family firms in general. Similar values, as well as the role of the owner (e.g. cf. Siebke, 2015), are important during the M/A process. Also, the findings support that family firms focus more on non-financial aspects during the integration process (Gómez-Mejía et al., 2007; Thomas, 2002). One can conclude, that the findings underline that FF M/As are specific and focus on non-financial factors. When being asked about the specific circumstances of family firms and the uniqueness of family to family firm M/A processes the interviewees also mentioned the importance of organisational trust. The next section focuses on the role of trust in M/A processes in family firms in greater depth.

8.2 What is the Role of Trust in M/A Processes in Family Firms?

Interviewees talked about the development of their organisational trust during the integration process. Their answers revealed a number of themes. I clustered them according to their described trust journey during the integration process. This means that, when asked about their trust development, the interviewees described a trust journey.

M/A causes a loss of trust:

From the interviewees' answers, it is clear that the acquisitions caused a loss of trust in the beginning. Many of the interviewees described how, after the announcement of the M/A, their organisational trust decreased. This is not a surprise. It fits with the argument in the literature that trust is put to the test when employees feel uncertain and not in control - as could be the case in times of M/A (e.g. Buono & Bowditch, 2003). This means that there is usually less organisational trust after an acquisition (Steinmeier & Joens, 2011).

Interviewee B1 3 described how disappointed he was with the old owner of Company B1, who sold the company without much explanation. This reaction indicates that the level of betrayal can be especially deep because of the connection to the former owner. Usually, family firm employees do not expect change and believe that the owner will always be with them. This is mentioned in literature (e.g. Graves & Thomas, 2008) as well as in the interviewee's answers about specific circumstances in family firms (cf. section 8.1). This is why the unexpected acquisition created a feeling of betrayal for the interviewee B1 3. When employees feel betrayed it can then easily result in a loss of trust (e.g. DeConnick, 2010).

> *"We still feel abandoned by the former owner. He sold us in a knee-jerk action and never surfaced again thereafter. It was very unexpected, and directly after the announcement, he took off. As I used to work closely with him I feel totally betrayed now. In fact, this still hurts a lot" (B1 3 – Employee)*

Also, the statement of the CFO of Company A2 illustrates that employees used to have the expectation that there would not be any severe changes in the future and believed in the long-term orientation of the company. That explains why they were especially shocked by the acquisition and is perhaps one of the reasons why their trust first decreased.

> *"There was uncertainty because we would never have expected that such a change would take place. We at Company A2 thought everything would remain the same for the next hundred years. The announcement of the acquisition was clearly a shock and led to a feeling of less security and a loss of trust. From now on one expects other changes to come as well." (A2 9 - Manager)*

Also, aspects of integrity and benevolence (Mayer et al. (1995), as discussed in chapter 2.1.1) were mentioned during the interviews. Interviewee A4 12 shows in the below quote how important benevolent and honest behaviour is especially at the beginning:

> *"First, they (the head office) said "We do not change anything"- but shortly after the M/A announcement they changed a lot. This inconsistency was poison for the employees' trust. (…) Also, Company A was not cherishing enough at the beginning of the integration, but rather acted with a bulldozer mentality. As you never have a second chance for*

the first impression, it was a pity that credibility got lost right at the beginning." (A4 12 - Employee)

Even when admitting that they were disappointed by this decision, and their trust was not on the same high level anymore, the interviewed employees still believed that the former owner did also care about their well-being, e.g. a responsible outcome. The following example demonstrates this thinking and also provides an explanation:

"Of course, we were disappointed by this decision and yes, of course the trust in our company was not the same anymore after we were sold. I loved our status as a small private little family firm, a hidden champion, and did not want this change to happen.

But on the other side, knowing the former owner for such a long time, I knew that he made sure that we all do not end up on the street, but that he sold to someone who has good intentions to keep all jobs and to even further develop this company. I think at the end he did not have any other choice- he ran out of ideas how to further develop this business and the younger generation did not want to take over" (A1 16 - Employee)

This description of the owner's thought process from the employees is similar to the rationale described by the owners themselves (cf. the former section that describes that both, selling as well as buying family firm, try to make a good match and look for similar values in the merging family firms).

Additionally, other interviewees from Company A's headquarters argued that the owners/the management team considered their decisions very carefully and also had the employees' interests in mind. Interviewee A0 3, an employee of the Controlling department, claims "If the management board is convinced with what they are doing, then I am positive that it is the right decision". One family firm-specific argument mentioned by the employee is that, in family firms, one does not necessarily have to reinvest money – in contrast to publicly-listed, more profit-minded firms- and that is why he trusts that the acquisitions are examined rigorously beforehand:

"An advantage of us as a family firm is that we do not necessarily have to invest our money in order to make our shareholders happy. One can

be sure that every decision that we take is very well-considered. I am certain that the employees - at least here in the headquarters - know this. I do not think that the acquisitions have a negative effect on the organisational trust - in fact they rather increase the trust in A as a successful employer." (A0 2 - Manager)

To summarise, this shows that the employees did experience a loss of trust. However, the employees nevertheless believed that, at least in the case of Company A, the former owners care about their well-being.

The employees show a willingness to observe and give the new company a chance: When asked about trust changes during the integration period, the interviewees often mentioned that they first "observed" instead of making a trust decision immediately. This shows that family firm employees tend to wait with their trust assessment for a while. For example, Interviewee A4 15, who has been with the company for long time, remembers "Our trust in the organisation has changed since the acquisition, as we were more hesitant." He adds "Since we did not know what to expect, we were observant in the beginning". Also, other interviewees explained that they initially watched and waited, and tried to make up their mind whether they should give the new organisation a chance. One explanation for this can be that the employees still had trust in their old company and their old owner.

"On the one hand, I knew that it would be probably alright, on the other hand, I was actually really sad to leave our intimate community. As I still trust the old owner, I gave it a try though." (A1 16 - Employee)

Some other employees like interviewee B1 3 see the new situation pragmatically, however. He explains that the behaviour of the old company did not necessarily affect his attitude towards the new company. He is able to cope and try to make the best out of the situation:

"Luckily the new owner intended to keep all of our jobs. As the new owner had not done us any harm at this point, and actually the company had a good reputation, I was just observant. We have nothing to lose – that's why I'm open to the new company and the owner family." (B1 3 - Employee)

As there was no negative outcome for him in general in the beginning (the new owner promised job security), he was just observant and cautious about what would happen next. This is similar to what most employees report. The circumstances of the acquiring firm promising to keep the jobs secure and having a good reputation acted in favour for the employees' trust.

Some of the interviewed employees from the acquired side of the examined family firms mentioned that they were especially delighted that the values of the acquiring firm were similar to their old organisation. Having these family firm values like caring about their employees and their community seems to be one criteria for the positive assessment of trust in management and in the organisation by the acquired employees. Interviewee A6 14 explains that he gave the new company a chance after he realised that both family firms stand for the same good values.

> *"Of course, we had our concerns and were sad that the old owner left us. But already in the first communication, the similarities to A were highlighted. We could learn that they are a family firm with similar values to us. I found it positive for example that CSR has been taken as seriously here as in our old organisation. Since I realised that there are no major differences in the corporate cultures of both organisations, I thought I should give the new company a try." (A1 16 - Employee)*

One employee describes her thought process thoroughly. She deliberately decided to wait patiently as she trusted that somebody else, in this case the family firm, have put some thought into it.

> *"Sometimes in life it is always good to be first observant and unagitated. Just relax and see how things turn out, because I knew that some thought had been put in this decision. While a lot of colleagues ran around like headless chickens, I realised that it is better to be observant. This is actually my general philosophy, and it also turned out well for this merger." (A1 11, Employee)*

Why do the employees stop waiting? The question about trust changes also revealed that, after a certain time, observation is not enough for the employees. The quote in the below statement "After a while you just need to decide" clearly indicate that it helps the employees to make up their mind about the trust decision after a while. In order to reduce their uncertainty, they tend to make a decision (e.g. cf. with Kahnemann & Tversky, 2000) about their trust judgement. A manager who asks "his constantly moaning employees" to make up their mind if they want to stay and trust or leave, states that employees work much better as a team after they decided which side they stand on.

> *"The disputes between the two companies went subconsciously on and we did not make progress as a team. I then gave them a speech and told them that after a while you just need to decide if you want to be negative and distrustful and eventually leave, or if you actually start to like your new employer and are willing to make a joined effort for the company. You have to be honest with yourself. You either like it, invest in the relationship and stay – or you leave. This is also what I told my employees during tough times. I also told them that once they have decided on which side they stand, they will feel better as they can actively settle in the new company then. Funnily enough, none of the employees, even the ones with chronic crankiness, left our company after my speech. Quite the opposite. I had the feeling once they made up their mind about how to judge the new situation, we worked better as a team." (A0 8 - Manager)*

The example of the confrontation between the owner and his deputy in Company B shows a more negative outcome for the trust decision:

> *"The question about trust during the acquisition is a tough one, I waited for a while to observe. In the beginning, I had a good feeling about everything and thought the acquisition was going well. But then everything became more and more unpleasant. Maybe as well as the cause of the tense financial situation. (...) The family fight also caused a loss of trust on our side. The whole atmosphere was very unpleasant, so I was actively considering resigning my job." (B0 2 - Employee)*

This quote demonstrates that the employee was actively thinking about the question of whether the company was trustworthy of not. After witnessing the dispute in the leadership team, he decided to hold back his trust. Also, the below observation of

Company B's owner indicates that trust was finally lost after the outcome of the integration process was not as positive as hoped for:

> *"After the integration was not as successful as planned, [eventually the] trust was gone. Every upcoming change was scrutinised and met with a lot of cynicism. Regardless of what I suggested, it was first tested intensively. That was pretty tiresome, this tedious process where you constantly have to prove yourself." (B0 1 - Owner)*

Quick summary: The results reveal that there is a delay in which employees judge on the outcome at the end. A lot of interviewees mentioned that they had been willing to observe for a while. This choice to wait is not necessarily a cognitive decision, but probably as well emotional – given that they trust the old owner. But at some point the employees want to undertake a trust decision. In a simplified scheme, one can divide the interviewees' answers into two different groups: Perceived positive outcome after the acquisition in Company A and a more negative outcome in Company B. Where the outcome is more negative (Company B), one needs to try harder to regain trust. This will be explained in the next section.

Trust can be restored after M/A:

Even after a trust decline directly after the merger, the interviewees' descriptions of the integration process reveal that there is the possibility to regain decreased trust, if the involved family firms are perceived as trustworthy. Being asked about changes in trust throughout the integration process, the employees showed a development in their trust. This supports the finding from literature that organisational trust is not predetermined but develops in a process and can be repaired (e.g. cf. chapter 6 about trust repair).

There are certain signs that show that trust came back after the acquisition. All components of trust came into play but gaining confidence in the competence was mentioned as the most relevant component of employees' trust in the organisation during the acquisition. Competence has been described in different manners. It can mean that the employees believe in the success, good reputation and in the high-quality products of the new firm. If the firms' competence is valued positively then this has a positive influence on trust. From the example of Company A one can learn that if the firm's competence is valued positively then this has a positive influence on trust. Interviewee A1 16 describes his feelings as follows: "We trusted Company A's products. They have an excellent reputation and good products." Another mentioned aspect is that if the firm's management is regarded as competent in what they are doing, this can increase the trust in the firm as well:

> *"During the integration phase, we were successful thanks to investments and improvements, as well as thanks to the general competence of our management team. The new employees realised after a while. We really like to work here." (A0 5 - Manager)*

Restoring trust because of the company's integrity was one aspect of trust that was mentioned a lot during the interviews. For ongoing trust, the acquisition process should be managed consistently, and everybody should be guided by a clear line. Applying the same rules for everybody is important. The more clarity, the less uncertainty.

> *"We are now responsible for the employees of all companies. This means that we have to handle all needs. Ground rule: Same rights (of course, same duties as well!) for everyone! This is the minimum requirement for establishing trust." (A0 5 - Manager)*

Benevolence and an appreciative takeover seem to play an important role for regained trust, especially for the acquired companies. Interviewees from the acquired companies describe how far they try to treat their employees benevolently. They emphasise that it is important that in the company one pays attention to the well-being of all employees and treats everyone appreciatively.

> *"Company A is a generous and caring company - and we are actually better off having them in the background. In the beginning I thought that their financial power in particular is helpful for us. Now I know that this is only a part of it, but that also their whole support system (help for parents, especially mothers, e.g. with a nursery, having a healthy canteen etc.) is of great benefit. Also because of their open corporate culture I trust now that I have one of the best employers possible." (A5 13- Employee, family firm member)*

Something that becomes apparent in the analysis is that the two examined companies' acquisitions had different outcomes that lead to a different trust appraisal. In the acquisitions at Company A all went rather smoothly, it only seemed necessary to stabilise and consolidate the trust experience. In Company A the topic of reduced trust was less prominently in the focus of the interviews. The interviewees only mentioned how they can improve the trust situation, even if it is on a rather high level already.

Conversely, the acquisition of Company B put the whole Company B1 in a tense financial situation after the acquisition. Therefore, employees viewed the acquisition of Company B as a negative outcome in the aftermath. This example also shows that if the firm's competence is valued negatively then this negatively influences the organisational trust. This is in accordance with literature (Mayer et al. (1995), as discussed in chapter 2.1.1)

> *"Due to the lack of financial success and the trouble we had after the acquisition, the competence of the family's decisions was questioned." (B0 2 - Employee)*

This is why it seemed much harder to repair trust in Company B instead of consolidating trust in Company A. In Company B where the interviewees report a rise of distrust, especially on the acquiring company's side, it took longer before the sunken trust could be repaired. The employees first observed the owner family and the new company very intensively after their loss of trust, until they were finally willing to change their mind. The employee of Company B1 explained that he gained trust in the company after he worked closely with the owner for a while. The influencing factors to repair sunken trust are reported in section 8.3 more deeply.

> *"After the difficult start we had with our new mother Company B in the first months, I was able to work closely on a project with the owner. I was very critical and observed his behaviour with great alertness. But he did not give me any reason to doubt in him - in fact he was actually a good role model to work with and showed me great care. After this project, I regained my trust in him." (B1 4 - Employee)*

The below quote illustrates that the firm's financial success after a bumpy start after the acquisition particularly helped to repair trust into the owner's decision-making competence.

"I do not deny that we had far more initial difficulties with integrating the new company than I would have ever expected. Nevertheless, I was always sure that this company's success will prove me right in the long-term. And now that we are finally also financially successful, I regained respect and faith in my decision-making competence." (B0 1 - Owner)

Employee B0 5 illustrates a pragmatic way the employees found to cope with the new situation and to prevent the owner from causing another tense financial situation:

"After all the trouble the integration of B1 caused for all of us in the first years, we employees started to act as a counterweight to the owner and to question more of his decisions. We tried to better consult him which areas/machines of B0 really needed investment – and this arrangement now works well for both sides: We have more control – and the owner has good advisors." (B0 5 - Employee)

These examples show that, nevertheless, a trust repair is generally still possible for Company B. One exception, though, was the conflict between the owner and his brother-in-law. Trust could not be repaired here as the brother-in-law left the company. (More about this example is discussed in section 8.1, 8.3. and 8.4, especially in the section about turnover intention).

"It got especially emotional because the dispute was with a family member. They got very mad at each other and then the deputy left." (B02 - Employee)

In the next section, the interviewees' descriptions of how to manage a successful integration process will be reported. Thereby the main focus lays on the aspect of organisational trust. This is especially important because of its practical use of the influencing factors for these firms.

8.3 What Factors influence Trust in M/A Processes in Family Firms?

In this section, I discuss themes about influencing factors of organisational trust in the integration process of family firms that respondents indicated during the interviews. This is important because the last section showed that the level of trust can vary, depending on the organisation's actions as trust develops in a process.

Therefore, I am highlighting a set of different strategies an organisation can pursue in order to influence their trust development positively during the integration process. These identified influencing factors are summarised in this section and I am going to describe them as I go. The mentioned strategies which organisations can use in order to influence the level of trust changes are diverse. Some of them are exclusive to family firms and some of the influencing factors are similar to what is already described by literature, but with some factors that are more significant in family firms. Of course, these influencing factors vary depending on the circumstances of their specific integration process and the respective trust outcome. I am also going to describe these differences as I go.

In summary, the interviews show that job security is an important, but not a sufficient condition for trust. There are other important factors as well. Clarity of roles and responsibilities during the integration process, a good communication policy and a fair integration process can prevent a major loss of trust. Role models that support the acquisition decision, the possibility of an active involvement in the M/A process as well as engaged organisational support can help to achieve an efficient restoration of trust after the M/A process. This all will be discussed in depth below.

Job security is important, but not a sufficient condition for trust:
Job security seems to be an important factor for the employees' trust judgement in the first place. A high amount of risk aversion and the desire for perceived job security seem especially prevalent for family firm employees (cf. section 8.1 about specific characteristics in family firms, or authors such as Arrègle et al. (2007), Miller and Le Breton-Miller (2006; 2011; 2005). As stated by B0 1, for employees of his family business - a midsized firm in the countryside - job security is the most important influencing factor for their well-being:

> *"The people who like to work in our family business, a midsized firm on the country side, rather want security and a cosy atmosphere than thrill and leading-edge innovation. Therefore, it was the most important information for everybody that of course all jobs remain secure." (B0 1 - Owner)*

Fewer layoffs will have a positive effect on the employees' organisational trust. A lot of interviewees mentioned job security as a crucial influencing factor of organisational trust during the integration. Nevertheless, perceived job security can only be a precondition for being able to build trust for most of the employees. Even if employees stay at the firm, it does not mean that all is well. It can also be the case that they already quit inwardly long ago (Sprenger, 2007). Interviewee A0 8, who was responsible for the integration of Company A2, and is still onsite, describes how guaranteed job security for all employees of Company A2 prevented a total loss of control over the organisational change and caused an observant reaction. In case of the employees of Company A2 this observant reaction does not lead to organisational trust automatically, though. According to interviewee A2 9, it took a long time before something like organisational trust was recognisable.

> *"Most of A2's staff were mainly observant after the news of the acquisition. Total defence was hardly noticeable. This was because we have given job security to all employees. In the integration period, they did not have to fear anything. The guideline "Nobody will be dismissed" came from the family." (A0 8 - Manager)*

According to interviewee A0 4, workers usually care more about having their regular salary and a secure job than identification with their management, even during times of acquisition ("Blue collars only want to have money on their account regularly and a secure job").

The employees of Company B were more uncertain about their actual job security during the tense financial situation after the acquisition of B1. They actually had concerns that the most negative outcome "to lose their jobs" could happen. This shows that the perceived job insecurity made trust harder to rebuild in Company B. While job security seems a necessary requirement for trust, it is not a sufficient condition for employees' organisational trust by itself, so further influencing factors such as clarity in the processes need to be identified.

Lack of clarity about the leadership and future processes creates uncertainty:

As a means to prevent the risk of uncertainty and, therefore, a loss of trust right after announcing the acquisition, clarity - especially clarity about the leadership and future processes - seems important to the interviewees. The interviewees mentioned that a lack of clarity in particular influenced their trust judgement:

On the one hand, processes (such as the preparation of M/A) are often not strategically planned in family firms and rather chaotic. On the other hand, preventing uncertainty seems especially important in family firms because of their risk aversion (e.g. Kets de Vries, 2009). This is also valid for the two examined companies. Not having sufficient clarity during the integration process is the most frequently mentioned influencing factor of decreasing trust during the interviews.

Many interviewees report how trust was destroyed because the integration phase was handled very chaotically. Interviewee A6 14 describes how an unclear chain of command leads to insecurity in the integration process, which then had a negative effect on trust in Company A6. When talking about "authority" he especially talks about the role of the former owner, because it was unclear who will replace him and what the new organisational structure would look like.

> *"In the departments that were more involved in the integration, there are now more resentments, because the acquisition and the whole integration process seemed chaotic and uncoordinated. The biggest challenge was to define the new range of authority (...). We had the feeling that Company A either did not care about us or did not have a concrete plan. The unprofessional integration process has unfortunately already gambled away a great deal of trust right at the beginning." (A6 14 - Employee)*

Providing as much clarity as possible about the processes, open questions, future roles and hierarchies right at the beginning after announcing the acquisition is also mentioned as a crucial factor by interviewee A2 9. He remembers that there was a lot of uncertainty over who really has the decision-making competence. One of the key factors during the integration is to define clear responsibilities in order to improve the clarity of the situation. "One boss, one clear organisation right at the beginning of the integration is needed. That smooths the whole integration." (A2 9 - Manager). Defining clear responsibilities enhances the feeling of ownership for certain tasks, as interviewee A 11 explains. "The most important point directly after the takeover: Ensure clarity, clear hierarchies, a clear governance and greater decision-making power. Otherwise everybody behaves uncoordinated and crazy." (A1 11 - Manager). It is likely that family firm employees are particularly sensitive about an unclear organisational structure because they are used to the owner as the leading figure. When a certain answer to this question cannot be given right after announcing the acquisition this can quickly decrease the organisational trust.

> *"The direct presentation of a solid respectable family business immediately after the message of the sale of the business, has helped to calm the whole situation for the employees. Especially the long-term road map and the Q&A session in the town hall meeting was helpful for all employees. After this meeting, most open questions were answered." (A0 4 - Manager, regarding the acquisition of Company A4)*

The above example shows how to manage the integration process better from the beginning. A0 4 describes how an efficient town hall meeting helped to answer most open questions of the employees about the future processes as well as about the new owner family.

One can summarise that more clarity leads to more control and less uncertainty, and hence to a lesser amount of trust (Van der Heyden, Blondel, & Carlock, 2005). The example of interviewee A6 14 indicates that this is also true the other way around.

Employees pay attention to fairness:

Another influencing factor on organisational trust right from the beginning onwards in the integration process is fairness. The employees are especially critical when it comes to fairness, especially in a family business where they feel part of a big family (cf. collective identity (Sundaramurthy, 2008)). The HR director of Company A gives a reason why employees especially look at this aspect very concretely, and precisely observe the situation. "In our family firm group, one has a good instinct for fair behaviour. This is similar to a family with siblings who constantly check that their parents divide everything equally."

Organisational fairness is a multidimensional construct. It consists of the three distinguishable factors distributive, procedural and interactional fairness (Greenberg, 1986). Distributive justice is conceptualised as the fairness associated with decision outcomes and distribution of resources. A0 5 gives an example where the employees regard the negotiated contract terms and conditions during the integration process as unfair.

"In an acquisition, it is very important that all personnel are treated the same way. For example, in Company A6 one family member had a better contract than the rest of the staff. This information quickly circulated, and the trust was ruined. Afterwards, we refused to do the former owner's buddy a special favour (adapting the vacation guideline). One of course has to treat the former owner respectfully, but you have to explain to her: "We cannot do that without being unfair to the others." The former owner was used to deciding on her own, now one has to explain that this is not possible any more. No precedents, then everything will catch up with you. Fairness is highly important, that is one thing where I am very strict. And I think that employees actually appreciate this." (A0 5 - Manager)

Procedural justice is defined as the perceived appropriateness of rules, procedures and processes (Greenberg, 1986). When individuals feel that the process involves characteristics such as consistency, accuracy and lack of bias, then procedural justice is enhanced (Greenberg, 1986). Fair behaviour in the acquisition process also occurs in times of actual redundancies. Even in a redundancy process it is important to show the remaining employees that victims were, nevertheless, treated fairly and respectful. This enhances the chance that employees' trust is not totally lost, even if colleagues were laid off. Two years after the acquisition, some jobs at Company A2 had to be reduced because of market conditions. Interviewee A2 9 describes the influence of redundancies on organisational trust.

"The layoffs were personally difficult for me. Twelve employees had to go. We had prepared everything very carefully beforehand. We as well announced the possibility beforehand to every employee so that they had a chance to improve themselves and had many counselling sessions with them. So, one can clearly say that the process was pretty fair after all. With a social plan, change and outplacement consultants etc. Yet of course it was very hard. In spite of the very accurate preparation, it has already led to uncertainty and a lack of trust. But, nevertheless, it was necessary." (A2 9 - Manager)

Interactional fairness refers to the perceived appropriateness of interpersonal treatment and can be increased by providing explanations for decisions and delivering the news with sensitivity and respect (Bies & Moag, 1986). According to the interviewees, the aspect of fair communication in particular can be important for the quality of organisational trust relationships. The interviewees stress the importance of making the information policies as open and honest as possible, from beginning onwards and not to shy away from negative information. One point that was mentioned at Company B as well as Company A was that overpromising can be seen as unfair and cause a loss of trust, as the below examples show:

> *"Further lessons learned: Do not promise too much. Be sober and be modest. And, directly address negative things. Simply said, without you we would probably be bankrupt, now let's take it from there." (A5 13 - Employee)*

Withholding important information and not addressing negative news can be considered as a breach of trust as the example of Company B shows. The owner promised good profits and prosperity after the acquisition of Company B1 but in fact put the whole company into a tense financial situation. The effect of this negative outcome on their perceived fairness is shown in the below quote:

> *"The owner promised "prospering landscapes" after the acquisition. In fact, though, he did not tell us about the problematic financial situation after the acquisition though. We had to figure this out ourselves (less incoming goods, less necessary investments". This was problematic as this also concerned the security of our jobs as well". (B0 5 - Employee)*

Communication is important during the whole integration process:

Also, next to the aspect of fairness, communication seems to be an important influencing factor of organisational trust in general. Different aspects of communication were mentioned from a lot of interviewees as important factors for different stages of the integration process. Right after the announcement of the M/A decision communication of the former owner and his justification of the M/A decision stand in the focus of the employees' interest, but during the integration process the communication interest shifts towards the new owner family.

Justifying the reasons for the decision to the employees was mentioned as an important aspect for a successful integration during the interviews. Explaining to the employees the logic behind the acquisition very closely and emphasising the advantages of being acquired by a respectable family firm when announcing the acquisition, can calm down the employees and prevent a loss of trust. For the communication, it makes a difference that the management and family stand behind it. Interviewee A3 7 remembers that he and his father held a very personal and emotional speech. He admitted to his employees that he does not feel capable to fight the competitors without a strong investor in the background, but that he is certain that he found the right partner with Company A1 and its CEO. He concluded that one has to give the employees good reasons for the acquisition so that they are able to better accept the change.

> *"The employees could only understand our intention to sell the company after we explained our personal reasons to them. Communication is key in order to keep trust during the integration process!" (A3 7 - Former owner of A3, now manager)*

The specific framing of the change communications can influence trust in management. Interviewee A3 7 adds that he intentionally used family firm specific communication in order to increase the employees trust when he communicated the news of the acquisition to his employee. He immediately emphasised that "it is a family firm with same values - but more financial power and with a good quality brand and great strategic fit". The wording "being part of a family firm" addresses the collective identity that is typical for family firms (Sundaramurthy, 2008).

He admits that this approach worked especially well in his case because he was considered as a credible role model for his employees. That means that actively involving the former owner in the communication can be smart for mitigating the employees' pain. A vigorous advocacy from the former owner can easily help to increasing the standing of the new owner in front of the workforce. This strategy also seemed to work for the employees. Interviewee A6 14 shares that he first felt relieved after the announcement who the buyer was because "already in the first communication, the similarities between both companies were highlighted. Also, I appreciated that the owner family of Company A0 presented themselves as an honourable, traditional, as well as very successful company".

The communication approach of Company A, where the former owners stood side to side with the new owner family, stands in contrast to Company B where the former owner did not explain his reasons for the sale, but left immediately. Employee B1 3 explains his feelings towards this communication approach "We still feel abandoned by the former owner. He sold us in a knee-jerk action and never surfaced again thereafter. It was very unexpected and directly after the announcement, he already took off."

In general, in midsized family firms, communication takes place on a personal level with the owner/ management. Interviewee A0 1, the Group CEO and family member, sees this as one of the clear advantages of family firms.

> *"During the integration process, we were still so small that we could talk to each other any time (at least in the first three levels of management)." (A0 1 - Group CEO and family member)*

However, literature says that family firm communication is usually not managed very professionally. For example, Harris et al. (2004) show that there is comparatively less official communication and involvement in family businesses since their communication policy is not as professional and targeted. This goes hand in hand with the observations from the interviews.

Interviewee A4 12 describes how channelling communication helped to calm things down after the announcement of the acquisition. "First attempt for the integration after I was the person in charge: Calm down everyone. All communications had to go over my desk, so I could channel and prioritise it. That worked pretty well." (A4 12 – Employee). Also, interviewee B0 2 describes how Company B established the following ground rule in order to get to the bottoms of rumours as quickly as possible:

> *"De-escalating and quickly getting to the bottom of rumours to nip them in the bud. This is always good, but especially worthy during the integration process." (B0 2 - Employee)*

Nevertheless, the communication approach of Company B did not work well after the acquisition. The interviews show that communication in times of change should be well-prepared in family firms. The following examples show that professional communication is essential during the whole acquisition process, when announcing the acquisition but also after the acquisition. Interviewee B0 1 explains that he informed the staff of both companies about the acquisition in a quick spontaneously town hall-meeting. But this information did not address all issues and left many questions open, so looking back his lessons learned would be to better prepare the communication. This means that a lot of trust was spoiled at the beginning and led to the negative perception of the whole situation. This is in line with literature (see Lount (2008) "Early communication phase, first impression counts"). And as already mentioned in the last section, overpromising by the owner of Company B was a big problem for the judgement of the trust status.

> *"And like I mentioned previously, the communication was faulty. My "I'm the owner, I can invest into whatever I want" policy was wrong. They did not quite understand my reasons for the acquisition, which encouraged rumours. We should have prepared the communication better in advance." (B0 1 - Owner)*

The next example talks about a later stage of the integration process at Company B. The example of Company B also shows that a smart communication approach can actually make a difference for the employees in the long-run. After a while, and a lot of persistence, one can see that the owner's communication approach can lead to a rebuilding trust for the employees. The below example shows that this persistent communication approach can be a well-thought choice for a slow regain of trust. He also engaged his family firm members (wife, children) in this task (cf. section about role models).

> *"After communication problems at the beginning of the integration process we changed our strategy. We tackled rumours with a very active communication approach. The management team and I informed all employees frequently. Even if there is not anything to know, they need to know that nothing new has happened. I spend a lot of time with just talking to my employees, but this seems to be worth it. They all know now that I am approachable any time. " (B0 1 - Owner)*

One can summarise that communication is important during the whole integration process in FF M/A. From the merger announcement throughout the whole M/A process, the employees are listening carefully to the communication, especially communication from the (former) owner.

Organisational Support takes place on a personal level

Giving the employees the right support during the integration process was very important to the employees as they like to be emotionally cared for. This is especially valid for family firm employees (see the aspect of emotionality in section 8.1). According to the interviews this form of support can actually help to increase diminished organisational trust.

However, the interviews show that what constitutes organisational support is different in family firms. It is rather personal and less of a professional HR strategy. The employees of the acquired organisation did not receive much support on a professional level of HR/ Talent Management, but rather support on an individual level (mostly by their respective manager). As interviewee A0 1 - A's Group CEO and family member - claims, the speciality of family firms in regard to organisational support is that employees can ask for support unbureaucratically in personal one-to-one conversations with either him or his managers. Interviewee A0 5, claims that organisational trust after an acquisition comes with management presence only. Interviewee A0 3 states:

> *"In the beginning of the integration process all involved managers need to show that they are always there to support their employees. Being present, holding their hands and being there for all kinds of questions is important. This helps you to avoid subsequent problems. If that works well at the beginning, then you can let loose later in the process." (A0 3 - Employee)*

The HR director of Company A explains Company A's strategy to give each individual employee responsibility during the integration phase because they know their needs the best. The manager that cannot plan everything precisely in advance tries to support where needed during the integration process

> *"We are working in a family firm where you will get your space, where you can shape things. Where the individual gets responsibility and is part of the family with its rights as well as its duties. According to the motto: Stipulate and stimulate. This is especially true in the integration period. We from the parent company give a clear guideline but cannot give set directions for every little detail during the integration process. The local representative of Company A needs to take decisions. We from the*

headquarters trust his decisions and support where needed." (A0 5 - Manager)

However, this only works if employees believe that they can rely on the support of the organisation during the integration process if needed. Only then, they trust themselves to work more independently. Some interviewees from the acquired companies give examples where they were particularly lacking support from the parent company. Interviewee A5 13 says that in the integration period "There was no real support of Company A when needed. They simply said, "We believe in you. You will make it". He had the feeling that the headquarters were just too lazy to give the required support. He reports that this has cost a lot of his trust right at the beginning of the integration process. So, all together one can claim that for optimal organisational trust enough individual support and an amount of individual decisions have to be balanced in family firm acquisitions. It all comes down to the right mixture. Give employees responsibility and freedom but support them if needed and give them a clear guideline.

Role Models are essential in Family Firm M/As:

The examined family firms show that employees especially need direction in times of change and are, therefore, looking for role models that lead the way during the integration process. The interviewees described how it clearly smoothed the process and helped to repair organisational trust when leaders from the acquiring organisation became regarded as trusted role models.

Interviewee B1 knows that he and his family are closely observed especially during times of change and tries to use this for his advantage. In the below statement, he describes how he intentionally tries to shape his image as a caring patriarch in order to win trust back after he put the company in a tense financial situation. Furthermore, he adds how important it is that all family members that work in the same company get along with each other very well:

"Our family tries to act as a unit and a role model. At the summer party after the crisis that was caused by the acquisition, we intentionally brought our whole big family: our four kids and their spouses, including grandchildren, etc. Now that we're a bit beleaguered, we try to present our assets of being a family business and win back trust from our employees this way." (B0 1 - Owner)

It seems that one important differentiation with bigger companies is that there is less HR involvement as the face to the new company, but that foremost the owners themselves are involved. This way the integrated companies can get to know the acquiring firm more easily and maybe have a more personal relationship to the new company thanks to these identification objects. Also, Siebke (2015) says that the owner family often acts as a role model in family firms (she just researched this topic in general though, but not in the context of change). In the two examined companies, two different sorts of identification objects could be identified: On the one hand, the owner himself played an important part as a role model with a strong vision and personal drive during the integration time, as described by interviewees of Company B. This makes sense because Company B is owner-managed and smaller. That is why a bigger focus lies on the owner himself here. Interviewee B0 1 describes his manifold role during the difficult times of the integration as follows:

> *"My role was to be the motivator and to lead the way. I had to play the strong man and exude great confidence. Thereby, I of course had to keep a clear head and take tough decisions on my own. Thereby I knew that I was constantly the centre of everybody's attention" (B0 1 - Owner)*

This is line with what his employees say. With a congruent perception of the owner, interviewee B0 2, describes the owner and his performance "In times of change/in times of crisis you need a strong man, a leader, a role model, an alpha dog! Participation is off the table when clear decisions are to be made." And the owner of Company B appears to be a leader who could especially show all of his qualities in times of crisis. He kept a clear head, was a real fighter and took brave decisions according to his self-description. He seems to be a rather authoritarian and not an integrating person. But as interviewee B0 2 already claims, this is the right leadership style in times of crisis. One other strength of the owner that was praised in the interviews is that he sets a good example with his strong vision and personal drive in order to motivate his employees even during the hard times in the integration process:

> *"The owner still has a vision of a successful future of Company B1 even if everything is really difficult at the moment. He still believes in our products and in the turn around. And actually, I think he is right. He is one of the guys who can sell fridges to Inuit. He is great in convincing*

everybody. But since he is very good at it, I clearly think that we have a chance. The passion of the owner has influenced me positively." (B1 4 - Employee)

The interviews also show that employees are looking very closely at the representatives of the new family firm. They are trying to consider whether to develop a sense of identification with the new owner (Cheney & Tompkins, 1987). This might be especially true for the smaller Company B where the owner and his family are very present in the daily working life. As interviewee B1 4 describes, the direct presentation of a solid, respectable business family immediately after the announcement of the acquisition helped him to calm his perception the whole situation. This example indicates that family firm employees like to have identification objects they can look up to.

Secondly, besides the owner and his family, other stakeholders can also act as role models during the time of the acquisition. Especially in Company A, where the owner is not omnipresent, other stakeholders like the management team can enhance the organisational trust. "If the bosses do not agree, one cannot expect that the teams will agree. Only when we, the two managing directors, started to get along with each other better, and to act as role models, the teams during the integration process started getting along with each other better as well" tells interviewee A0 8 about the difficult integration of Company A2, where the leadership during the integration did not get along with each other well. Interviewee A4 15 describes his experience that having clear dedicated change agents as role models can enhance their colleagues' trust in the organisation during the time of the acquisition:

"The driver of cultural integration is to have local change agents. In this case I had to fulfil this role. At the beginning my position was not so easy. Actually, it was socially more respected to fall into a grumpy attitude as well. It was initially not easy for me to suddenly act as a trainer/motivator/change agent. But I must say that it was good that I took my chance! (...). During this time, it really helped me that everybody seemed to trust me and that the managerial board wanted to establish me as a new strong man. And slowly, step by step, my colleagues' organisational trust was activated again." (A4 15 - Employee)

Nevertheless, the employers should ensure that these models always act in the organisations' interest. Interviewee B0 1 gives an example of a situation where an influential role model caused a loss of trust for the employees because he did not stand behind the owner's decision for acquisition, but in fact actively warned against the negative outcome of buying Company B1. This example that has already been quoted in section 8.2 indicates that the smaller the company is, the bigger the influence of a role model on the total performance.

> *"We should have "silenced" my brother-in-law at the beginning of the integration process, who was an influential opinion maker, but as well a big protester." (B0 1 - Owner)*

Regaining trust is, of course, not easy and does not work out quickly, but requires a lot of persistence after an unsuccessful start to the integration process. Nevertheless, these examples show that trustworthy behaviour by the owner can help to regain trust of the employees in the long-run. Installing the new owner family immediately as trustworthy identification objects for the entire workforce helps to smoothen the integration process according to the interviews. This aspect has not been included in the literature to my knowledge. Role models for trust repair are an aspect that have also been discussed in trust repair literature, e.g. by Gillespie and Dietz (2009), but not in the area of family firms. The importance of the owner family as a role model in family firms has been discussed by Siebke (2015), but not in the context of change and trust repair.

The findings show that the owner and the owner family are the most important role models in family firms. In other firms, other role models and opinion leaders matter in times of change, but in FF it is especially the owner who matters most.

Involving employees in the integration helps employees to regain trust in the organisation:

An effective way to counteract the negative effects of M/As on employees is involving them in the integration phase and give them the possibility to actively shape the new company. This means to turn those who are affected into active participants (Barnikel, 2008; Ullrich & van Dick, 2007; Sverke, et al., 2008; Marmenout, 2011), so the interviewees describe participative behaviour in accordance with literature. Nevertheless, there has never been a link established between the employees' participation in connection to organisational trust in family firms in literature, especially not to FF M/As, which makes the study novel.

Interviewees from Company A state that actively working in integration projects can be motivating for those involved. According to the quote of interviewee A0 8, it seems that being able to shape the change process means that employees are more likely to support the integration.

> *"The change program for the executive level (workshops, joint team events) was a milestone. We tried to establish a shared culture (not only Company A or Company A2). Involvement of both parties was key for the success of the integration because then both sides started to accept the changes." (A0 8 - Manager)*

And the CFO of Company A2 adds: "After the integration workshops (…) the two teams even start to cooperate with each other. It's still early days, but I have the feeling that trust in the colleagues is flourishing" (A2 9 - Manager).
One could learn in the interviews that the employees of the acquired company were actually more satisfied with the acquisition once they got to know the acquiring company and felt welcomed by them. Interviewee A4 15 gives an example of how one can accomplish this feeling:

> *"The entire commercial team of Company A4 was invited by Company A. Sightseeing program, product show, team event- all actions in order to get to know the headquarters. (...) It was a very nice and cheerful experience for us and has caused great cooperation. If we had done it sooner, it could have saved us a lot of trouble. We were all quite afraid of the other party but actually realised that they are very nice and very approachable." (A4 15 - Employee)*

Family members in particular want to be actively involved during the integration process, according to the interviews. Interviewee A5 13, a nephew of the former owner of A5, describes how he wanted to be actively involved in order to receive more information. The desire to be involved as much as possible is perhaps specific to family firm members because the integration feels specifically relevant for them since it is part of their family history. He adds that it was smart of CEO A0 1 to integrate him and give him a prominent position during the integration because he, as a family member, is an especially highly motivated employee, even after the acquisition. But employees who work for the family firm for a longer time can also sometimes feel like co-owners of the company. This goes along with their feeling of collective identity (cf. with section 8.1. about specific family firm characteristics as well as literature (Sundaramurthy, 2008).

> *"Some of the older managers spent their whole life at Company A3 and even worked here with my grandfather. They especially feel like co-owners and wanted to have a say about everything during the integration process." (A3 7 - Former owner of A3, now manager)*

It is a good idea to actually use this feeling by involving them if possible. If they are involved, they feel less uncertain. It helps them to regain their actual trust more easily:

> *"Of course, it helps to involve these people and give them a task in the integration project. For some A3 managers the exchange with Company A was even interesting on a personal level- intellectually interesting as well as a career perspective within the group. E.g. developing the integration strategy as well as the group wide cookware strategy was a motivating project for them. It helped to reduce their anger about the sale and increased their motivation." (A3 7 – Former owner of A3, now manager)*

However, some interviewees note that close involvement is not always only positive. The double burden of their actual activity plus their participation in organisational issues of the parent company was sometimes beyond their capability and can lead to the fear of overwork as the below example shows. Therefore, some of the interviewees emphasise that one has to ensure that no one is overstretched. That is more likely to happen in family firms because, in family firms, one tends to save costs for (change) consultants which can affect the staff's workload.

> *"We had too much work to do and not enough support. Most of the integration work fall to a small number of people. We should have involved more employees. It was ironic: The integration team was overburdened whereas other employees were dissatisfied because they were not involved." (A1 10 - Manager)*

Especially in Company B employees where the "long-tenured employees" felt like co-owners (cf. with section 8.1), they do not like to be presented "with a fait accompli". Interviewee B0 2 and B0 5 for instance hold it against the owner that he undertook investment decisions without consulting their expertise, which lead to a negative outcome. This provoked an even bigger loss of trust. This feeling of being excluded only got better when, after the financial breakdown, the expertise of employees from both sides was needed in order to stabilise the company. Even "sceptics" such as employee B0 5 say that this made the process better.

> *"The acquisition of Company B1 triggered a maturing process as well for us. Because both companies were financially very short after the acquisition we had to improve our processes and had to be even more efficient. Involving experts from both sides in the integration project was a very helpful move." (B0 5 – Employee)*

As a summary, one can say that involving them in the integration helps family firm employees to regain their trust in the organisation.

The interviewees mentioned various factors that had an influence on the employees' trust during the integration phase of the M/A process. These influencing factors all vary, depending on the circumstances of their specific integration process and the respective trust outcome. One can also sense that the different influencing factors belong to the different stages of the integration process, as described below.
Job security seems to be a requirement for not losing trust during the integration process in the first place. A lack of clarity about the leadership and future processes creates uncertainty. Also, fairness as well as organisational support seem to be crucial for preventing a trust loss. The right communication policy has an influence on the trust decision. Right after the announcement of the M/A decision, the former owner and his justification of the M/A decision stand in the focus of the employees' interest, but during the integration process the interest shifts to the new owner family.
There are also influencing factors that especially help to regain trust. Installing role models, such as the new owner family, immediately as trustworthy identification objects for the entire workforce helps to smoothen the integration process in family firm M/As. Thereby one can actively shape the image of the new owner family. Also, involving employees in the integration helps them to regain trust in the organisation.

The next section describes the implications of a change in employees' organisational trust in family firm to family firm acquisitions.

8.4 What is the importance of Trust during M/A processes in Family Firms?

This section describes how the interviewees perceived a trust change after the acquisition, and what implications this had for them. The interviewees' answers show the great benefit of organisational trust and the essential importance of focussing on organisational trust during the M/A process. They show the influence of a positive or negative trust judgements. The more organisational trust can be retained or build up again, the smoother the integration process, and the bigger the success of the acquisition. The more negative the outcome of the trust judgement, the less likely a smooth trust repair process becomes, since it takes more effort until everything is settled, as the example of Company B shows. The identified consequences are summarised in this chapter.

Turnover is less likely because family firm employees have more to lose:

Most interviewees said that there has not been much turnover after the acquisitions in their companies. Complaining by the staff about the new unknown increased, but most employees firstly reacted by observing.

Therefore, more interesting than the actual demographics of leavers and stayers is the thought process around leaving. When looking at job security (see section 5.4.4) I saw that they are more likely to remain but become observant. This suggests that they are more willing to give the new employer a chance to prove themselves than to vote with their feet.

Reasons for this behaviour can be plentiful. The interviewees suggest that this is the case because employees have more to lose because they do not want to leave their social environment. The investigated midsized family firms are almost all based in rural areas where it might be harder to find a new job. Employees in family firms are less willing to switch jobs and to lose social bindings with their long-known colleagues according to several interviewees. One example:

> *"Only those quit their jobs, who are not rooted in our area. All those who are rooted to the village and the company and whose families already worked here for a long time would rather stay, even in times of*

uncertainty. There is just so much to give up when changing jobs." (B0 5 - Employee)

Even if general turnover is apparently less of a concern for family firms following an M/A, this is not necessarily true for the top level. Even in these businesses, top performers and employees in leadership roles terminate the easiest. Interviewee A3 7 describes "We lost people who said that this new world is nothing for them, especially the highly qualified ones who found a new job very easily". The top management's career paths, especially in support functions, change the most because it is usually only them who have to report to a new management now. Therefore, if high performers do not trust the new organisation any more, there is a high risk that they will leave the organisation. Interviewee B0 2 gives an example for a withdrawal of a managing family member (as already mentioned a lot):

"The deputy of our boss [note: the owner's brother in law] left in the course of the acquisition. On the one hand, he was totally overstrained with managing the integration itself. On the other hand, he had a disagreement with our boss regarding the acquisition. A trusting co-operation between these family members was not possible anymore. So, he left. This must have caused some eruption in the whole family. It also caused some frustration for the staff." (B0 2 - Employee)

The given example shows that the owner's brother in law left because a trusting cooperation was not possible anymore. This example indicates that disputes between family members become more emotional, and therefore a quicker turnover is even more likely.

To summarise, one can assume that turnover after M/A is low in family firms, mainly because family firm employees seem to have much to lose (cf. e.g. with Hiebl, 2013) and because family firm employers can usually call on deeper reserves of loyalty from their employees (cf. Mueller & Philippon (2006)). But when employees actually do leave a family firm, it is a sign that something has gone really wrong during the integration process, especially when family members leave. This suggests that turnover is not automatically a consequence of diminishing trust in family firms. This also means, however, that there is a chance that employees with decreasing trust only quit internally

(Sprenger, 2007) and have less commitment, which will be discussed in the next sub-section.

It takes a while until commitment can be activated again:

A study by Vallejo (2009) indicates the importance of commitment to family firms as the employees' effective commitment is positively related to the profitability of family firms. Nevertheless, it emerged from the interviews that keeping up commitment was not easy for most employees. Interviewees from the acquired companies describe that the emotional binding decreased after the acquisition. The pride, the bonding and the loyalty could not yet be established in the same manner with the new organisation as it has prevailed in the old organisation, according to their descriptions. Even if the employees already have the feeling that they can trust the new company, it is likely that they do not feel as attached yet. Interviewee A5 13, who is a nephew of the former owner, and has been very involved in the integration process, gives an insight into his internal state of emotion.

> *"We used to have a very, very close relationship and loyalty to the old company. This has now become neutral in a certain way and is not as strong as before. It became a normal job; the team spirit has become less. The new world prevails more rationality. Trust is there, but this bond, this certain something, is missing now." (A5 13 – Employee, family firm member)*

The financial rescue of his family company causes thankfulness but does not automatically lead to organisational trust after the acquisition alone.

> *"We are very thankful. However, this appreciation does not necessarily increase the commitment to Company A. And we do not want to be grateful, we want to be proud of ourselves again." (A5 13 - Employee)*

It takes time until commitment is built up again, but it may be easier to bond with a family firm than with a more anonymous organisation, especially if the acquisition and the acquiring company can be seen as favourable and were rather successful, perhaps because they have a good reputation, as interviewee A3 7 describes it below. When analysing this case, though, one should not forget that Company A3 is a special case where the old owner stayed with his firm:

> *"I think that trust and commitment did not sink – it just changed: Employees rather feel like "Company A3 within Company A". We have our own identity which is a good mixture of values of the old and the new company. And employees are now committed to this new Company A3 identity. But that was especially easy because anything in the process from the beginning onwards, Company A had an exquisite reputation." (A3 7 - Former owner of A3, now manager)*

Engagement can be upheld thanks to trusted role models:
One further consequence of decreased trust in times of change that most interviewees mentioned is less voluntary engagement. This goes hand in hand with the findings of Ferres et al. (2005) that organisational change has an effect on voluntary engagement and trust. This also supports the finding of Azoury et al. (2013) that organisational engagement is high in family firms. Interviewees observed that at the beginning of the integration employees are holding back and do not show any effort to find constructive solutions. Interviewee A5 13 describes this behaviour: "The employees' reaction during the integration process was observant. Nobody did more than he really had to."
It also emerged from the data that, without trust, nobody likes to have the responsibility for making decisions. Even if he is a manager himself, interviewee B0 2 states that "I am not willing to decide in times of "crisis" but would rather ask my boss". The logic behind this is that once one participates in a negative outcome, more engagement does not seem necessary. The statement of Interviewee A4 15 shows that less trust means stagnation in many areas after the acquisition: "Without trust, nothing is decided in times of uncertainty". Also, Sprenger (2007) says that once trust is gone, employees tend to only do what is instructed and become less productive.

Conversely, the findings show that once trust could be established again at Company A4, employees' engagement rose up again, once they overcame the challenges of the integration process:

> *"After we were able to convince the employees to believe in the new management, this acts as catalyst. We now implement projects at a rate to which we previously could only have dreamed of. Where once only vehement blockade was, it is now passion." (A4 12 – Employee)*

So, if the new organisation can be regarded as trustworthy, then engagement can arise. As the below example shows, they may more easily find the motivation to uphold their organisational engagement if they still find a reason to be motivated. Hereby, the management of the acquiring family firm play a particular role as role models when it comes to engagement, as demonstrated in the below statement:

> *"Like all of my colleagues, I was devastated directly after the announcement. But for me it was actually a great chance to get to know Company A directly. At this time, the Group COO, who was responsible for the integration of Company A4, was onsite and I became his right-hand man. I directly had to get to work and knuckle down. I knew that my work is worthwhile and that I can rely on my mentor." (A4 15 - Employee)*

This example shows how a trusted role model can positively affect an employee's engagement. This suggests that the management is usually more closely engaged with their employees in family firms. As a consequence, the loss of engagement might be more easily tackled by FF to FF M/A. With a regain of trust especially resulting from trusted role models, the engagement in family firms can increase.

Trust increases the collaboration between colleagues

The factor of collaboration is actually closely linked to engagement, as both go hand in hand. Whereas engagement has to do more with oneself and with one's own attitude, collaboration is an aspect that involves teamwork between colleagues. Less collaboration between colleagues as a change of behaviour after the acquisition was mentioned a lot by the interviewees. Therefore, this factor can be considered as a consequence of reduced trust, even though I have not found any explicit mention of it in literature. "At the beginning "No" was the only answer I could get from the employees after the acquisition. They did not want to support me" remembers an employee of Company A4 who was hired by Company A shortly after the acquisition. Interviewee A5 13 observes a similar behaviour and gives the following example of Company A5's sales and marketing department. The counterparts at Company A had promised to distribute their products to other markets, but then did not show any effort. Consequently, his employees did not have faith in the words and actions of their peers anymore and reduced collaboration. Another illustrating quote of Company B:

> *"This lack of trust becomes very apparent in the unwillingness to cooperate. Discussions are very irrational, means of cooperating aren't found or argued away. A lack of trust makes everything much harder. Only when everything was about to fall apart did the situation get better. Even if it was only inevitable co-working, hardships let you connect." (B0 2 - Employee)*

In consequence of reduced trust and reduced collaboration the willingness for intense problem-solving and the endurance for this can decrease as well, as the below description illustrates. After the acquisition of Company B1 the employees of the old Company B were dissatisfied and did not want to cooperate with their new colleagues:

> *"When employees were asked if there were synergies which could allow both sides to work together they vehemently denied that, even though that was plain wrong from an objective point of view. When being confronted with that, they even acknowledged that their unwillingness was due to the lack of trust." (B0 1 - Owner)*

But after a while also the employees of Company B realised that collaboration can work in their favour, as the below example from interviewee B0 5 shows: "Involving trusted experts from both sides (Company B and B1) in the integration process was a very helpful move."

In the case of previously direct competitors, as in the example of Company A and A2, it is difficult to establish a trusted collaboration right after the integration. Interviewee A0 8, operations manager who was responsible for integration of Company A3 on the shop floor, was aware of this problem and states "in order to change this attitude I had to play with the employees' emotions." By emphasising the similarities between the management and the colleagues of the two firms, he tried to establish a joint team spirit. One of the most successful methods for winning the other side's trust was instructed teamwork and job rotation between both companies. "After a while, both sides realised that they are not so different from each other after all, and finally started working for a shared goal."

This example shows that family firm employees are emotional, and do not necessarily want to work with former competitors if they do not have to. It was only after the employees realised that they share the same values and could, therefore, trust each other, that the cooperation got much better. As the mentioned episode shows, trust in the other company's colleagues can help to build up voluntary collaboration. This is also something where trusted role models can lead the way and make the integration process smoother, as the example shows.

Trust is a precondition for innovation:

It emerged from the interviews that diminishing innovation is also a consequence of decreasing trust after acquisitions. With innovation culture being a significant resource for every organisation (Unanoglu, 2012), this can put organisations at risk. The interviewees describe how far the employees' attitude influences whether they are willing to adapt to the new situation. According to the interviewees, a lot of employees are not able to cope with the new world after the acquisitions and blocked innovation. This confirms as well Sprenger's observation (2007) that once trust is gone, employees tend to only do what is instructed and quality becomes secondary. Interviewee A0 4, who was responsible for the integration of Company A4 and onsite at that time, gives an example:

> *"Some topics have been delayed the whole time. This was no question of ability but a question of motivation. Trust diminished on both sides and a lot of employees on the second hierarchy level were not open for change and not willing to learn new things." (A0 4 - Manager)*

One explanation for this behaviour can be that the sort of employees who stay with a company for a very long time (like in family firms), are usually rather change resistant because of their risk aversion (Hiebl, 2013). Changing as well as coping is stressful (cf. Steinmeier & Jöns, 2011) so employees rather tend to avoid it, especially once trust has declined.

From the interviews with Company B1 one can learn that innovative strength suffers the most after the acquisitions. Innovation here especially means innovating application processes and products for the customers since all interviewed companies are manufacturing companies. In the time of transition, the employees think that innovation is not worth the effort. Interviewee B1 4 describes the situation as follows: "The dissatisfaction after the bumpy start had its toll on the innovative strength of the company. (…) The enjoyment of work unfortunately decreased. Since we were bought because of our innovation, this is especially ironic".

This shows that losing the innovative strength is actually a very dangerous problem for an innovative company and this was only resolved with a lot of patience and persistence from the owner and managers from Company B1.

Interviewee A5 13 offers a similar example for the influence of trust on the innovation process:

> *"The marketing team had a very unfortunate start. They were forced to change the labels of every article and at the end it turned out to be totally unnecessary work: The old labels stayed after all. After this start, our employees were not open for any innovations anymore. That makes me sad because it could also have worked the other way around: If the innovation had worked out, they would have been even more motivated."*
> *(A5 13 - Employee, family firm member)*

I learned in the interviews that only if employees realise during the integration process that the new organisation is competent and successful and start to trust the new organisation, they have the feeling that that their effort might be worthwhile and are rather willing to invest in change. This suggests that organisational trust acts as a positive driver for change because in a trust-driven culture, employees will see change as an opportunity for learning and for growth (cf. Schoorman et al., 2007). As the below statement shows trustworthy behaviour has a huge impact on employees' innovation in family firms.

> *"After my colleagues finally understood as well that Company A is trustworthy, things changed for the better. They accepted the new rules of the game and went back to normal business. Once they felt comfortable with the new organisation, they became creative again. That was important because we promised Company A a new cookware line that they wanted to present at the upcoming world's most important consumer goods trade fair. (…) In this whole process, the owner family was of great help for me. They were often onsite and very tangible. They also raised the importance of the new innovative cookware line for the next year's sales." (A4 12 - Employee)*

So, based on this example where the presence of the family members speeds up the integration process, one can see that family firms are able to quickly build up trust again and, correspondingly, increase innovation if they do it right. The owner family in this

example showed that they cared for the products of the acquired firm and, therefore, triggered the employees' motivation to produce innovative products.
From the interviews, one could learn that one should do both - encouraging the innovative, change ready minority (maybe by using them as role models) as well as supporting the change resistant majority. Since family firms are usually closer to their employees, they are better at using a targeted approach fitting to each group of employees.

A diminishing organisational trust after an acquisition also has consequences for the attitude and behaviour of employees in family firms. Even if employees start to trust the new firm and accept the changes that took place, it takes a while before they are willing to invest emotionally again (e.g. until they show commitment, engagement or willingness to innovate). Less engagement could be observed after the acquisition of Company B 1 where less trust was reported.
In general, these examples show the importance of trust for a successful acquisition in family firms. Once trust was regained after the acquisitions, the everyday work life became much easier in the reported family firms. Trusted role models seem to be especially helpful for this as they encourage family firm employees to engage and collaborate better after the acquisition.

8.5 Summary of the qualitative study

The interviews for Study 2 provided a lot of information about the specifics of family firms in the M/A context. This is the summary of the most important findings of the interviews, in my view, in order to learn about the specific circumstances of family firms' impact organisational trust (and trust processes) in such organisations that have undergone M/As.
The interviewees mention the emotional and trustful environment in the family firm. Long term orientation is a major family firm characteristic and owners show responsibility for their employees. The employees are connected and intimate with each other, and they show ownership feelings. Another characteristic that was mentioned is that fast decision-making is possible.
Regarding the characteristics of the M/A processes between two family firms, one can summarise that, according to the interviewees, family firms possess a lot of values that can affect the integration period after the acquisition as well. One specific in family firm

M/As is that they focus on emotional aspects, described earlier as having a stewardship approach. Also, they have a tendency for risk aversion and avoiding change. These characteristics are in accordance with literature.

The most important finding of the qualitative study concerns the influence of M/A processes in family firms on organisational trust. Trust seems indeed to develop in a process. This is in accordance with literature, as discussed in Chapter 6 (e.g. by Graeff, 1997 or Nooteboom & Six, 2003), but has not been researched in the family firm M/A setting yet. The announcement causes a loss of trust in family firms - at least for a while. Furthermore, this suggests that a lowering of trust does not always equal a breach (which is seen as the most likely scenario in trust literature), and that a real breach has not occurred yet (cf. with Gillespie & Dietz, 2009;(Robinson, 1996). The premise for this is that the deal between the two family firms also has the interests of the employees in mind, and can demonstrate a responsible outcome for everybody like job security.

Surprisingly, the results show that employees are willing to observe before they make up their mind about how they generally judge the acquisition. This especially works because they have a high level of trust in the decisions of the old owner. But at some point, they need to make up their mind. Here one can see different scenarios, depending on the outcome of the acquisition: perceived positive outcome and perceived negative outcome. One can see that where the outcome is more negative like in the observed Company B, one needs to try harder to repair lost trust. This observation period has not been mentioned in literature yet.

In general, the perceived examples show that there is the possibility to regain diminished trust after a while. Different influencing factors of organisational trust during the M/A process an organisation can address in order to regain organisational trust were then identified. One finding that is important to all influencing factors is that, for successful trust repair, one clearly has to focus on the employees' emotions. The interviews showed that employees like to have a personal and emotional relationship to their employer and their new colleagues. This also gives them certainty for investing in a trustful relationship with the new organisation.

Different factors seem to be relevant for trust at different stages of the M/A process in family firms. Some influencing factors could be identified that seem to play a comforting role in family firms, such as having job security promised, or a prominent role model for identification. Some of the identified influencing factors of trust have not been discussed in the literature before such as role models, involvement and clarity. The identified influencing factors seem to be more important for the examined Company B than for Company A as they have to undertake a bigger effort to repair lost trust.

Looking at the consequences of organisational trust, one can see that the more organisational trust can be retained or build up again, the smoother the integration process and the greater the success of the acquisition. The more negative the outcome of the trust judgement, the less likely a smooth repair of trust becomes since it takes longer until everything is settled, as the example of Company B shows. In general, even if the turnover is not automatically a consequence of diminishing trust and stays low in family firms, there is a high chance that the employees have less commitment and show less engagement. Even if employees start to trust the new firm and accept the changes that took place, it takes a while before they are willing to invest emotionally again (e.g. until they show commitment, engagement or willingness to innovate). Some of the identified consequences of trust have not been discussed in literature before such as innovation and collaboration according to the research.

One can also learn from the interviews that the acquisitions have an impact on the organisational trust of both sides - the acquiring as well as, surprisingly, the acquired side. This means that companies do not only have to care about integrating the acquired company well, but they also have to focus on the acquiring firm during the integration period. This can be the case because the acquiring firms are small/intimate as well. This is a topic I did not find discussed in literature yet.

Of course, the analysis is based on very specific situations of the two companies, A and B. It seems that the acquisition experience was more negative for Company B. But in general, these derivations are only valid if the outcome of the acquisition is not too negative, e.g. no major lay-offs or turnover. This shows that the results one receives always depend on the specific sample. This leaves room for further research.

One methodological limitation of study 2 is that almost half of the interviewees have a (lower level) management position. This means that managers are slightly overrepresented. The potential impact for the research might be that the interviewed employees were more involved in the integration process and therefore have the tendency to justify their decisions within this process more than the average member of the companies' staff would.

One can summarise that study 2 provided a good, comprehensive overview about how specific circumstances of family firm M/As impact organisational trust. Conducting interviews offered very valuable insights and proved to be particularly well suited for the intangible construct of trust. For me, this means that going this extra mile by conducting another study was worthwhile. I received a lot of information from study 2 that needs to be consolidated in a next step. Therefore, in the next chapter, I build a coherent framework of organisational trust in FF to FF M/As based on these findings and will outline the academic contributions.

9 Discussion and Framework (Conclusions of Study 2)

This chapter is divided into the practical and the theoretical contributions of this work. I start with the practical contributions that are based on the information I received from study 2. First, the practical main aim of this chapter is to provide a framework of trust in family firm M/As. The main contribution is to show a framework which helps to specifically guide family firms which might embark on M/As, it explains the process, highlights issues to look out for and potential consequences and pitfalls.

Afterwards, I will discuss the theoretical contributions of the work towards the academic research. As an answer to the second research question, the impact of family firm specifics on the trust process in times of change is especially at the centre of the interest. Subsequently, I will provide practical implications and then discuss the limitations and areas for further research.

9.1 Explaining the framework of understanding trust in family firm M/As

A framework of organisational trust specific to family firms which have undergone M/As has been derived to explain the family firm specifics. I introduce it below, point by point. As the practical side of this framework is the main focus, this framework is designed to guide family firm leadership through Family Firm M/As by explaining the process and highlighting actions of trust in Family Firm M/As. Since trust develops in a process I realised that the best way to present this is through a process framework. In general, there has not been much research about the trust process. Everything is very unspecific in this regard. That is why it is worth demonstrating more clearly how the process worked (cf. chapter 6). Developing this framework was an iterative process of exploring the topic. It was built based on the results of the interviews as well as the literature analysis. Thereby I give prominence to what is interesting and different in relation to the research questions.

9.1.1 Preliminary remarks

Before detailing the framework's content (s. fig. 6), I first explain the iterative process of its developed and why these stages, order and process were followed.

Some preliminary remarks: The proposed framework focusses on trust at an organisational level in the critical post-acquisition phase (Marks & Mirvis, 2011). Trust (Graeff, 1998) and post-merger integration (Jemison & Sitkin, 1986) develop in a process. This is reflected in the framework which also has a process character.

The order and the stages of the framework are presented as follows because I felt that it best represents the interviewees' descriptions and the way that their trust developed through the M/A process. I was also influenced by the literature. As already described in the second literature review (cf. chapter 6), the topic of trust repair seems to be very important for the work. In the analysis I was influenced by the trust repair framework of Gillespie and Dietz (2009). They build a systemic, multilevel framework to understand trust repair at the organisational level. Thereby, they look at employees' perceptions of the organisation's trustworthiness and how this can contribute to failures and effective trust repair. Their four-stage process of organisation-level trust repair differs from the trust framework here, as fewer stages and other influencing factors where found in this research, but the overall order and stages of the framework created here reflect their process.

The framework consists of three different process stages in the trust relationship: loss of trust, observation and regaining trust. In every stage, different influencing factors are prevalent. These influencing factors were derived from the study results, as well as from literature (cf. description in section 7.3). Hence, I chose those influencing factors that are primarily related to the context of family firms (for example, job security). The stages are connected through different employee thought processes (e.g. the willingness to observe, then a positive or negative trust judgement is possible). Given the shift in research philosophy, I also changed the wording from "antecedents" to "influencing factors" and "consequences" to "outcome". In general, the integration strategy can be chosen based on different trust influencing factors that go hand-in-hand with each other. Therefore, it is beneficial to have multiple diverse actions to address trust (Gillespie & Dietz, 2009). Also, the strategies should be congruent to one another (Gillespie & Dietz, 2009), which means that they should fit with each other/not contradict. This is discussed in detail later in this chapter.

The decision for these particular three stages, their order, and detailing of the process was an interactive activity. I created the depiction and named the elements on the basis what best describes the employees' FF M/A story in both companies. Thereby, course giving prominence to what is interesting and different in relation to the research questions and based on the literature. I am aware that this is a subjective procedure, and therefore I tried to integrate as many checks to ensure that the interpretation of the results is valid, credible, and plausible. For instance, I showed the framework to the management of both companies examined and each recognised the interpretation. Company 1 also used the findings to inform its actions in another family firm acquisition. However, the nature of qualitative research is not to produce something that is generasible. The intention is thus not to create a framework that it is a blueprint for other organisations, but rather that offers a deeper understanding of the context of this phenomenon in this moment and at this point of time. It is a framework that aims to summarise the processes that in the two firms examined experienced and provide plausible explaination why events happened.

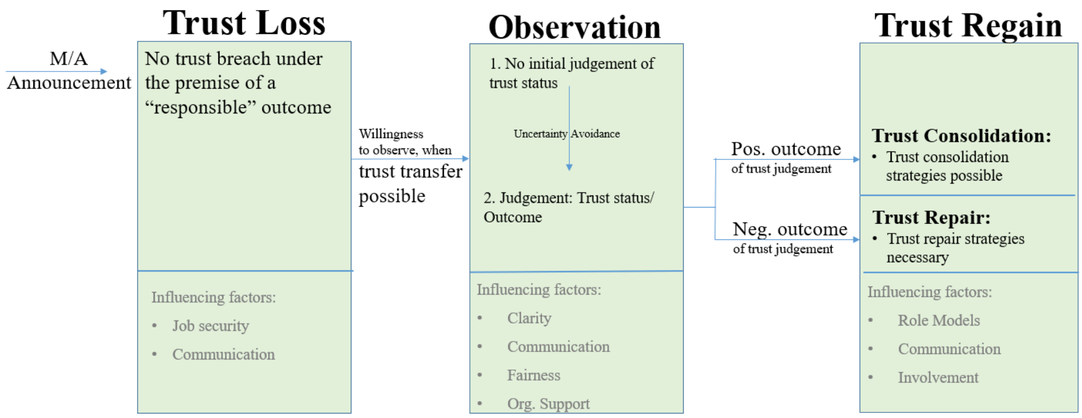

Fig. 10: Organisational trust framework in the context of family firms that have undergone M&As

9.1.2 Description of the Framework

The different process steps of trust development in the context of family firm M/As will be explained step by step.

Trust Loss:

Trust loss is the first stage of the framework. An event such as the announcement of an acquisition is likely to cause a loss of trust (Steinmeier & Jöns, 2011; Stahl & Sitkin, 2010). This is especially observable when circumstances that long-term employees relied upon suddenly change, e.g. their contract or their career expectations (Stahl & Sitkin, 2010).

But one can learn from the interviews in the family firm context that trust is not necessarily deeply damaged in Family Firm to Family Firm acquisitions. The interviews do not necessarily show a trust breach, but only decreasing trust. A quick recap on this from the second literature chapter 6: In general, literature sees a trust breach usually after an acquisition, especially after a hostile takeover (Shleifer & Summers, 1988). Trust breach is some kind of breaking point from which recovery is very difficult (e.g. Grover et al., 2014). Everything afterwards is filtered, and the trustor has negative expectations of the intentions or behaviour of another (Kim et al., 2004). A loss of trust is less radical as it is not the whole relationship to the trustee that gets questioned by the trustor (e.g. Wagenblast, 2013).

Why is there no initial trust breach detectable? As I could not see evidence of a breach of trust in any of the interviewed family firms, the next question is what the circumstances are that make family firms prevalent to a loss of trust rather than a trust breach. One main reason I found in the case study was that employees already have a high level of trust in the company owners. Because of their close bonding in the examined family firms, the employees are likely to be sad and disappointed that their company was sold. Nevertheless, they have faith in the decisions of their old owner, which means that they might not be quite so negative about the M/A. This is in accordance with Robinson (1996), who shows that employees with high initial trust experienced a lower trust loss following a breach of contract than those with low initial trust. According to her, employees with high initial trust in their employers may have overlooked or forgotten actual breaches by their employer, whereas employees with low initial trust may have actively searched for or remembered incidents of a breach, even when no actual breach occurred. This suggests that companies that actively develop and maintain trusting relationships with their employees can "vaccinate" themselves against the negative effects of potential psychological contract changes or breaches of contract.

In the research, the interviewees explain that they still believed that the old owners care about their well-being and assumed that there is a “responsible” M/A outcome for all employees in the family firm. One can assume that this is the reason why the interviewees in Company A did not report a trust breach. From the interviews, one can learn that owners go through an elaborate decision-making process before the acquisition. When employees know this, it influences their perception positively, as the interviews show. This is also in accordance to Müller's claim that family firm owners consider the merger carefully (Müller, 2013). Owners only tend to sell their business if they have the feeling that the new family firm matches their own, which means that the outcome should be responsible. This is especially the case if both family firms share similar values (Siebke, 2015). Also, family firm employees prefer to work for a family firm with a known face which is like the old business and has the similar values (Siebke, 2016). So, if the firm is bought by another family firm, this study shows that the employees may be generally more motivated in the first place. It therefore seems that employee's trust in the old family firm and in the responsible outcome can act as a protective screen against a loss of trust during times of the acquisition.

The influencing factors below of the trust judgement seem to be particualrly relevant at this stage. As already mentioned I also chose them because they are the ones that appear most related to the context of family firms.

Job Security

The most important information the whole workforce is carefully listening to when the M/A is announced is the intention to secure jobs (cf. Carnevale & Wechsler, 1992). This is crucial for deciding whether the old owner's decision to sell the company has a responsible outcome or not. Job Security is also crucial for the employees' trust (c.f. Steinmeier, 2011). This is especially the case in family firms because a high amount of risk aversion and desire for perceived job security is prevalent in family firm employees (Hiebl, 2013). Family companies will make more strenuous efforts compared to other companies to retain their staff, even during tough times (Cater & Schwab, 2008; Lee, 2006).

Besides simply keeping their jobs, it is also important for the employees to retain their status in the new organisation (Appelbaum al., 2000a). That means they want to know that their career options are not harmed (Leung, 2004). The example of Company B shows that job security claims need to be realistic and believable. Communication is not just about what is said but what is heard – if employees hear safe jobs but know that the company is facing financial difficulty they may doubt the credibility of the message.

Communication / Justification of the M/A decision by the old owner

How the M/A is announced has an important influence on the level of decreasing trust. It influences whether the employees believe that the M/A decision was justified, as change is best handled when the parties involved know why the change is necessary. This means that the employees should be informed why their company has been sold by the old owner (Appelbaum, Gandell, Yortis, Proper, & Jobin, 2000). According to Rau (2013), the success of the M/A process in family firms also depends on the reasons why they take place, and the right communication around this point.

As the first impression counts (Lount, 2008), the new owner should directly try to shape his image as trustworthy during the first information event about the acquisition. The employees want to get an answer to the questions of why he acquired the company and what his future plans are. Early communication needs to directly address the affected parties (Klendauer et al., 2006) and therefore needs to be positive, and action- and goal-orientated (Marmenout, 2011).

The interviewees emphasise how important it is that the employees clearly understand the reasons behind the acquisition. It is likely that the employees do not feel insulted and will not lose their trust in cases where they find the storyline of the acquisition convincing. That goes hand in hand with what literature shows. The findings of a field study by Tucker, Yeow and Viki (2013) indicate that highlighting the benefits of long-term motives for large-scale organisational change such as acquisitions improves employees' trust. Therefore, they found that ideological accounts that address the values of change are the most effective for improving trust in management. The relationship between ideological accounts and trust was mediated by the success of the social account (i.e., the perceived understanding of the change decision). Highlighting the benefits of the long-term motives of the acquisitions clearly comforts family firm employees, as this shows them that also the new company is clearly long-term oriented.

When announcing a substantial change, such as the news of the acquisition, there is a need for sending engaging messages to the family firm employees (Siebke, 2016), as family firm employees especially tend to focus on emotional messages. The research is building on Siebke's and extend her findings: Interviewees state that the emphasis on similar values helps provides a good first impression.

If the former owner is considered as a credible role model for his employees, then actively involving the former owner in the communication can mitigate the employees' pain by explaining that this decision has been made with the best intentions. A vigorous advocacy from the former owner can also easily help to increase the perception of the new owner by the workforce.

Observation:

If the employees do not detect an initial trust breach, their reaction shows that there is a willingness to observe if they can transfer their trust from the former owner to the new company at first. The results indicate that there seems to be a pause in the process, where employees are taking time to consider and will reserve judgement on the new family firm and allow them to prove themselves. This indicates that, at this stage, trust is still under consideration, which involves employees observing the new firm/the new owner very intensely. An explanation for this willingness to wait is that these family firm employees wish to transfer their high level of trust in the old owner/old family organisation to the new owner/new organisation.

Therefore, they give the new organisation the benefit of the doubt. Another reason for this willingness to observe is probably that family firm employees have a lot to lose if they leave the organisation.

As literature (e.g. Sundaramurthy, 2008) as well as the interviews indicate, they feel very familiar with their colleagues, products and values and do not want to lose their strong collective identity. So, this bond with the company can lead to more considered responses i.e. waiting to see what happens rather than reacting immediately. This is surprising as there is currently no other research which has discussed the phenomenon of an observation period. This suggests that this may be a stage in the process unique to family firms.

But as one can see in the framework (see figure 6), the observation stage is divided into two different sections: Whereas at the beginning of the observation period "no initial judgement of the trust status is necessary", after a certain period of observation, the employees seem to make a "judgment of the outcome of their trust status". This means that after a while they look more critically at the outcome. It is not clear what the exact tipping point is and when exactly that time has come, but the interviewees' answers show that observation cannot continue indefinitely. There comes a time when the employees want to have their trust defined. An explanation for this next step is probably uncertainty avoidance: In order to reduce their uncertainty, they tend to make a decision (e.g. cf. with Kahnemann & Tversky, 2000) about their trust judgement. Also, the interviews reveal that at some point of time, unsatisfied employees also have the feeling that they must make up their mind whether they want to stay and trust or leave instead.

As employees judge their trust status depending on the perceived outcome, this leads to the pursuing questions: What can one do to prevent a negative outcome from this observation period? What can one do for a successful trust transfer? As the decision to trust or not to trust is still under consideration, it is important that the companies show the right actions, especially during the observation period. Below I list the influencing factors which have an effect on the outcome of this stage:

Communication / Presentation of the new owner

Here, the factor of communication has an important influence on organisational trust because it can help to present the new owner as a trustworthy employer and prevent a negative outcome of the observation period. As the new owner will never be observed as carefully as in the first months after the M/A announcement, it is especially important to present the new owner as an equally trustworthy employer in this phase. A targeted communication policy that fosters a dialogue with the employees and allows employees to inform themselves about the merger process and to learn about changes (Schweiger & Denisi, 1991) can reduce a feeling of uncertainty for the employees in the observation period and can prevent trust from sinking even further. Therefore, a thoughtful communication policy is crucial in the whole observation period. A good method of using communication to increase trust is to promote convincing sample cases that shows his good intention with the new firm (cf. Auvinen, Aaltio, & Blomqvist, 2013). Telling stories about himself and how trustworthy he is can make him appealing to the new employees (cf. Auvinen et al., 2013). This can help to shape the positive image of the new owner and to improve the personal connection with his employees. The CEO of Company A for example always emphasises his successful track-record of other successful acquisitions when talking to the employees. The owner of Company B creates his trustworthy image by presenting himself as father and grandfather by assuring that his entire family (children as well as grandchildren) were repeatedly present. This shows that the communication strategy is on a personal level in family firms (Harris et al., 2004), and employees should be addressed accordingly. Therefore, it is advisable that companies use this in their communication strategy to prevent a negative outcome of the trust decision during the observation period.

Clarity

As a mean to prevent a negative outcome of the trust decision during the observation phase, reducing the employees' uncertainty through clarity and structure during the acquisition and integration processes seems important, according to the qualitative study. Not having enough clarity during the integration process is the most frequently mentioned influencing factor of a negative outcome of the trust judgement in the interviews. The research found that having a dedicated integration team reduced uncertainty. According to the interviews, the most important thing for employees is to know the new hierarchy, positions and responsibilities after the acquisition. This is not so different from other companies. But as family firm employees tend to be risk-averse (Hiebl, 2013), this is especially important to them. Also, Dyer (2012) emphasises the need to ensure that the processes for making important decisions are always transparent in family firms (e.g., entry of family members into the business, rewarding of family and nonfamily employees of both companies). An advantage of family firms that was reported in the interviews is that the decision-making competence lies with fewer people so that employees can usually achieve clarification quicker. This means that they are usually quicker in the decision-making processes (Mignon, 2000) and make decisions more consequently so that there is more clarity. So, reducing the employees' uncertainty during the integration process can help to prevent a negative outcome of the trust decision during the observation period.

Fairness

Fairness is considered by interviewees as an important method to prevent a negative outcome of the trust judgement. Of course, perceived fairness is always important to employees, but it especially makes a big difference at the observation stage where trust is under consideration. Heyden et al. (2005) also state that fairness is very important for trust within family businesses. An inconsistent implementation leads to uncertainty and thus to a reduced trust. This can be illustrated by the case where misinformation had led to a loss of trust in the department. All in all, a perceived lack of fairness can lead to a negative outcome of the observation period as it is likely that this results in negative perceptions by the employees at this stage.

It seems that interactional fairness can be especially important for the quality of organisational trust relationships according to the interviews. Interactional fairness refers to the perceived appropriateness of interpersonal treatment and can be increased by providing explanations for decisions and delivering the news with sensitivity and respect (Bies & Moag, 1986). Thereby, especially fair communication plays an important role for trust. The interviewees advised to make the information policies as open and honest as possible and not to shy away from negative information. Withholding important information and not addressing negative news can be considered as a breach of trust (Schweer & Siebertz-Reckzeh, 2012). Overall, it can be assumed that the feeling of insecurity of employees can be reduced by a fairness-oriented information policy. For the perception of fair processes in family firms the direct supervisor is of even more importance than the type of company. This confirms what Sieger (2011) found, that it is a positive point of family firms where a manager/owner is close to the employees and has therefore an influence on them. The interviews reveal that this direct form of fairness was very important to the family firm employees as they like to have personal relationships with their managers and tend to look to them as role models. Therefore, it is advisable that companies use this direct form of fairness to prevent a negative outcome of the trust decision in the observation period.

Organisational Support

Another important factor during the observation period is the level of organisational support (compare e.g. with Eisenberger et al., 1986) as it can also prevent a negative outcome of the observation period as the results show. Of course, perceived organisational support is always important to employees, but it especially makes a big difference at the observation stage where trust is under consideration. In the, rather emotional, family firms organisational support rather takes place on a personal level as the interviews show. The employees of the acquired organisation did not get much support on a professional level of HR/Talent Management, but rather support on an individual level (mostly by their respective manager). Family firm employees feel supported when they can ask unbureaucratically for support in personal, one-to-one conversations with the owner or their managers. Also, because of this, personal relationships are so important in family firms. The most important point for the employees during the integration is that they can always come to their managers with questions, even in the busiest integration times, according to the interviews. So, it is crucial to have an atmosphere of open discussion all the time, and that team leaders are approachable. Organisational support can mean, for example, that the persons affected get sufficient time and support to reorient themselves in case they are given new tasks (Väänänen et al., 2004).

If the employees feel that the organisation actively cares for them during the difficult integration period, e.g. when managers and owners are setting time aside for them, this can turn their trust in a positive way. This means that what constitutes organisational support is different for family firms. It is rather personal and less of a professional HR-strategy, and therefore an important influencing factor of trust repair in family firms.

Looking at the literature leads to the assumption that acquisitions had a much bigger impact on the acquired companies than on the acquiring firms since the acquired company is usually a much more affected party (Appelbaum al., 2000a; Schweiger, & Lee, 1993), but the results show that one should look at both sides. One should clearly use this strategy in order to prevent a negative outcome.

As the framework illustrates, at the end of the observation period the employees will judge whether their trust decreased or if a successful trust transfer has been taking place. In cases where the influencing factors are judged negatively this means a negative outcome of the trust judgement on the situation, as one can see in the framework (Figure 6). In cases where the influencing factors are judged positively this means that there was at least no negative outcome of the trust judgement, as one can also see in the framework (Figure 6). What one can do for trust repair/ consolidation will be discussed in the section about the stage of trust regain.

Trust Regain:

A quick recap on this from the second literature chapter (cf. chapter 6): The primary objectives of any trust repair process are to overcome these salient negative expectations and to restore confident positive expectations about the "violator's" future trustworthiness (Kim et al., 2004). This means that the most important action at this stage is to create a positive image of the new organisation. Therefore, all three components of trust (cf. Mayer et al, 1995) need to reach a threshold of credibility for trust to be initiated (Saunders et al., 2014).

Some influencing factors an organisation can take care of in order to ease the integration process for their employees, successfully transfer trust and regain lost trust will be introduced in this section. For trust consolidation, these strategies are helpful and valuable, but not absolutely necessary as the outcome of the trust judgement is not negative in the first place. For trust repair, in contrast, different strategies to regain trust seem to be necessary, according to the results. This means that while the paths are distinct the influencing factors are not. Also, Gillespie and Dietz (2009) say that the more multiple dimensions are addressed, the stronger the impact of the interventions on employees' perceptions of the organisation's trustworthiness will be.

This stage can go on long after the integration period officially ended as the reported cases in the interviews show. After a decrease of trust, one needs a lot of patience until the negative consequences like commitment (e.g. Ozag, 2006) or engagement (e.g. Ferres et al., 2005) of decreased trust diminish.

So, what is especially important for family firms in this framework? Firstly, it is important that successful integration strategies for trust repair (for family firms that have undergone M/As) consider that family firm employees are particularly emotional, as the qualitative study as well as literature (e.g. Müller, 2013; van Wyk, 2013) indicate. Also, at this stage key individuals such as the owner and managers played a crucial role for the trust perception of the employees.

The key factors to repair or consolidate trust and for a successful trust transfer after a family firm M/A will now be introduced in the following section:

Communication/ Image of new owner family

Communication is also important in the trust regain phase as it can help to shape the image of the new owner family on a longer term. The organisations should try to continue with applying all communication means they were successful with at earlier stages and to implement them constantly. That communication takes place on a personal level with the owner/new management is very important for employees at this stage. Especially in small family firms this usually takes place via personal conversation with the owner, as the interviews revealed. This of course needs to be done constantly as regaining trust takes time. Also, the big advantage of family firms is that the owner is close to the employees, which can help to detect the mood of the workforce and to hear about circulating rumours or general negative mood in the workforce early, and then respond quickly. The owner of Company B says that he constantly tried to repair lost trust through directly talking to his employees. Every morning he performs a brief tour through the whole company site. Thereby, he tries to inform his workforce as frequently and openly as possible about current developments in the company. Even if nothing new happened, they need to know that nothing new has happened according to him. Increasing the ratio of town hall meetings was one way of doing this for them. But he also describes regaining trust through communication as a continuous long-term project According to some of the interviewees, this effort influenced them and helped them to regain their trust.

One plus point of family firms is that one is close to the ear of the employees, which makes it easier to absorb the general mood in the workforce and act accordingly. Another positive is the personal nature of the communication, i.e. who it comes from is key. Harris et al. (2004) say that communication is direct, on a personal level, and less of a professional communication strategy in family firms. Regularly communicating to the employees is of course a long-term strategy as trust repair does not happen overnight (Siebke, 2015). This is exactly what happens in family firms.

The communication needs to especially focus on the needs of affected parties in order to have a positive impact on repairing trust (Klendauer et al., 2006). As managers can hardly communicate too much (Spitzer, 1995), constantly communicating and working on the image of the new owner family over a long term can be employed for trust repair as well as trust consolidation purposes.

Role Models

Closely linked to the topic of direct communication is that direct role models are also effective for trust repair. The study indicates that, especially in family firms, role models are for more than just the work environment. The owner of Company B reports how he uses this tendency by trying to be a role model in every aspect of life for his employees, in order to repair trust, e.g. by founding a corporate runner's club and a volunteer day in the firm. Probably for the same reason employees also like to see that the whole family that is working in the firm gets along with each other well. This is why the employees perceived the conflict between the owner of Company B and his brother-in-law as negative. In their book "When Family Businesses are best" Carlock and Ward (2010) explain how crucial it is for the organisational climate, especially in times of change, that the family members get along with each other. They explain how family members work as role models that lead the change and influence how far the employees are positive or negative towards this change. That this premise was not met could also be a reason why it was harder to regain trust in Company B.

Re-establishing a trusted relationship cannot be done by the CEO alone, but managers at all levels should be champions to lead change in the right direction (Warrick, 2009).

Gillespie and Dietz (2009) state that "Organisations have capacities for trust repair unavailable to individuals, such as replacing "guilty" agents with new agents who symbolize a change in values". Of course, especially employees of the acquired companies try to reassess their trust with the help of role models. Installing the new owner family (and maybe other trusted change agents) immediately as trustworthy identification objects with the right value set for the entire workforce helps to smooth the whole integration process, according to the interviews. Thanks to these identification objects, the employees of the integrated companies can get to know the acquiring firm more easily and perhaps have a more personal relationship to the new company. Warrick suggests selecting high-impact employees from every department and level to become "change champions" (2009). A side note regarding wording: Role models are important for the company in the long-run, whereas change agents are especially needed during the integration. Because trust regain is more about the long-term view, role models are the focus during this stage.

Also, these trusted role models are more likely to engage employees again and get them to collaborate. According to the interviewees that one needs to pay attention because looking up to role models can work in both directions. Role models can support the building of trust, but also damage it. Since opinion leaders in family firms (often the owner family) are powerful because of the ties and history they share with the employees (e.g. compare with Siebke, 2015), they should be picked carefully. The example of Company B where an opinion leader who was opposed to change worked against the owner's intention, leading to a loss of trust, demonstrates this.

Of course, the organisation needs role models not only for trust repair in the aftermath of the integration, but it is good to implement trusted role models for a long time in the company. Role models play an important role both in companies where a lot of trust has been lost as well as in companies were not so much trust has been lost. This means that role models can have a positive influence on trust in the short, medium and long term for trust repair as well as trust consolidation. They support a successful trust transfer.

Involvement

Involvement, meaning to turn those who are affected into active participants (Barnikel, 2008; Ullrich & van Dick, 2007; Sverke, et al., 2008; Marmenout, 2011), seems to be a valuable tool for trust repair. As soon as the employees are involved, and get to know the family better, the easier a repair of trust becomes. If employees feel that they are involved they feel less uncertain (Doppler & Lautenburg, 2008), which helps them to repair their trust more easily. The greater the involvement, and the more influencing opportunities that are given to the employees, the better they can influence the favourable outcome of the acquisition itself (Graeff, 1997). Employees are more encouraged by an increased use of participation in change processes as this increases their assumed influence on decision quality and commitment to a decision (cf. Lines et al., 2005).

If the employees have the chance to contribute ideas and suggestions in the change process, it means that employees are more likely to accept the changes and support their implementation. Employees from the acquired side of Company A report that being involved in the integration helped them to quickly consolidate their trust again.

A reason for this could be that the reduction of uncertainty is especially important in family firms because the employees are so risk-averse (Frey & Jonas, 2002).

Also, long-term employees, as those in family firms often are, generate ownership feelings and therefore want to be involved in all important decisions of the company as well (Ramos, Man, Mustafa, & Ng, 2014), compare as well with Sieger (2011). Reminding the employees how important their contribution for a successful integration is, lets them reconciliate more easily with the change in the long-run. This can be helpful for an active trust regain.

9.1.3 Why is regaining organisational trust after an FF to FF M/A important?

Having discussed the framework above, here is why it is an important contribution. The below section especially stresses the importance of focussing on the influencing factors the framework suggests after FF to FF M/As.

The results of the research show the benefit of trust repair strategies during a M/A process. The interviews give the impression that when employees realise that the company was bought by a trustworthy employer, they can cope after a while, and accept the negative consequences of the acquisition as well. This means that not only trust, but also the trust consequences, develop during the integration process and can be influenced depending on the employees' trust decision. This also means that successful trust regaining strategies have an influence on the consequences of trust. If family firm employees have the feeling that they can trust the family firm and its values and believe in the firm's future, they are also rather willing to invest emotionally as the interviews show. The results also show that after trust has been regained, family firm employees are eventually even willing to invest emotionally in the relationship to the new owner as one can especially see in the

examples of Company A, where the integration processes went relatively smoothly for the members of the acquired organisations. Conversely, the interviews show that even if employees trust the new family firm and accept the changes that took place, it takes a while until they are willing to invest emotionally again (e.g. until they show commitment, engagement or willingness to innovate).
In the following, some consequences of trust (repair) in M/A processes in family firms from the study will be described as they stress the benefits of the framework.

Turnover

An example of the consequences if trust cannot be repaired is turnover. Turnover is generally low in family businesses (Sachs, 2007; Ward, 2005) and in the researched companies there was hardly any turnover after the acquisition. This suggests that turnover is not automatically a consequence of diminishing trust in family firms. This also means, though, that there is a chance that employees with decreasing trust only quit internally (Sprenger, 2007) and have less engagement and commitment, which will be discussed below.
One example that all interviewees of Company B mentioned is where the owner's brother in law left the company during a major dispute with the owner. So, one can accordingly assume that when family firm members really leave, then the perceived outcome must have been very negative, and trust could not be repaired anymore. The example of the owner's brother in law shows that when someone really leaves, it has more serious repercussions because of the rarity of it.

Engagement

Engagement is a further potential impact factor of trust changes, as suggested by literature (Ferres et al., 2005; Dirks & Ferrin, 2001) as well as found by this work's qualitative study. If the personal connection to the employer gets lost because of reduced trust, then there is no reason for the employees in holding their organisational engagement up (Dyer, 2012). Less engagement seemed to be a problem especially because the company relied on engaged employees that cared for their company.
However, the study illustrates that engagement can be upheld thanks to trusted role models. Especially family firm members from the new organisation seem to be even more engaged and work as stewards for a successful integration. The interviews show that when organisational trust can be transferred to the new family firm, then employees are rather

willing to engage themselves for their new employer. They even engage themselves as a personal favour and go beyond their formal job responsibilities, contributing more than is required when they personally know the owner they are working for. This aspect of personal bonds is typical for family firms (cf. with Azoury et al., 2013). This is an important finding because knowing the influence of personal involvement on trust repair is very valuable when managing a family firm M/A. Furthermore, since the management is usually more closely engaged with their employees in family firms, they usually quickly notice a loss of engagement and can do something actively against it more immediately.

Collaboration

The next factor, collaboration, is actually closely linked to engagement as both go hand in hand. Whereas engagement has to do more with oneself and with one's own attitude, collaboration is an aspect that involves teamwork between colleagues. Less collaboration between colleagues as a change of behaviour after the acquisition was mentioned from the interviewees and can be considered as a consequence of reduced trust. The interviews illustrate that family firm employees do not necessarily want to work with their new colleagues that were former competitors if they do not have to. They take things that happen in the organisations more personally and tend to overreact with emotions such as anger and fear. But small family firms like Company B particularly rely on collaboration between the employees. When the new colleagues of the acquired Company B1 were not accepted, and were even verbally attacked, this resulted in a negative mood for the whole workforce. The acquisitions of Company A had an easier start. It is only after the employees realised that they share the same family firm values as well as the same goal and could, therefore, trust each other that their cooperation got much better. Sharing the same values seems to be a clear advantage of family firm to family firm M/As.

Commitment

The emotional bonding decreases after the acquisitions in family firms as the study shows. The bonding and the loyalty could not yet be established in the same manner with the new organisation as it has prevailed in the old organisation. This goes hand in hand with a study by Ozag (2006) (that did not take place in the family firm M/A environment though) which shows that emotional attachment after a merger can only arise when employees trust the new management. The study, as well as literature (e.g. Vallejo &

Langa, 2010), shows that repairing organisational trust is also a condition for effective commitment in family firms.
Even if the employees already have the feeling that they can trust the new company, it is likely that they do not feel as attached yet. So, one can clearly say that it takes a while until commitment can be fully activated again to the new family firm to the same degree as it had been to the former firm because of the closer relationship to the former owner. Repairing commitment takes longer than repairing trust as the qualitative study shows. Even in Company A, where a high level of trust was upheld after the integration, it took a while before employees could say that are equally proud of their new employer as they have been with their old one. However, the clear advantage of family firms that could also be illustrated by interview examples is that, although it takes time until commitment is build up again, it may be easier to bond with a present owner family than with a more anonymous organisational form. The goal is that commitment can also be established after organisational trust has been regained.

Innovation

The study also shows that trust repair is a precondition for innovation. One can learn from the interviews that, in the time of transition, the employees think that innovation is not worth the effort. This also confirms Sprenger's observation (2007) that once trust is gone, employees tend to only do what is instructed, and quality becomes secondary. But one can further learn from the interviews that the presence of the family members speeds up the integration as well as innovation process, as was the case in Company A. One can see that family firms are especially able to quickly build up trust again and, correspondingly, increase innovation if they do it right. This again shows the important influence of regaining trust.

9.1.4 Summary

Figure 9 shows a framework of organisational trust specific to family firms which have undergone M/As. It was built based on the results of the qualitative study as well as the literature analysis. It shows how family firms can use the asset of their nature to maintain their employee's organisational trust even after a Family Firm M/A. As trust, along with post-merger integration develop in a process, the framework also shows a process. It consists of three different process steps of the trust relationship: loss of trust, observation and trust regain and shows how trust can be transferred. In each process step there are different influencing factors of the trust judgement prevalent. In the first stage trust is lost. In case of acquisitions, organisational trust usually decreases. The high level of trust family firm employees usually have in their owner works as a protective screen against a trust breach though. It is possible that employees transfer their trust from the former owner to the company. In cases where there is no initial trust breach detected, employees have the willingness to observe and if they can transfer their trust from the former owner to the new company. This means, that in the observation stage, there is no initial judgement of the trust status. Employees decide here whether their high initial trust can be transferred to the new context or not. It was an unexpected finding as it has not been mentioned in literature to my knowledge yet. After a while, the employees start to look at whether there is a positive or negative outcome, which decides their judgement of the trust status.

The next stage is called trust regain stage. Depending on the outcome of the judgement of the trust status there may be a repair of trust needed, or simply a trust consolidation is sufficient if the outcome is not too negative. For trust consolidation, these strategies are only possible, but not essential. For trust repair, in contrast, different trust regain strategies are necessary.

Why is regaining organisational trust after an FF to FF M/A important? And why is the framework beneficial? One of the major benefits of this framework becomes obvious when one looks at the consequences of sinking trust. Thereby, the "biggest sign" of a loss of trust is a high rate of turnover. But in family firms it is more likely that the employees use alternative strategies for dealing with their loss of trust: They show less commitment or less engagement, for example. But, in contrast, if the employees trust the new organisation, then they can more easily accept even more demanding consequences.

9.2 Discussion

The overarching objective of this thesis was to explore our knowledge on the significance and impact of organisational trust on family firm M/As. In the following paragraphs, I summarise the main theoretical contributions, and their implications for theory and future academic work in this area, practical implications, limitations, and avenues for future research.

9.2.1 Theoretical contributions

This part of the discussion chapter, considers the theoretical contributions of this work.

The aim is to understand organisational trust in the context of FF M/As. One can say that the general trust definition by Rousseau et al. (1998) used in this research works as well for the FF M/A context. In this research, it is evident that in times when their relationship with the firm is challenged, employees in family firms find it easier to accept vulnerability if they trust their leadership. An explanation for this can be that the employees perhaps feel less vulnerable because they think that the risk is low in family firms because their jobs are safe (cf. e.g. Carnevale & Wechsler, 1992). Also, family firm employees have more positive expectations about their employer (e.g. Carlock & Ward, 2010), which can be an particularly valuable asset in family firms.

Although there was a lot of work on organisational trust during change such as M/A, there is very little specifically relating to family firms. In the previous section, I presented a framework derived from the findings (fig. 6) that shows organisational trust in FF M/As as a dynamic process. This framework offers four main contributions to research on organisational trust.

1. A trust breach does not necessarily occur in FF M/A, but trust loss can be identified after a FF M/A process

The description of the thought process of the family firm employees after the M/A announcement helps to shed light on the debate regarding trust breach or decreased trust after FF M/As. As discussed in chapter 6, the announcement of the acquisition can have two likely outcomes in FF M/As: Either the typically high level of trust in family firms (e.g. Kets de Vries, 2009) acts as a barrier to a trust loss, or the sense of betrayal would be heightened leading to an even greater loss of trust. According to the research the first scenario is more likely. In M&As of family firms a breach is less likely as the high initial trust acts as a barrier to a trust loss. The premise for the prevention of a trust breach is that the acquisition results in a responsible outcome for the employees. A “responsible outcome” means a reassuring of the employee’s job security and a general feeling of safety in the family firm directly following the M/A announcement. The thought process of the employees also depends on the good reasons of the old owner for the sale and the clear communication of them (cf. framework, fig. 6). Thereby, it is important that this happens “timely” and “accurately”. This insight means for family firm M/A theory that an immediate demonstration of a responsible outcome is important. This is in line with literature, as Gillespie and Siebert (2018) say that if a trust violation has occurred, the organisation’s leaders should act immediately (cf. also with Kim, Dirks, Cooper, Ferrin, 2006 and Gillespie & Dietz, 2009). The research builds on this by highlighting the importance of the owner's rationale. The owner-employee relationship is unique in family firms as they tend to have an especially strong bond. In family firms the underpinning values usually come from the owner family. That is why they are also so important for this change context. Based on the research, I can say that there is specific need for the change announcement to come from the owner (cf. examples of Company A3, where the former owner accompanied the integration process vs. company B1, where the old owner left right away).

In general, this contribution is helpful because it demonstrates that a high initial level of trust can act as a barrier to a trust loss as long as there is a good case for a responsible outcome. It shows that there is not always a trust breach after an acquisition (as e.g. in contrast to Shleifer and Summers (1988)). And the finding shows that it is significant for the trust development in family firms who announces the M/A and in what way.

2. The prominent role of the firm's owner for trust trickle effects on their own company and on the merging or acquiring company

The second contribution shows that there can be a trust transfer in family firms M/As. This topic raised the question whether the employees' trust follows the owner or the organisation? If the owner is replaced after FF M/A, what does this mean for where organisational trust is placed and what it is based on?

The research showed that indeed trust is a mosaic of different levels and dimensions (see section 2.1.1 and 2.2.3), such as the organisational level with the organisation as an entity (Dulac et al., 2008), but also on a group and individual level – and also that it is a complex process where many shifts and transfers occur.

In family firm organisations, the owner can be seen as a figurehead for trust (e.g. Siebke, 2015). Organisational trust is often represented by senior management, and in family firms this is often a long-standing figurehead who may have a closer relationship with employees than one would normally see in non-family firms (cf. Siebke, 2015; Carlock & Ward, 2010). A specification in this research context is that in family firm's history and its values largely overlap between the personality (and trustworthiness) of the owner and the employees' general perceptions of organisational trust (e.g. Ward, 2005). Therefore, it is not surprising that there is a trickle- effect in family firms.

The issue than becomes how does this trust transfer manifest in FF M/As? This research indicates that the firm's owner has a prominent role in trust trickle effects in terms of their company and on the merging or acquiring company (and that this affects different levels - such as pre- and post-merger trust and former and new owners). These trickle effects (up and down) explain how trust from organisations can be transferred from one owner to another andfrom the trust in the owner to the whole organisational trust.

A trickle effect looks at the interrelation of trust across referents and levels. Based on the notion that trust transfers between entities (Stewart, 2003), the results of Fulmer and Ostroff (2017) demonstrated that individuals' trust in direct leaders inspires trust in top leaders (Fulmer & Ostroff, 2017). Also, the two case studies of company A and B showed that when employees trust the new owner, then they also start to trust the newly merged firm. This means that trust in the firm's owner trickles up to the company (cf. with Fulmer & Ostroff, 2017). One can see that there is an overlap between the family firm owner(s) and the whole organisation as the owner represents the company. The employees' trust can be transferred from one owner to another (if the trust loss phase is appropriately directed) and from trust in the owner to trust in the whole organisation. One explanation for the owner being so important for the employees is because in family firms where the owner is often present (see Company B), this form of trust is more concrete then trust in the organisation. This notion aligns with that of Shamir and Lapidot (2003), who that found that individual trust in leaders reflects trust in organisations, as leaders were perceived to represent the organisation, however, their study did not take place in the family firm or M/A context.

With the focus on the M/A context one can see that trust in the firm's owner trickles up to the merging or acquiring company. This effect goes in two directions - trust decrease, as well as increase. In terms of trust violation from the new owner to the new company it can mean a trust violation (cf. example of Company B, where trust first goes down after trust has been violated as the newly merged company has been less successful then promised before by the owner). Similarly the study by Janowicz-Panjaitan and Krishnan (2009) shows how trust violations at one level affect trust at other levels and how violations at the interpersonal level may be different from those at the organisational level. Conversley, both of thethe research examples in this work show that after a while, there is a trust transfer from the new owner also to the new company, which indicates that a trust increase takes place. It appears, that there is a likelihood in family firms M/A processes that there is a trust transfer from the previous owner to the whole company.

3. There is an observation period in the FF M/A process where employees reserve judgement on trust whilst they observe what the outcome of integration means to the firm and them

I argue that the observation period is unique to family firms undergoing M/As. As described earlier in the framework, an observation period in the trust process in family firm M/As means that employees will reserve judgement on the new family firm and allow it to prove itself. A likely explanation is that that the employees' trust is transferred from the previous owner to the whole company (cf. main contribution 2). Trust is under consideration, so that actions of the family firm in this period make a difference for the trust decision of the employees. In the framework (cf. fig. 6), the observation period has two different steps. There is no initial decision about the trust status. The high level of trust in FFs acts as a barrier to a trust loss. This aspect is very different to what I had initially thought and to what research usually suggests (cf. section 9.1.2). It therefore seems to be a distinctive factor of family firms.

The employees are willing to observe before they make up their mind whether they should trust the new firm. The research suggests that being "under consideration" involves that employees observe the new firm/the new owner very intensely. They especially observe fairness, information and communication, and look for clear processes that reduces their uncertainty (cf. framework, fig. 6). An explanation for this willingness to wait is that these family firm employees wish to transfer their high level of trust in the old owner/old family organisation to the new owner/new organisation. They want to believe that the former owner will not make a decision which is not in their interest. Therefore, they also take a leap of faith with the new organisation. Key to the observation period in family firms is that the employees wait to make this decision. During this observation family firm members are willing to tolerate uncertainty because they believe in a good outcome and trust the old owner.

But this observation cannot continue indefinitely. In the second step, the employees need to decide and to judge whether they should trust the company or not. One explanation for this is that uncertainty is an unpleasant state, which needs to be resolved (cf. Baker & Carson, 2011). The observation period represents uncertainty because no decision has been made yet. Uncertainty has been defined as a lack of information about an event and has been characterised as an aversive state that people are motivated to reduce (Bar-Anan, Wilson, & Gilbert, 2009). Therefore, employees want to make up their mind. This is in line with research from Bordia et al. (2004) and Lines et al. (2005), who say that the level of uncertainty leads to a processing of trust-relevant information. This leads to an increased salience of the trust relationship (all trust information becomes particularly noticeable or important) and, based on this information processing, organisational members reassess their trust in management and in the organisation. A trust decision infuses relationships with stability by transforming uncertainty into predictability (Doney & Cannon, 1997).

Why is this discovery important? In contrast to the assumption that a trust breach can appear in an instant after a trust violation (Stahl & Sitkin, 2010), trust decisions after the announcement of a critical change event (such as the announcement of a M/A) can take a while in a family firm, as the interviews suggest. This new insight means for family firm theory moving forward that family firms have the chance to influence the outcome of the employee's trust judgement positively in a certain time frame after the merger- and not only in the first moment after the announcement.

I did not find anything about the observation period in literature (where research is usually based on non-family firms). Here the main thought is that trust decreases quickly after a trust failure. It can be assumed that non-family firms are usually not as tolerant regarding uncertainty as their trust in the old owner might not be as high as in family firms. The assumption is, therefore, that they usually do not have such a strong bond to start with when the merger announcement is made, and maybe also do not trust the management that much. This shows that family firms are a unique context and therefore that the research is worthwhile and important.

Regarding the approximate timing of the observation period in the trust process: According to the research the observation period overruns the merger announcement slightly. The employees observe the first days and weeks, while they start to work together in the newly merged company. However, as I was not observing this process in real time, it is hard to give an exact time frame regarding the length of the observation period (see limitations section 9.2.2 and 10.1). Future research needs to give more regard to timing, especially what the exact tipping point is, when the employees' views change, and they move from "under consideration" to their judgement of the trust status. It will be helpful for organisations to know this because they can use this knowledge to better influence the employees positively at exactly the right time. A longitudinal study could be helpful to research the timing of the observation period more thoroughly.

4. Regaining of trust after the observation period centres on the trustworthiness of key individuals (particularly of the owner of the newly merged family firm)

Current trust repair literature is specifically targeted at trust failures/violations (cf. e.g. Gillespie & Dietz, 2009; Gillespie & Siebert, 2017), but as this research has shown, M/As in family firms take part in a high trust environment and the outcome is initiated and controlled by the family firm owners, and trust regain follows a unique observation period. Therefore, there is a difference to the usual trust repair studies and the studies on trust violation, as the outcome lies more in the hands of the family firm owners, who have also longer time to prove their trustworthiness. This research therefore adds an additional scenario to trust repair research, which usually looks at trust violations (cf. Gillespie & Siebert, 2018).

As described in the framework, one can differentiate between two different paths (cf. fig. 6) depending on the outcome of the observation period: In cases with a negative outcome of the trust judgement, trust repair is necessary as trust is on a much lower level (cf. section 9.1.3 "Why is regaining organisational trust after an FF to FF M/A so important?). It is still possible, but one needs to try hard to repair lost trust. Thereby, the family firm owner plays an important role. For instance, in the case study of Company B, where trust was at a low level after a negative outcome of the observation period, the new owner managed to slowly repair low trust by constantly acting as a role model. This shows that the focus in family firms is different from conventional trust repair models, such as the one of Gillespie & Dietz (2009), which next to trustworthiness demonstration also focusses on distrust regulation. Instead of distrust regulation, in order to constrain untrustworthy behaviour, the research showed that it is the best for effective trust repair to demonstrate trustworthiness through role models (particularly the owner).

In cases of a positive outcome of the trust judgement after the observation period, e.g. a successful trust transfer, the aim is to consolidate organisational trust after the M/A process. Involvement in the design of the company (cf. fig. 6) can help to even reinforce trust. Trust consolidation in contrast to trust repair seems to be especially relevant for high trust environments like family firms as they can build from a high level (e.g. Kets de Vries, 2009). The rationale for the scenario of trust consolidation is the same as for trust repair: The research showed that it is the best for effective trust consolidation to demonstrate trustworthiness by role models (particularly the owner).

As M/As do not seem to be trust violations in the high trust environment of family firms, and the mechanisms seem to be different (cf. trust consolidation), I would like to encourage further research to build up on the steps I have investigated (e.g. with a study in real time in contrast to the retrospective research design).

As an overall summary I can say that the process of trust seems to be family firm specific during FF M/As as summarised below:

1. A trust breach does not necessarily occur in FF M/A, but trust loss can be identified after a FF M/A process
2. The owner of the firm being acquired has a prominent role for trust trickle effects on their company and on the merging or acquiring company
3. There is an observation period in the FF M/A process where employees reserve judgement in terms of trust whilst they observe what the outcome of integration means to the firm and them
4. Regaining trust after the observation period centres on the trustworthiness of key individuals (particularly of the owner of the newly merged family firm)

9.2.2 Limitations and Areas for further research

The framework was formed based on the interview results and literature analysis. The biggest focus of further research should be on exploring the aspect of time, especially in the observation period. The reason for this is that I have developed a process model of trust, and I am drawing conclusions about the sequencing of events in that model. But I am not observing this process in real time as the data collection is retrospective. While analysing the data I have to keep in mind the extent to which retrospective accounts are made into a narrative. The way the interviewees remember things will create a story which in itself makes assumptions about sequences of events, and a sense making progress will make the recollection of an account sound more linear that it might have been in reality (cf. e.g. with Mitchell & Egudo, 2003). This means that I have to be very careful when drawing conclusions about time. A concrete limitation of the framework is that I cannot make claims about how long the observation period lasts. E.g. according to the interviews, I presume that the observation period overruns the merger announcement slightly, but I cannot say concretely when exactly the observation period begins and ends. I would need real-time analysis to study this. This means that specifically the length of the observation period is one area for further research.

Therefore, for further research it will be beneficial to explore the aspect of time- for instance with a longitudinal study or a diary study. This would provide additional insights into how trust develops, and which factors influence this. Additionally, one can perhaps measure the intangible construct of organisational trust in times of change with diary studies of affected employees. This would give a clear picture of the thoughts of these employees and cancel out retrospection effects. It would, however, change the research question in the sense that individual trust is in the centre of attention and not organisational trust. More about the limitations of using retrospective account will be discussed intensively in chapter 10.

Also more research is needed to understand the trust transfer in a family firm M/A process that is described in the framework. Research should investigate more fully how trust transfer works between the different trust levels of analysis e.g. the transfer from the previous owner to the new organisation in family firms.

Another field of further research should be on exploring whether the results are specific to the sort of family firms I was examining. Family firms are heterogeneous groups with heterogeneous characteristics, and as such behave in a heterogeneous manner (Chrisman et al., 2005; Sharma, 2004). I made quite a narrow definition of family firms by only analysing "classical family firms" that exercises both ownership and control, which means firms with a concentrated governance structure and a family-member CEO (Gallo & García Pont, 1988). This means I emphasise family firms where the family members are actively involved in the business and are well-known by their workforce, which is more the case in small to midsized companies. I decided on this emphasis because seeing the influence of the owner differentiates family firms from other companies (Kraiczy, 2013). Family firms thus may very well differ over countries and sub-groups (Siebke, 2015). Different cultural views on family could also lead to different value patterns in family firms, according to Siebke (2015). Although the findings of this research might be applicable to other European countries as well, the degree to which they are generalisable for other cultures still needs to be examined. Also, for huge family firms (like Bosch in Germany or Walmart in the USA) the experience of these organisations might be very different because here the organisational structure looks different, and the owner is not as close to the employees. It might be the case that in larger family firms, employees are less emotional and more flexible. This of course raises the questions of whether the results come from them being family firms or them just being small-medium sized. I am confident that it is the family firm dynamics which I have observed and not just the size because I could see that working for a family firm shapes the employees in many regards. The owners are role models for work and life in their specific companies and play an

integral part during the integration process. So of course, the model could be further proved in general.
Also, the researched companies are all well-known brands in their niches in the consumer goods sector. All acquisitions were friendly takeovers, where nobody was forced to sell. So, another question is whether mergers or insolvency make a difference for organisational trust. This could be further explored in future research. Although this chapter focuses on the relationships of merging family firms, the framework proposed here can also be relevant for other merging firms. Another question is how trust repair might differ across the public, not-for-profit and private sectors. It is also interesting to see how contextual factors like family firm specific trust repair can be accounted for (see Bachmann, Gillespie & Priem, 2015).
I also realise that the choice of the framework was also informed by my subjective interpretations as a researcher. I tried to apply appropriate quality criteria so that thethe research is as credible, transferable, dependable, as well as being as confirmable as possible (cf. with chapter 7), but it is still possible that I was biased during the coding process, particularly as I was informed by the outcomes of study 1 when conducting study 2. Being aware of possible bias, and therefore constantly checking yourself is crucial in order be aware and mitigate bias where possible. It is for this reason that I continually examined the codes . For example: After study 1, specific terminology such as "Organisational commitment" was adopted, and this will have preconditioned me to find such 'codes'. However, when -re-examining the literature, the description of organisational commitment is comparable with what interviewees discussed. But it remains a choice of code and therefore such choices represent my own personal interpreation, and therefore are ultimately subjective (cf. Brymann & Bell, 2011). This means that as an interviewer in qualitative research, I am part of the data.
So, one can see that there are still a lot of different possibilities to explore. One can, for example, examine whether these findings are only specific to the family firms I was looking at or also to other high-trust environments. This would further help to shed light on how family firm-specific the statements about organisational trust in M/A processes are.

9.2.3 Practical implications

This section starts with a short introduction on the three key practical contributions and then introduces action-orientated recommendations for practitioners based on the research findings.

The first recommendation for Family Firm M/As is to capitalise on the strengths that family firms have. The most important goal should be to shift the high level of trust that is usually prevalent in family firms (e.g. Kets de Vries, 2009) to the new family firm owner. Because of the special owner-employee relationship in family firms, it is important who delivers the information about the acquisition and justifies the reasons for it. If the former owner is considered as a credible role model for his employees, actively involving him in the communication can be a smart approach for assuring the employees' that his decision has been taken with the best intentions, and that their jobs are safe.

The second recommendation for Family Firm M/As is to take full advantage of the observation period as the actions of the firm can truly make the difference at this stage. In particular, the behaviour of the new owner of the company and of the management team will never be observed as carefully as at the beginning of the integration process. It seems important when creating a high trust environment to focus on the employees' emotions and also prevent a feeling of insecurity. So, the organisations should pay close attention to their actions during the observation period as trust is still under consideration. The framework introduced some of the influencing factors of trust during the observation period. Another important tool in the observation period is to give employees the feeling that they are supported by their employer, otherwise their trust can easily sink. Managers should be aware of this and actively set time aside for this.

The third recommendation for Family Firm M/As is to regain reduced trust by focussing on trustworthy role models. In family firms, personal relationships are essential at this stage since employees proved to be emotional and person-focused. The following trust repair strategies seem especially crucial for repairing trust after a negative outcome of the trust judgement. In general, the best role model usually tends to be the new owner family. They are also the ones that are the most effective when it comes to repairing trust. They should lead by example and help the workforce with the integration. Family firm employees like to have role models for both work as well as private life (Siebke, 2015). Therefore, it is beneficial when the new owners are aware of the great responsibility and influence they have. But because the owner family usually cannot reach out to the whole workforce, other role models that can authentically promote the change, can also be nominated. Other role models besides the owner family should be chosen carefully, as they have a lot of influence on the staff. Also, giving the employees the feeling that they also have some power to shape their new company by involving them can be an effective way to repair broken trust from employees. Long-term employees in family firms tend to generate ownership feelings and want to be involved in important decisions of the company as well (e.g. compare with Ramos et al., 2014). Also, it is here that trusted role models can take the lead in involving the employees.

All in all, it should be an important matter of merging family firms to develop a guideline to manage their own integration process. The introduced influencing factors of the framework are the ones that are most likely suitable at this stage, and were mentioned most in the study, as well as in the literature. Therefore, the criteria that was derived from the research model should be considered by family firms and advisors as basic recommendations that can be respectively adjusted and expanded.

10 Conclusion

This final chapter summarises the conclusions of the research project. This chapter also considers the research journey in studying FF M/A through a lens of organisational trust. This thesis addresses a field of research that can be described most simply as the intersection of trust research, M/A literature, and family business research, which are all complex topics. The overarching objective of this thesis was to explore the role of organisational trust on family firm M/As specifically, as this topic has not been applied in this context before.

I approached this topic with two different studies, one quantitative and one qualitative. The qualitative one adds most value as it provides more explanation. The main contributions are the following three findings:

1. A trust breach does not necessarily occur in FF M/A, but trust loss can be identified after a FF M/A process
2. The prominent role of the firm's owner for trust trickle effects on their own company and on the merging or acquiring company
3. There is an observation period in the FF M/A process where employees reserve judgement on trust whilst they observe what the outcome of integration means to the firm and them
4. Regaining of trust after the observation period centres on the trustworthiness of key individuals (particularly of the owner of the newly merged family firm)

These findings are important because they influence the way that family firms should handle M/As, for instance by using the special owner-employee relationship to mitigate the painful aspects of the process. Knowing about the observation period, where employees delay their trust decision, is especially beneficial as it emphasises that family firms have the chance to influence the outcome of the trust judgement for a longer period than initially thought.

In the following paragraphs I also reflect on what has been learnt throughout the research journey, particularly by changing the direction of the research. Finally, I provide concluding remarks.

10.1 Limitations

Particular limitations of both the quantitative and qualitative studies are discussed in detail in chapters 4 and 8 respectively. In this section, I want to highlight the crucial limitation of the thesis: that data relied on participants' retrospective accounts, as already mentioned in chapter 9. This may have led to a negative retrospection effect in the perception of respondents, as people have the tendency to overestimate how unhappy they had been when a negative event (like M/A) took place (e.g. compare with Wilson, Meyers, Gilbert, 2003). I have developed a process model of trust where I draw conclusions about the sequencing of events in that model. But matching process (which is always time-oriented) with data that does not account for time is a problem. I am aware of this limitation and I am cautious about drawing conclusions about the impact of time.

But even if this is a serious methodological problem and further research should focus on the time aspect, this does not necessarily undermine the relevance of the study. The individual experience of the employees stands in the foreground and not concrete numbers. This means that even if the data is retrospective, the important thing is how people perceive the integration process. So even if the answers provided are just based on their memories, and altered by a sense making process, it likely still matters and is relevant. The employees share their "lived experiences" (cf. with Given, 2008). This means that they talk about the experience of living through the merger and working with the new firm, and how that corresponds with their expectations about trust. So, what they report about the observation period comes from their experience they have with the merger and how they construct their reality.

So, in my point of view the positives of retrospective questions clearly outweigh the risks of not having accurate memories. Many field studies in the area of trust repair use a retrospective case study methodology (Gillespie & Dietz, 2009). It is difficult for researchers to get access to trust failures in real time. For this reason, without a retrospective approach, it would have been more difficult to recruit participants.

The study was exploratory. The qualitative approach with case studies was already much better suited than the first study. So, although the present research approach has methodological limitations and does not claim to be an entirely comprehensive investigation of this research field, the approach taken for this thesis can still be considered appropriate and valuable for further work on this topic, and the findings lay the groundwork for future research on the role of organisational trust in the context of family firms. Thus, the following section suggests some research opportunities in the family firm context that future studies could build on.

All in all, one can say that this study evokes further research opportunities to explore trust in family firms. I hope that the insights will help family firms and advisors alike to think about trust in times of change, thereby improving their understanding of the workings in the respective organisations and help researchers to advance scholarly work in this regard.

10.2 Reflections about the research journey

I experienced quite a long research journey with many ups and downs while I was studying organisational trust in family firm M/As. Not only did I learn that trust develops in a process, but also the research journey was a personal process of growing, where I learned even more than expected.

In retrospect, I can see that reflection worked very well for me during the research journey and, in particular, the research diary was very beneficial. It was only through reflecting about the research diary and the change log that I understood I was holding on to a less than ideal research approach for too long (Study 1), and that I should have been more open to critique even earlier. Thanks to reflection, I also realised that my research philosophy shifted from a positivist to a more interpretivistic research approach.

Once I realised that I was just afraid to learn new methods, and that I was just resisting a new direction because I already invested so much, I had the courage to change the research approach in Study 2. But coming to this conclusion was a gradual shift in my thinking and took time.

But the courage was rewarded. Exploring trust in a qualitative and practice-focused manner was beneficial to the research. The qualitative method proved to be particularly well suited for the intangible construct of trust. I learned a lot by talking, and especially listening, to the concerned employees about trust and the M/A process. Asking "how" questions was very helpful in order to approach the topic of FF M/A through the lens of organisational trust as I received much more unexpected answers with this approach. The discovery of the observation period was because of this. Working with qualitative data changed the way I was thinking about organisations and people. I realised how complex dynamic, multi-levelled organisations are and how these complexities evolve when we are thinking about the phenomenon of trust.

However, shifting to an interpretivistic research approach also took time. Even after deciding to take a qualitative research approach, I realised that the initial construction of the interview questions used a scaffolding approach. The initial analysis approaches were highly structured forms of qualitative methods. The choice of thematic coding was also structured in order to build confidence in working with data in this way. I believe that sub-consciously the decision to adopt these approaches is in essence a hangover from the

positivist. I first struggled to see the value of the qualitative because it appeared to be 'so loose'. This is why the choice to remain structured reflects the need for a particular form of rigour as I previously conceived that this is what constitutes 'good research'. As the analysis went through more iterations, the approach becomes more constructionist as I could see the increasing value of it to answer how-questions. Also the language that I use in the thesis indicates the shift in research philosophy, i.e. I initially talk about "antecedents", but later move to "influencing factors". In general, having an open mind helped me to gain more insights and to create the contributions I have outlined.
Nevertheless, Study 1 contributed a lot to the research journey and personal development and therefore is an integral part of the narrative of this thesis.
This is why I have chosen to include study 1 here, despite it having little to contribute to the eventual conclusion of the thesis. In reality, the quantitative study in itself is part of the journey.

10.3 Concluding remarks

Why does the research matter? It is important to study organisational trust in FF M/A because this topic is becoming especially relevant nowadays (Kachaner et al., 2012). Family Firm M/As have increased in the recent years but have not been studied yet. Exploring this topic showed the crucial role of trust in family firms that have undergone M/As. The existing theories on organisational trust in the M/A process do not necessarily apply to the family firm M/A context as these companies are somehow unique. That is why a specific framework about trust within family firms is important for them and closes an application gap. This framework is valuable because it shows how family firms can use their nature as an asset to maintain their employee's organisational trust even after an M/A. Therefore, FF M/A tend to be the less risky version for family firms that need to sell their businesses and a way for them to keep or restore their organisational trust.
The four main theoretical contributions are the following: First, there is not necessarily a trust breach under the premise of a "responsible" outcome. Second, the prominent role of the firm's owner for trust trickle effects on their own company and on the merging or acquiring company. Third, There is an observation period in the FF M/A process where employees reserve judgement on trust whilst they observe what the outcome of integration means to the firm and them. Fourth, regaining of trust after the observation period centres on the trustworthiness of key individuals (particularly of the owner of the newly merged family firm).

The analysis shows that it should be a major concern of merging family firms to develop a reasonable, trust-enhancing concept because of the major consequences of a trust loss, such as decrease of commitment and engagement. This work's framework can be a general starting point that helps to prevent the loss of organisational trust due to a M/A by the employees, and to establish a trusting relationship after the acquisition. This is so important because "when family owners maintain a foundation of trust, they create competitive advantages for their businesses" (Ward, 2006), especially in critical times like M/A. Or, in the words of one of the interviewees from the affected FF M/As: "As I still trust the old owner's decision, I immediately knew that it will be also alright with the new owner".

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Appendices

Appendix A: Questionnaire

Employee survey regarding the integration process

INSTRUCTIONS

Thank you for taking the time to fill out the questionnaire, which will take about 10 minutes.

For each question in this section, please select the response that most closely reflects your opinion.

There are no right or wrong answers. The validity of the study depends on the openness of the responses.

YOUR ANSWERS IN THIS SURVEY ARE COMPLETLY CONFIDENTIAL.

Thank you for your participation!

Instructions

Please follow the following instructions:

- Mark the box that reflects your answer with a "X"
- Please mark only ONE answer for each question.
- If you want to change your answers, please cross out the first answers.
- Once ready, please place them in the ballot box.

A few years ago, “Bought Company” was acquired by “Buyer Company”.

The goal of this survey is to find out how you experienced the integration process back then.

Definition: The integration process is the entire process of the acquisition, starting with the negotiations between “Bought Company” and “Buyer Company” until the total completion of the integration.

Please select to what extent you agree or disagree with each of the following statements and select only one answer for each line.

THE INTEGRATION PROCESS						
		Strongly agree	Agree	So- so	Dis- agree	Strongly disagree
1	I felt adequately informed by “Buyer Company” about the goals of the acquisition	5	4	3	2	1
2	I felt adequately informed about the upcoming changes that affect „Bought Company"	5	4	3	2	1
3	I felt adequately informed about upcoming changes that affect my job	5	4	3	2	1
4	I believe that the information that I received about the integration was open and honest	5	4	3	2	1
	I felt informed about the acquisition early enough					
5	The integration process was well managed by the „Bought Company" management	5	4	3	2	1
6	The integration process was well managed by the „Buyer Company" management	5	4	3	2	1
7	The promises that “Buyer Company” gave at the beginning of the integration process have been met	5	4	3	2	1
8	I got a fair compensation for the additional workload during the integration phase					
9	I believe that the information that I received about the integration was open and honest	5	4	3	2	1
	During the integration process, I was convinced that...					
10	… the new company will be successful	5	4	3	2	1
11	... my work situation will be improved	5	4	3	2	1
13	... my job will be secure in the new company	5	4	3	2	1

14	... my career development will be positive in the new company	5	4	3	2	1
	During the integration process...					
15	…my line manager was able to answer my questions about the upcoming changes in the organization	5	4	3	2	1
16	… I felt adequately supported to manage the organizational changes	5	4	3	2	1
17	…help was available from the organization when I had a problem	5	4	3	2	1
18	I felt that the organization really cares about me	5	4	3	2	1
19	I believe the pace of the integration was… Too fast About right Too slow					
	During the integration process, I was convinced that...					
20	…"Bought Company" will benefit from the synergies with „Buyer Company"	5	4	3	2	1
21	… it is beneficial for a successful integration that „Buyer Company" is a family firm as well	5	4	3	2	1
22	Overall, I am satisfied with the integration process	5	4	3	2	1

Please select to what extent you agree or disagree with each of the following statements and select only one answer for each line.

ORGANIZATIONAL CHANGE					
The integration of „Bought Company" in the „Buyer Company" group had an effect on:	Strongly agree	Agree	So- so	Dis- agree	Strongly disagree
1 ...my team	5	4	3	2	1
2 …my work environment	5	4	3	2	1
3 ...the work processes in the company	5	4	3	2	1
4 I was actively involved in managing the organizational changes during the integration process	5	4	3	2	1
5 After the integration of „Bought Company" into the „Buyer Company" group the work processes became more complex	5	4	3	2	1
6 In my everyday business life, I can feel that „Bought Company" has changed from a small company to a bigger group	5	4	3	2	1
7 In my everyday business life, I can perceive that "Bought Company" belongs to a German group now	5	4	3	2	1
	Large	Rather large	Medium	Rather small	Small
8 Overall, I felt that the organizational changes after the acquisition were *large- small (see scale)*	5	4	3	2	1
	Strongly agree	Agree	So- so	Dis- agree	Strongly disagree
9 Overall, I am satisfied with the organizational changes	5	4	3	2	1

For each of the following statements there are two lines. The first line relates to "Bought Company" **prior** to the acquisition, the second line refers to "Bought Company" **after** being acquired by "Buyer Company".

Please select to what extent do you agree or disagree with each of the following statements and select only one answer for each line.

CULTURAL CHANGE							
			Strongly agree	Agree	So- so	Dis- agree	Strongly disagree
1	Employees' good ideas will be valued in the organization	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
2	The company has a non-bureaucratic style	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
3	The company is innovative	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
4	Employee information has high priority	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
5	Top management is well qualified	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
6	The company has a high-performance orientation	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
7	The company produces high quality products	**Prior** to acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1

For each of the following statements there are two lines. The first line relates to "Bought Company" **prior** to the acquisition, the second line refers to "Bought Company" **after** being acquired by "Buyer Company". **Please select the extent to which you agree or disagree with each of the following statements and select only one answer for each line.**

CULTURAL CHANGE (CONT.')							
8	Employees are involved in important decisions	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
9	In case of problems and mistakes one focuses on finding the causes instead of blaming each other	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
10	In the company one pays attention to the well-being of all employees	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
11	In case of conflicts employees can honestly share their opinion without being punished	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
12	In the company one can rely on one another's absolute confidentiality	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
13	In the company employees are treated fairly	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
14	The company actively supports employees who have difficulties	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1

For each of the following statements there are two lines. The first line relates to "Bought Company" **prior** to the acquisition, the second line refers to "Bought Company" **after** being acquired by "Buyer Company". **Please select the extent to which you agree or disagree with each of the following statements and select only one answer for each line.**

CULTURAL CHANGE (CONT')

			Strongly agree	Agree	So-so	Disagree	Strongly disagree
15	The behavior and the actions in the company are guided by a clear line	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
16	In this company one walks the talk	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
17	Employees in this company are encouraged to take responsible risks	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
18	One can be sure that qualified decisions are made within the company	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
19	Colleagues are willing to cooperate with each other	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
20	Employees are open towards change	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1

ENGAGEMENT

			Strongly agree	Agree	So- so	Dis- agree	Strongly disagree
1	I often think about quitting my present job	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
2	I would recommend my company as a place to work to family and friends	**Prior** to the acquisition n	5	4	3	2	1
		After the acquisition	5	4	3	2	1
3	I feel emotionally attached to my company	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
4	I am proud to work for this company	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
5	I feel motivated to go beyond my formal job responsibilities and to contribute more than what is required	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1
6	I help my colleagues who have heavy workloads	**Prior** to the acquisition	5	4	3	2	1
		After the acquisition	5	4	3	2	1

Please select to what extent you agree or disagree with each of the following statements and select only one answer for each line.

FINAL QUESTIONS REGARDING THE INTEGRATION

		Strongly agree	Agree	So- so	Dis- agree	Strongly disagree
1	The „Bought Company" uses the advantages of belonging to the „Buyer Company" group very well	5	4	3	2	1
2	The „Bought Company" is more successful together with the „Buyer Company" group than on its own	5	4	3	2	1
3	Overall, I am satisfied with the integration	5	4	3	2	1

Open Question:

Do you have any ideas how to further improve the integration process in future acquisitions?

DEMOGRAPHICS

This information is important so that results can be classified; your answers are completely confidential.

I. How long have you worked for your company?

1. Less than one year .... ☐
2. 1 year to less than 3 years ..... ☐
3. 3 years to less than 10 years . ☐
4. 10 years or more .... ☐

II. Which of the following best describes your position in the company?

1. Manager of managers ...☐
2. Manager of employees ☐
3. White collar worker .....☐
4. Blue collar worker ....☐

MANY THANKS FOR YOUR PARTICIPATION!

Appendix B: Interview Schedule

Post merger integration project

Objectives -

Description of the background of the acquisition, the integration process, context and planning timescales, stakeholder engagement.

Preamble -

Thank you for agreeing to take part in this research study.

The study aim is to explore the context of the acquisition of **company x** by **company y.**

I will be asking you some questions about the integration of company x after the acquisition. The focus is to find out how you experienced the integration process back then.

Definition: The integration process is the entire process of the acquisition, starting with the negotiations between company x and company y until the total completion of the integration.

The interview will last no more than one hour and with your permission will be tape recorded – just to help me remember what was said later on. All information obtained will be anonymised. Individual staff will not be identified when the research is written up, with all names and staff positions anonymised.

Before we begin, do you have any questions, anything I have not covered?

OK.

Firstly, I'd like to ask you some general questions about your organisation and the acquisition, and then I'd like to ask you about your experiences during the integration in a bit more detail.

1. How were you involved in the integration of company x by company y. What was your role?

Prompt: Can you tell me how you came to be in this role?

Prompt: What were your tasks?

Prompt: How much of your time did it take up?

2. Before we talk about the acquisition, can you tell me, what is it like to work for a family firm?

Prompt: To what extent do you see that you work for a family firm in your everyday work life?

Prompt: What would you say are the special characteristics of a family firm?

Prompt: How does this organisation compare to other (non-family firm) organisations you have worked with?

3. Can you tell me about how the acquisition came about?

Prompt: In your opinion, what were the drivers for the acquisition?

Prompt: Would you personally say that in general the acquisition was successful? Why?

Prompt: In your point of view, how would you characterize the acquisition? (Hostile, friendly, etc.). Would you say that this had an influence on the success of the integration?

4. Can you describe the integration process?

Prompt: What concretely changed for the employees? In their day-to-day? In the organisational culture? Which group was affected the most?

Prompt: How was the integration managed? Who was responsible for what aspects of the integration planning/implementation?

Prompt: How were the employees informed about the acquisition? What have they been told and by which methods?

Prompt: What was the one key message to the employees about why they should support the acquisition?

5. Can you describe the employees' reactions concerning the integration?

Prompt: How did the employees react to the news of the acquisition after it got announced?

Prompt: Has there been any opposition to the acquisition from the employees? If yes, what were their main concerns?
Prompt: How would you describe the integration climate in general?
Prompt: How have the employees been supported during the integration if they had questions or concerns?
Prompt: How were the employees involved in the integration process?
Prompt: How did the organisation ensure that everybody involved was treated fairly during the acquisition process?

Prompt: Do you think this is especially the case because it is a family firm?
Prompt: Do you think this is different because it is a family firm?

6. What difference did it make for the integration that both merging companies are family firms?

Prompt: What difference did it make for the integration that the acquiring firm is a family firm as well?
Prompt: What difference did it make for the integration that the acquired firm is a family firm as well?
Prompt: Can you tell me if/how the CEO (note: a family member of the acquiring firm) made a difference for the success of the integration?
Prompt: Can you tell me if/how the former CEO (note: a family member of the acquired firm) made a difference for the success of the integration?

7. Can you tell me if/how the acquisition had an influence on the employees' trust in the organisation? If yes, why?

Prompt: How confident were employees that the organisation had the ability to manage this acquisition?
Prompt: How confident were employees that the new organisation will be successful?
Prompt: How confident were employees that the organisation will stick to their word during the integration process?
Prompt: How confident were employees that the new organisation will be reliable?
Prompt: How confident were employees that the organisation protects the interests of the employees during the acquisition?

Prompt: How confident were employees that the new organisation protects the interests of all employees after the acquisition?

Prompt: Do you think this is especially the case because it is a family firm?
Prompt: Do you think this is different because it is a family firm?

8. In your point of view, did employees' trust in the organisation change during the integration process? If yes, why and in what way?

Prompt: Was there a higher number of turnovers after the acquisition? Why was that in your point of view? How did you react?
Prompt: In what way did the employees' attitude change during the integration process? Why was that in your point of view?
Prompt: In what way did the employees' behavior change during the integration process? Why was that in your point of view?

Prompt: Do you think this is especially the case because it is a family firm?
Prompt: Do you think this is different because it is a family firm?

Thank you - Any other issues we haven't covered?