WERE RELATIONSHIPS IN THE WORKPLACE CHANGED? AN EXPLORATION OF THE IMPACTS OF THE MANDATORY WORK FROM HOME POLICY ON SMALL AND MEDIUM-SIZED FAMILY BUSINESSES IN SWITZERLAND

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Abstract

Small- and medium-sized family business competitiveness is built largely upon trusted relationships between owners, management, and employees. This paper questions whether the quality of such relationships were changed by the work from home policy (WFH) utilized during the COVID-19 pandemic.

This research analyses how mandatory WFH impacted interpersonal relationships between employees and supervisors in small and medium-sized family businesses (SMFB) by applying leader-member exchange theory (LMX). Thirteen in-depth interviews were conducted with owners or the executive management of Swiss SMFB. The study concludes that WFH affects the quality of the relationship between leaders and their employees. WFH is beneficial for the family business and its special relationships as long as all parties can count on well-established, trusted relationships and motivated and open-minded leaders who are capable of keeping the level of interpersonal communication with their employees well balanced. Where employees are struggling with WFH tasks while perceiving a denaturation of the leader-employee relationship a "call back to office" should be considered and indicates that effort is needed to improve the interpersonal relationship. A decent level of mutual trust between the parties helps firms to go through or overcome the down sides and turbulences under WFH and supports maintaining and enhancing leader-follower relationships during challenging times.

Keywords: Work from home policy (WFH), trusted relationships, Leader-Member Exchange Theory (LMX).

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INTRODUCTION

During the COVID-19 pandemic, firms across the globe were forced by governments to implement WFH policies without preparation (BAG, 2020). Some were fortunate in terms of readiness and available resources to shift to WFH while many were not.

The impacts of WFH on organizational and human resource management are diverse. One of the key challenges of WFH is that it potentially generates feelings of distrust that an employee may take advantage of the situation, and not work their actual hours. Elon Musk, Tesla's illustrious CEO, "tweeted" on Twitter that he believes "remote work allows people to avoid hard work". In other words, virtuality creates managerial challenges, as online-based networks raise doubts about managers' leadership capacities and team members' responses (Flavian et al., 2022).

Interestingly, however, small family businesses are based heavily on trusted relationships formed by their unique culture. Corporate culture binds employees to a common cause and fosters loyal workforce relations. Furthermore, the common involvement of the family leads to a bonded relationship between the owners and employees (Mayer et al. 1995; Eddleston & Morgan 2014).

According to Eddleston & Morgan (2014), trust and commitment are the two vital pillars in regard to working in a family business. Trust and trusted networks are widely regarded as a precondition for small companies' business success, and leaders' capability of fostering high-quality trustworthy relationships increases the probability of business success. Relationships provide access to resources and can leverage the strength of network partners in the creation and management of business ventures (Goel & Karri, 2006; Sabel, 1993).

While most of the current research has focused on the performance aspects and the pros and cons of WFH in the context of personality traits (e.g., Flavian et al., 2022), there is still a lack of attention given to relationships between leaders and employees and how WFH affects those relationships (Schreier et al., 2022; Gajendran & Harrison, 2007; Taylor & Kavanaugh, 2005). Considering the importance of trusted, high-quality relationships between leaders and employees in family businesses from a managerial perspective, it is interesting to examine how WFH impacts the unique relationships in small and medium-sized family businesses (SMFB) and to draw management policies that are appropriate for SMFB in particular.

This paper analyses how mandatory WFH impacts interpersonal relationships between employees and supervisors in SMFB. Leader-member exchange theory (LMX) is applied as a framework for the analysis. Four LMX factors, namely, mutual trust, affect and liking, assertiveness, and perceived similarities, are examined and discussed regarding changes derived from WFH.

LITERATURE REVIEW

Work from Home: Benefits and Costs

Even though enabling advanced information technology has been developed over recent decades, "Work-from-Home" (WFH), also known as remote work, was quite uncommon for smaller family businesses before the recent pandemic (Bick et al., 2021). Due to the COVID-19 pandemic, many countries, including Switzerland, were required to go into lockdown abruptly, forcing people to WFH for months (BAG, 2020). According to Galanti et al. (2021), "approximately 50% of Europeans worked from home (at least partially) compared with 12%" prior to the COVID-19 pandemic. With the pandemic ending the question arises, does WFH still make sense, or should family businesses call their employees back to the office building?

Several studies highlight the benefits of working from home: it increases employees' flexibility, work performance, and productivity (Apgar, 1998; Brownson, 2004; Gajendran & Harrison, 2007). A study conducted by Bloom et al. (2015), using a sample of 16,000 employees, found a 13% increase in employee performance while WFH, as well as fewer breaks taken by workers and a decrease in the total number of sick leave days used. Furthermore, the researchers mentioned an increase in firm productivity of approximately 4%. WFH makes managers' and coworkers' daily check-ins obsolete, and self-management guidelines and employee empowerment, along with the implemented WFH policies, foster mutual trust with a positive impact on firms' overall performance (Bolick, 2020).

In contrast, the literature points out a number of downsides of WFH policies. Data protocols from VPN provider NordVPN Teams suggested that in many economies, working from home means people work longer hours (Meakin, 2021). WFH can likely cause social isolation and family-work conflicts because there is not much social interaction with supervisors and coworkers, as well as no real separation between job and leisure (Galanti et al., 2021; Stoker et al. 2021).

Moreover, WFH leads to a decrease in face-to-face communication. Additionally, research indicates that WFH increases interpersonal misunderstandings and interpersonal conflicts, which leads to negative effects on interpersonal relationships and work performance (Niedle, 2012; Varma et al., 2022). Supervisors experienced anxieties associated with the loss of physical control over their employees and a perceived threat of loss of influence coupled with a need to micromanage staff for purposes of maintaining a sense of control (Hallowell, 1999; Taylor & Kavanaugh, 2005).

Recently, researchers have questioned whether WFH impacts the level of trust between leaders and employees. Schreier et al. (2022), for example, found that at the beginning of the pandemic, and thus mandatory WFH, supervisors struggled with motivating, coordinating, and delivering results, all of which contribute to changes in trust levels. Similarly, Parker et al. (2020) note that managers perceived their trusted relationships with coworkers denaturizing since they could not interact face-to-face with their employees, creating the expectation that employees must be available online at all times. The same study found that "thirty-eight percent of managers agreed that remote workers usually perform worse than those who work in an office". Furthermore, many supervisors stated problems managing WFH employees and questioned how to effectively manage and maintain trust (Parker et al., 2020, p.4). A study with a focus on family businesses concluded that distrust induced, for example, by WFH policies likely leads to "problems of coordination and control", which can cause a chain reaction leading to the undermining of the firm's business success (Steier, 2001).

High-level Trusted Relationship in SMFB

Trust, self-sacrifice, and commitment are widely discussed in regard to family firms explaining their efficiency and performance (Lee, 2006). SMFB employer-employee relationships are based heavily on trusted relationships. Self-sacrifice, commitment and involvement of the family in SMFB leads to a unique relationship between the owners and employees (Mayer et al. 1995; Eddleston & Morgan 2014). Trust and commitment are essential for family businesses and a precondition for their business success (Eddleston & Morgan, 2014). Trust helps reduce uncertainty, and the perceived trustworthiness of relationships correlates with greater information sharing between network partners, which is of crucial importance to smaller firms (Bigne & Blesa, 2003; Child & Hsieh, 2014; Gambetta, 1988).

A trusted relationship represents a fundamental basis for cooperation and is potentially a key part of a family business' competitive advantage (Steier, 2001). Various studies have shown that family businesses typically spend much attention on face-to-face interactions to

foster personal trustworthy long-term relationships between parties (Gudmundson et al., 1999). Trusted employees have an influence on family businesses since they are asked frequently for advice as their opinions are important (De Groote et al., 2021). While "the hierarchy in family businesses is typically flat, the communication channels are short and informal, and there is a high degree of transparency between the management of the firm and its employees" (De Groote et al., 2021, p. 141). In other words, employees perceived to be trustworthy influence management decisions in family businesses in addition to the owner's strategic decisions.

Researchers have discussed that business leaders' trust in individuals, groups and organizations is built upon three essential characteristics, competence, compassion, and integrity, which consequently leads to trusted relationships (Mayer et al., 1995; Udomkit et al. 2019; Flavian et al., 2022). However, trust does not come through luck. It has to be built and developed. Udomkit et al. (2019) examined how trust is built in international small- and medium-sized enterprises. It shows that competency is a starting point for a trusted business relationship. Competency has to be consistent across time. Honesty and integrity will be observed and evaluated by business partners. A competent business partner who is dishonest will never be granted trust. Once the trusted relationship has been built long enough, firms at some point will inevitably face some difficult circumstances or crises. Those partners who have shown empathy, given some support or assistance in their capacities to help each other during difficult times, will develop the strong ties of trusted relationships.

Leader-member Exchange Theory (LMX)

Leader-member exchange theory (LMX) explains that leaders develop different relationship types and qualities with different followers. The theory emphasizes the quality of the social exchanges between supervisors and employees and postulates that the quality of emerging leader-supervisor relationships impacts the firm's success and describes the importance of leaders' characteristics to develop and foster relationships with subordinates (Dansereau et al., 1975; Anand et al., 2011).

Graen and Uhl-Bien (1995) further revised the LMX framework into a theory for the "maintenance of mature leadership relationships" and identified the following key dimensions and characteristics for such a leadership approach: trust, respect, and mutual obligations. The LMX has further developed to take into account followers' and leaders' characteristics, interpersonal relationships, and various contextual variables (such as "work settings and locations"). For example, the quantitative study from Martin et al. (2016) examines the correlation between LMX-relationship-quality and the researchers' multidimensional model of work performance. The authors report a positive correlation between LMX relationship quality and task performance, whereas trust, motivation, empowerment and job satisfaction mediated the relationship between LMX and performance, with trust in the leader having the largest performance effect.

Dulebohn et al. (2012) modernized the LMX framework, classifying four key factors that influence leader-member relationships, namely, "mutual trust", "affect & liking", "assertiveness", and "perceived similarities". Mutual trust derives from work relations that are based on skills and competences that leaders and employees can be trusted and are motivated to assume greater responsibility. Affect & liking is related to the desire to build a decent relationship and invest effort in creating a shared perception of goals and understanding of how to work together. Assertiveness is related to eagerness for skill improvement, proactive behavior and performance to accomplish the work. Perceived similarities are related to the shared perception of how to best accomplish tasks, the shared idea of expectations, and shared similar interests, values and attitudes (Dulebohn et al., 2012, Uhl-Bien et. al., 2000).

The relationships vary from low-quality LMX to high-quality relationships. Low-quality relationships are mainly based on employment contracts and the exchange of tangible assets; thus, a situation where economic exchange logic basically rules the relationships. High-quality relationships are based on a high level of mutual trust, affect & liking, assertiveness, and perceived similarities. High-quality relationships lead to increased engagement and encourage members to engage in tasks and duties beyond the formal employment contract, which results in an increase in employees' work performance and productivity (Dulebohn et al., 2012, Robert & Vandenberghe, 2020).

RESEARCH METHODOLOGY

The aim of this study is to explore the impact of mandatory WFH policies on the relationships between leaders and employees in small and medium-sized family businesses in Switzerland. LMX theory is adopted as a framework. Four LMX factors, namely, mutual trust, affect & liking, assertiveness, and perceived similarities, are investigated in the context of WFH. The LMX factors, the context for analysis, and the codes used are presented in Table 1.

Table 1 LMX Factors, Context for Analysis, and Codes

LMX factors	Context for the analysis
Perceived similarities	Interviewees' experiences of changes in the way leaders and followers communicate with each other, how effective communication is perceived and the differences or similarities that arose between the two parties due to the changes triggered by WFH.
	Interviewees' statements of how WFH and the changes in the relationship positively or negatively affected commitment in the company.
	Interviewees' statements of how WFH and changes in a relationship positively or negatively affected the role ambiguity in the company.
Assertiveness	Interviewees' experiences of changes in persistence and task performance of the workforce due to the change to WFH.
	Interviewees' statements of how WFH and the changes in relationships positively or negatively affected job performance in the company.
Affect and liking	Interviewees' experiences of changes in affect or liking toward followers due to the change to WFH.
	Interviewees' experiences of how WFH has changed the (business) cultural aspects between followers and leaders and affected interpersonal relationships.
Mutual trust	Interviewees' experiences on changes in trust toward followers due to the change to WFH, as well as the way trust affects the relationship and effectiveness of WFH.

In total, thirteen in-depth semi-structured interviews were conducted. Taking the primarily flat hierarchies of small to medium-sized family businesses in Switzerland (number of employees between 50 and 249) into account, the main criterion for the sample was that the interviewees needed to be the business owner, a family member of the business owner working in a management position for the firm or an employee in a strategic management position of a firm located in Switzerland. A pretest consisted of four participants. A summary of the interviewees' profiles is presented in Table 2.

Due to the restrictions imposed during the COVID-19 pandemic, all interviews were conducted online. Each interview was recorded and transcribed. Categories and a list of codes (code framework), which were based on LMX theory, were set up to code the transcripts accordingly. A data analysis was performed to identify similarities, recurring themes, and discrepancies.

Table 2 A Summary of Interviewees' Profiles

No	Gender	Position	Industry	No. of Employees
1	Male	Owner	Food production	240
2	Male	CEO	Consulting services	200
3	Female	Director Marketing, member of the executive board/ strategy board	Metal products production	245
4	Female	Director Accounting (a daughter of the owner)	Machines production	140
5	Male	CEO	Wood processing	80
6	Male	CEO	Metal products production	200
7	Male	CEO	Furniture Production	70
8	Female	Director HR, member of the executive board	Measurement instruments production	240
9	Male	CEO	Machinery production	70
10	Female	CEO	Real estate consulting and management	170
11	Male	CEO	Production (of goods out of paper and carton)	70
12	Male	Director of a Business Unit, member of the executive board	Trading of consumer goods	100
13	Male	CEO	Construction	200

FINDINGS

Table 3 in the appendix provides the counts for each LMX factor for all 13 interviewees: Perceived Similarities (1), Assertiveness (2), Affect and Liking (3), and Mutual Trust (4) in total.

Impact of Mandatory WFH on "Perceived Similarities"

All interviewees expressed their concerns about the quality of communications during WFH. Before WFH, it was common to see people walk around, talk to each other, and have coffee together. These informal talks created interconnectedness and good understandings within teams and organizations.

The leaders stated that WFH made it more difficult to communicate effectively with employees, thus making it difficult to grasp how and what the employees are doing to accomplish tasks. The lack of face-to-face interaction between people during WFH creates more misunderstandings and conflicts and makes people more prone to waste time on extensive and sometimes angry email discussions (Interviewees 5, 10, 11).

Regarding virtual meetings, employees and managers bundled their questions and topics that needed to be discussed for the online meetings. To complete the online meetings as efficiently as possible, personal "small talks" and contacts were clearly missing (Interviewee 3 and 12). Moreover, it was harder to get people's attention in meetings, it was "hard to tell if employees truly pay attention during online meetings" (Interviewee 9) and difficult to "feel if people are truly committed to the discussion or not" (Interviewee 11).

Interviewees expressed that "extra efforts (were) needed" to make interpersonal connections within the organization more meaningful and frequent enough while people worked from home. For example, it was necessary to perpetrate one-on-one interactions with employees instead of having team interactions to maintain a close relationship with the employees (Interviewee 11, 12). Interviewee 9 highlighted that not all employees could handle online work from home properly and that supervisors needed to know who might feel stressed while working from home and who might need extra support. "Leaders need to overlook and be capable of recognizing whether everything is going well and who is doing well and who is not with the WFH situation" (Interviewee 9).

Impact of Mandatory WFH on "Assertiveness"

All interviewees described that WFH increased employees' overall flexibility to manage themselves, such as flexibility to decide when they want to work and when to take a break. However, the findings showed a mixed impact on leaders' perceptions regarding their peoples' assertiveness, motivation, and efficiency.

According to interviewees 3, 7, 8, 9, 10, 11, and 12, WFH can be advantageous in terms of efficiency and effectiveness. Interviewee 9 shared, "I perceived that my employees come to the point much faster than in office meetings and I think while they are at home, they are capable of doing more tasks rather than having multiple distractions in the office".

Interviewees 2, 3, and 12 emphasized the quality of people. WFH works as long as the people have the right personality and working attitude. They will try their best to accomplish their tasks, no matter where they work. Employees who already performed well in the office seem to do well at working from home. They commit and stay motivated to work hard no matter where they are. WFH is a "win–win" for the company and the employee.

Few interviewees expressed concerns regarding employees who demonstrated a tendency to get "overworked". Interviewee 6 raised the view that even if the employees think working for an extended time will give them a better reputation with their superiors, which is usually not the case, it is not sustainable in the long term. "One thing managers cannot see while people WFH is if they spend eight hours working as it is supposed to be, or 12 or more". Hence, leaders must develop a greater sensitivity for people when meeting only online, as it is challenging to judge how hard employees are actually working when working from home. "The role of leading people changes, we need to develop a kind of 'gut feeling' for the team, its wellbeing and performance" (Interviewee 6). Aligned with interviewee 8's perception, "some employees might think they have to be available 24/7 or that they have to work slightly longer every day because they 'just' work from home". This won't work long-term and may lead to inefficiency."

Furthermore, interviewees expressed their skepticism of employees' work efficiency. For example, there is a suspicion that "some people just optimize their personal time while working from home" (Interviewee 1), and some employees work less effectively from home, as they might become distracted by their children or spouses (which also had to stay at home during COVID-19 restrictions) (Interviewees 1, 5, 8, 9, 10, 11).

Interviewee 8 highlighted that as a manager, "we need to make sure that work actually gets done, that everyone takes his or her workload in favor of the team performance" and has

a "decent" method to control it (Interviewee 9). Interviewee 4 raised caution that a manager whose trust in an employee has been shaken might come up with the expectation that employees should be available online at all times and for all means, which will most likely cause problems of coordination and control and a chain reaction of "micromanagement" (Interviewee 4).

Impact of Mandatory WFH on "Affect and Liking"

All interviewees reported that they had to apply "extra effort" to maintain a close and amicable relationship with their employees while avoiding denaturalization of relationships while WFH policies presided. For example, interviewee 10 mentioned that he more explicitly and proactively raised personal topics in online meetings, while the former standard office communication seemed to be more business focused.

Interviewee 6 explained that to keep the relationship strong while everyone works from home, "you need to be open minded, you need to discuss what works, and what doesn´t. What works for some might not work for others" (Interviewee 6). Interviewee 11 disclosed how additional personal talks in the context of WFH triggered a wider range of personal topics to talk about to further identify common ground to bond over. "Most of my people are just happy to spend more time at home, and I discovered so much more about my employees, about what they do in their free time" (interviewee 11). He further noted that he even started playing squash with one of his employees when they realized they both had this hobby in common. Interviewee 11 ended his statement adding, "I think people working from home for our family business discovered something new about themselves and their work attitude which creates in the best case a new kind of positive dynamic and will result in a far more personal-family business culture" (Interviewee 11).

On the downside, Interviewee 7 disclosed that WFH makes it harder to be in line with the firm's "knowledge sharing" culture, the way business should be done efficiently and how to follow the company's vision, with a potentially negative long-term impact on the corporate culture.

Many interviewees expressed that WFH seems to increase the number of short messages and emails, which may make people in stressful situations forget they are interacting with other human beings while "writing angry emails". The "personal touch disappears when working online with potentially negative consequences for the netiquette as well as the personal relationship" (Interviewee 11).

Impact of Mandatory WFH on "Mutual Trust"

All leaders stated the importance of fostering trust and relations to ensure employees´ performance while working from home and agreed that WFH policies require that managers offer a decent level of "ex ante trust" to their employees, corresponding with SMFB leaders' perceptions that the interpersonal level of trust is high within family businesses. For example, Interviewee 11 stated, "I think trust in our employees is higher [than in other firms] because we are a family business, and we take care of our employees well. WFH won't change it".

Interviewee 3 expressed: "I trust my people, who they are, doing their work and tasks, and I don't care if they work two hours longer in the evening hours and going for a walk with friends during standard working hours".

Interviewee 1 explained that the firm does not "hire people just because of their skills, "instead our choice is always based on who we believe can be trusted to get the job accomplished in the right way", which in turn rewards them in the long run and helped them during WFH times.

Many interviewees explained how trusting their employees yields a trade-off that is beneficial for both sides. "Giving the employees high flexibility to arrange their own work schedule led them to get all the work done" (Interviewee 5). Interviewee 5 also mentioned that the management gifted everyone with their trust, so employees realized that they are actually trusted and performed well working from home. Furthermore, leaders reflected that their employees were surprised that the company just trusted them, allowed them much self-management without checking continuously or implementing a tight control system while WFH (Interviewee 7). In return, their employees tried hard to prove to the family business and their supervisors that they could actually be trusted and were not taking advantage of WFH policies (Interviewee 7, 9).

WFH is perceived as a possibility to further empower employees, and indeed, employees seem to be motivated to grab the opportunities that WFH offers, which fosters leaders' trust in their people. According to interviewee 2, "productivity in the context of working from home means people need to be highly self-motivated and entrepreneurial spirited, employees who show that kind of motivation can be easily trusted to handle the work efficiently from home" (Interviewee 2). Furthermore, interviewee 12 added that "people who performed very well before COVID-19, mainly do so while working from home, too. "Trust your employees, offer them autonomy, and they will do better" stated interviewee 12.

However, some interviewees noted incidents that negatively impacted trust levels. For example, skepticism on employees utilizing work hours for "socializing with friends and extending personal time" and the place or location where employees work from. If leaders realize that their employees work from locations associated with leisure time, it creates some irritation and some concerns about the efficiency and quality of work, which can lead to a negative impact on their trust level (Interviewees 1 and 8). Interviewee 1 assumed that WFH in the long run might reduce the trust level because of less "social face-to-face time" and people's fading knowledge on "what matters for whom" (Interviewee 1).

DISCUSSION AND CONCLUSIONS

This research finds clear evidence that mandatory WFH affects the quality of the relationship between employers and employees. On the down side, WFH imposes challenges in the quality of communication. Communication became much more difficult without regular face-to-face interaction, and occasions for informal communication were lost. Interpersonal communication was reported to be less effective and prone to misunderstanding, while it was also more difficult for managers to gauge if employees were committed to their tasks and if they understood the expectation that they do their jobs properly. This finding is in line with the research of Varma et al. (2022) that WFH negatively impacts interpersonal relationships by reducing the interactions between leaders and followers, while WFH communication, despite the usage of modern online communication tools, seems to be perceived as less effective than classical face-to-face-office interactions, with its negative impact on "perceived similarities" and the quality of leader-follower relationships.

Some evidence indicates that the interviewed leaders experienced an increase in "assertiveness". Most frequently, the interviewees described how WFH increased employees' overall flexibility to manage themselves, and as a result, the leaders perceived their people to be more motivated and efficient in their work. Managers also assumed that coworkers' flexibility to take breaks based on their individual needs, increased work performance. An overall positive impact of WFH on coworkers' productivity was also confirmed recently by the study of Bloom, Liang, Roberts, & Ying (2015), which found a 13 percent increase in productivity. However, this increased flexibility yields new hurdles to overcome. The interviewees expressed that they felt responsible for their employees' well-being – in terms of

long-term job efficiency – a kind of leader duty that was perceived as difficult to fulfil effectively under a mandatory WFH regime. Visagie et al. (2019) and Varma et al. (2022) confirmed the role of leaders transitioning, as they need to evaluate more than ever their subordinates' feelings and their well-being under a WFH regime.

Although there was no clear evidence that interviewees experienced relevant changes in affect and liking toward followers, the study confirmed interviewees' concerns about their employees' efficiency and changes in business culture. Additionally, "affect and liking" depends heavily on efficient communication. Leaders are supposed to give extra effort to maintain a decent level of interpersonal communication with their employees as well as to be open to trying new tools to cope with the lack of face-to-face communication. The leaders confirmed a perceived need for extra effort to maintain and foster interpersonal relationships with their employees. The need for additional supervisor initiatives corresponds with Visagie et al.'s (2019) and Bolick's (2020) findings that leaders' proactive relationship management and guided employee empowerment should be understood as a precondition for decent leader-follower WFH experience.

While some leaders managed to foster relationships with their employees well, some interviewees experienced harsh reactions regarding the enforcement of WFH policies by the government – blaming their employers and their leaders for the situation. Based on the interviewees' statements, this study finds some evidence for the interviewed leaders' perceptions that there seem to be two polarized groups of employees, the majority, who "like" WFH and those who truly "dislike" the policies enforced. The government's WFH enforcement likely has an impact on the leaders-followers' LMX "affect and like" dimension. Negative discoveries create rejection and distrust (Parker et al., 2020).

This research finds that mutual trust contributes to smooth coordination and performance management and enhanced empowerment. As many literature sources emphasize the relevance of trusted relationships in family businesses and firm success (Eddleston & Morgan, 2014; De Groote et al., 2021; Lee, 2006; Steier, 2001), this research confirms that mutual trust is a vital element for family business success and contributes to the ease of coordination and performance management and enhances empowerment during WFH. Those interviewees who perceived a decent basis of shared trust expressed their confidence that everyone "works well whenever and wherever they may be working from". This conclusion is also in line with the research of Flavian et al. (2022), who confirmed the importance of trust given by virtual team leaders and the trust that employees give to their leaders for their degree of commitment. This study has shown that a well-established culture of mutual trust in a family business has even been fostered by the WFH policies enforced and the WHF challenges that have arrived. By giving trust "ex ante", a leap of faith motivates them to do their best. When employees perceive that they are trusted by their leaders, and vice versa, they try their best to confirm that they can indeed be trusted.

Managerial Impact

From a managerial perspective, WFH is beneficial for the family business as long as all parties can count on trusted relationships, that leaders are motivated and open-minded and that leaders and employees are able to communicate well with each other. A decent level of mutual trust not only helps firms overcome the challenges of WFH but also helps maintain and enhance leader-follower relationships during difficult times.

However, as pointed out by Udomkit et al. (2019), a trusted relationship takes time to build and develop. In the workplace, employees are hired because of their competency and professionalism. This trait is a prerequisite for building stronger trust, and it must be consistent over longer timespans. Consistency in performance plays a significant role in forming

reputations. Honesty and integrity are at the heart of trusted relationships. Empathy and caring are key components of the ultimate form of a trusted relationship. It can only be consolidated when those involved have passed difficult circumstances and experienced crises, working hand-in-hand to go through these tough times together.

It is therefore important for supervisors to critically evaluate their interpersonal relationship with employees, such as a decent level of mutual trust between the parties, which seems to be the starting point for optional WFH policies. A successful WFH arrangement requires the "right reasons", the "right job", and the "right employee", while the right employee is the one with the appropriate personal traits for WFH, supported by an already established close relationship with his or her direct supervisor (Chaudron, 1995; Visagie et al., 2019).

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

As is the nature of qualitative research, the scope of this research is limited and potentially leaves several areas of interest undiscovered. Moreover, a small sample size leads to disadvantages on statistically representative results. Nevertheless, the authors hope this study still contributes well to the currently limited research in the context of WFH in family businesses.

It is concluded that trustworthy employees who performed well in the office before the COVID-19 pandemic also did well working from home. In other words, trustworthy employees who are seemingly committed to the company and supported by a decent level of mutual trust benefit from WFH policies. The question arises regarding the impact of WFH policies on newly hired people during the pandemic. More precisely, whether and how leaders manage to establish a basic level of trust in newly hired employees while working from home is worth analyzing.

Last but not least, this study only explored how mandatory WFH policies impacted interpersonal relationships between employees and supervisors in Swiss small and medium-sized family businesses (Swiss SMFB). It should be questioned if the conclusions made, and the managerial impacts described might be extensible beyond Switzerland's borders. Further research is suggested to explore if the results could be generalized and if various WFH policies lead to different results.

Future research may also explore how the negative impacts found in this research could be offset and how the positive impacts could be enhanced. In addition, as the findings in this research are based on interviews with leaders (while interpersonal relationships are more complex), further research may enlarge the scope of research to explore leaders-followers, leaders-leaders, and followers-followers' perspectives, while also making comparisons.

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APPENDIX

Table 3 LMX Factor Total Counts

Interviewee	Perceived Similarity	Assertiveness	Affect and Liking	Mutual Trust
1	7	9	23	11
2	10	10	15	5
3	15	14	21	10
4	10	10	9	4
5	16	17	13	12
6	4	14	17	15
7	10	23	19	14
8	8	17	8	5
9	12	15	12	9
10	12	11	11	5
11	14	16	12	9
12	8	15	9	10
13	7	11	14	5