Contents

List of Tables

List of Figures

Acknowledgements

Six years ago, I founded a family firm myself. The mission of this firm was to create one unique product: this research dissertation. Since I already discovered the world of family firm research in my master thesis, I knew that I could not accomplish my mission as a lone founder. In order to accomplish my mission, I needed the support of several important governance mechanisms. I would like to devote these acknowledgements to these mechanisms.

First and foremost, I would like to thank my top management team (hereafter TMT). As a devoted TMT researcher, I know that this superior team was the key to success. From the start, I was lucky to have three inspiring team members by my side. First, my supervisor, Prof. dr. Tensie Steijvers. Tensie, your guidance throughout this incredible journey was priceless. Your trust in my capabilities gave me the opportunity to develop my own ideas. Your comments and suggestions made these ideas better. Your calmness was the perfect antidote to my excitement. Your open door and ability to listen made me feel psychologically safe in our team. Taken together, without your academic and non-academic support, the accomplishment of my mission would have been much more challenging. Second, I would like to thank my co-supervisor, Prof. dr. Walter Hendriks. Walter, thanks to your knowledge and expertise about TMTs, I found my research focus. Without your input on TMTs, the product that we created would not have been the same. Our TMT meetings were intensive, but in the end I always realized that your precise revisions and corrections made our product even better. Also our journeys to TMT conferences were unforgettable. The informal meetings at hotel lobbies or bars with some beers created a valuable dimension in our collaboration. Third, I am also very grateful to my other co-supervisor, Prof. dr. Wim Voordeckers. Wim, thanks to your role

as supervisor of my master thesis, I got to know the interesting field of family firm research. Even more important, thanks to you, I grasped the opportunity to start my PhD, a decision I will never regret. Your incredible knowledge about family firms still surprises me every day and created a valuable contribution to the dissertation. Towards the end of our mission, I learned that each TMT benefits from variety of knowledge. Therefore, 3 additional top managers were added to the team: Prof. dr. Nadine Lybaert, Prof. dr. Mirjam Knockaert, and Prof. dr. Alejandro Escribá-Esteve. Dear professors, I would like to thank you all for joining the TMT and providing me with suggestions and remarks to improve our final product. With these improvements, I think we can say: mission accomplished!

No strong family firm however without a board of advice. As founding CEO, I could not have imagined a better board of advice than one consisting of fellow and former researchers/colleagues that know what it takes to write a research dissertation. I therefore want to thank all current and former members of the RCEF research group as well as all other colleagues for being the perfect sounding board. We shared our research knowledge but also tears and laughter which resulted in a great team atmosphere to work in. Special thanks to some board members is appropriate. First of all, my two 'partners in crime' Maarten and Jelle. You guys made these six years even more unforgettable. You guys are the perfect example that friends can do business together without the creation of relational conflicts. Maarten, you had to cope with my strange behaviors, my frustrations, and were always there for me when I needed you. Our coffee and tea breaks, our quest in Vienna at 5 o'clock in the morning, our fact quiz, … I hope that we will be able to create more unforgettable moments in the next years. Jelle, even though you became an external board member last year, your

friendship and support throughout my PhD mission were priceless. Your devotion as a researcher and sportsman were inspiring. I still miss you every day at the office. Next, I would like to thank some women of the board. Ine, even though replacing Jelle is not possible, Maarten and I asked you to join our tea club and from that moment on, you were 'one of us'. Teasing you, your funny explanations, joining fashion forces to buy clothes for Maarten, it all made me smile. Furthermore, the presence of the COT team only left me with positive memories. Lien, Karolien, Anneleen, Annelies and Julie, thank you for integrating me in the team when I started my PhD, thank you for becoming friends. Finally, I want to thank Ilse. Even though she does not like the term 'mum of the corridor', she is the one that is always there for us when we need her.

Another important thing I learned about family firms is the importance of family governance mechanisms such as a family forum. The key to success of my valuable family forum is the combination of family and friends. The unconditional love and support I got from them gave me the strength to succeed. Good and bad times, you were always there for me. Special thanks to the chairmen of my family forum, my parents. Without my parents, I would not have been able to found this family firm in the first place. Mom and dad, thank you for all the opportunities you gave me in life. Thank you for being the best parents I could ever imagine. Thank you for everything! Also special thanks to my sisters Ellen en Lien as well as my beloved family, the love I receive from you all makes it possible for me to charge myself to deal with personal challenges such as writing this research dissertation. Furthermore, the impact of my friends in the family forum is significant. My work-life balance could not have been better with such great friends. Even though I am grateful for the support of all of you guys and girls, I would like to mention some of them exclusively: all

members of the Bolderberg, 'cry me a river', and TC Heusden group make my everyday life so much fun. This fun also gives me the strength I need to tackle my personal challenges.

Each firm also has important stakeholders. I would like to thank one specific group of stakeholders, the family firm TMTs that collaborate with us in our research project. It is an incredible challenge to find sufficient respondents in a survey, but I was lucky to have 55 family firms that believed in my research and provided me with priceless information about their TMTs such that I could link my theoretical arguments with input from the field.

Last but not least… No strong CEO without a strong partner. So how could I end these acknowledgements without a special tribute to my boyfriend. Brahim, you came into my life three years ago. Without knowing it, you were the right person at the right time. At that stage of my journey, my motivation was low. However, you made my personal life so much better that I got motivated again. You supported me throughout the last years of my mission and had a confidence in me that enabled me to reach a higher level. I hope that you will be there for me in all other journeys that I will start in life because no person in the world means more to me than you do.

Pieter Vandekerkhof

December 11, 2015

Samenvatting

Het is haast onmogelijk om vandaag de dag een krant open te slaan zonder geconfronteerd te worden met problemen rond beslissingen van het managementteam van een organisatie. Hierdoor krijgen managementteams ook heel wat aandacht in wetenschappelijk onderzoek. De basis redenering is dat organisaties kunnen beschouwd worden als een reflectie van haar topmanagers. Om de problemen omtrent managementbeslissingen te kunnen begrijpen, is het essentieel om individuele kenmerken van deze besluitnemers te bestuderen. Voornamelijk inzicht in de verschillen tussen managers op basis van individuele kenmerken is van cruciaal belang om de problemen binnen het managementteam te detecteren. Diversiteit in teamsamenstelling vormt daarom ook de motor van dit onderzoek.

Diversiteit in managementteams is echter geen eenduidig verhaal. Er bestaan namelijk verschillende perspectieven met betrekking tot de potentiële verschillen in een team. In dit onderzoek zullen drie belangrijke categorieën van diversiteit bestudeerd worden. Ten eerste de effecten van variëteit aan kennis in het managementteam. Ten tweede de spanningen en conflicten die kunnen ontstaan door fricties in het team op basis van onderlinge verschillen in waarden, normen, en persoonlijkheid. Ten derde de gevolgen van ongelijkheden op basis van status en macht. Het samenspel van deze verschillende vormen van diversiteit heeft belangrijke gevolgen voor de teamprocessen en de besluitvormingskwaliteit van managementteams.

Het onderzoeken van deze problematiek is zeer relevant in de context van familiebedrijven. Familiebedrijven zijn alom vertegenwoordigd in praktisch elke wereldeconomie en dragen in sterke mate bij tot de economische groei en tewerkstelling van een land. Inzicht in potentiële besluitvormingsproblemen

binnen managementteams van familiebedrijven is dus zeer relevant. Algemeen wordt aangenomen dat het besluitvormingsproces van managementteams in familiebedrijven complexer is. Een belangrijke oorzaak van deze verhoogde complexiteit is de aanwezigheid van verschillen in specifieke kenmerken. Zo zijn er bijvoorbeeld verschillen in familiale betrokkenheid, verschillen tussen familie en niet-familie leden, en verschillen in specifieke waarden en normen in managementteams van familiebedrijven die de heterogeniteit en bijgevolg complexiteit in het team verhogen. Ondanks de maatschappelijke relevantie van familiebedrijven en de specifieke invulling van diversiteit binnen deze groep bedrijven, is er weinig geweten over de condities waaronder diversiteit binnen managementteams van familiebedrijven een impact hebben op prestaties. Meer inzicht verwerven in de rol van managementteam diversiteit binnen Belgische familiebedrijven is dan ook het doel van dit doctoraatsonderzoek.

De algemene onderzoeksvraag van dit doctoraat luidt als volgt: "Hoe en wanneer beïnvloeden verschillende vormen van managementteam diversiteit in familiebedrijven de teamprocessen en de kwaliteit van de beslissingen?". Aan de hand van vier verschillende studies wordt er getracht een antwoord te bieden op deze centrale onderzoeksvraag.

In hoofdstuk 2 onderzoeken we wanneer de nood aan meer kennisdiversiteit binnen het managementteam leidt tot het aanwerven van niet-familieleden daar zij vaak aangeworven worden voor hun unieke kennis en expertise. Hiervoor gebruiken we gegevens uit een vragenlijst die in 2002-2003 verstuurd werd naar een steekproef van Belgische familiebedrijven. Uit onze resultaten blijkt zowel bedrijven die meer gericht zijn op internationalisatie en innovatie, als ook grotere bedrijven, nood hebben aan kennis en expertise die vaak niet aanwezig is bij familiale managers waardoor deze bedrijven vaker

niet-familieleden aanwerven. We merken echter dat een dergelijke rationele beslissing verhinderd kan worden door het willen vrijwaren van niet-financiële familiale doelstellingen zoals het vrijwaren van het familiaal karakter van het bedrijf en het bewust creëren en handhaven van tewerkstelling voor familieleden. Indien deze doelstellingen primeren binnen het managementteam, zullen emoties de bovenhand krijgen in het besluitvormingsproces zodat het creëren van kennisdiversiteit verhinderd wordt.

Voor het onderzoek in de hoofdstukken die volgen schakelen we over op gegevens van gehele managementteams die we in 2013-2014 verzamelden omdat we ons onderzoek willen toespitsen op teamniveau in plaats van op bedrijfsniveau. Meer uitleg over deze specifieke methode van dataverzameling is terug te vinden in hoofdstuk 3. Hoofdstuk 4 start vervolgens waar hoofdstuk 2 geëindigd is. De aanwezigheid van niet-familiale managers wordt in hoofdstuk 4 gebruikt als bepalende factor voor het ontstaan van machtsverschillen, gebaseerd op eigendom. Deze machtsverschillen zijn nefast voor de kwaliteit van de besluitvorming. Verder tonen we aan dat de negatieve invloed van deze machtsverschillen versterkt wordt indien er eveneens grote waardeverschillen tussen managers zijn, terwijl een unieke en diverse kennisomgeving in het team er voor kan zorgen dat de invloed van de machtsverschillen opgeheven wordt. Dit hoofdstuk gebruikt dus verschillende vormen van diversiteit in managementteams van familiebedrijven om aan te tonen dat deze verschillende vormen elk een andere impact op de kwaliteit van het besluitvormingsproces kunnen hebben.

De verschillen tussen managementleden in het handhaven van de specifieke waarden binnen een familiebedrijf blijken een belangrijke verklarende factor te zijn voor het effect van diversiteit op de besluitvormingskwaliteit van

managementteams in familiebedrijven. Hoofdstuk 5 spitst zich toe op deze waardeverschillen om te verklaren hoe en wanneer deze verschillen de besluitvormingskwaliteit effectief aantasten. Uit onze resultaten blijkt dat waardeverschillen de besluitvormingskwaliteit verminderen door het aantasten van de mate van samenwerking, informatie-uitwisseling en gezamenlijke besluitvorming binnen het team. Echter merken we op dat deze negatieve invloed kan worden tegengegaan door het creëren van de juiste team context. We tonen aan dat het belangrijk is dat managers durven uitkomen voor hun waarden, zonder vrees om hierop afgerekend te worden. Hierdoor zal de integratie van ieder teamlid verbeteren waardoor men meer gaat samenwerken, communiceren en samen beslissingen nemen, wat vervolgens zal leiden tot hogere besluitvormingskwaliteit. Dit hoofdstuk toont dus aan dat de negatieve invloed van diversiteit in familiebedrijven gemanaged kan worden door het creëren van de juiste team context binnen het managementteam.

Tot slot wordt er in het laatste hoofdstuk de focus verlegd van het effect van diversiteit op de kwaliteit van dagelijkse, operationele beslissingen naar strategische beslissingen. Het strategische besluitvormingsproces is uniek binnen familiebedrijven daar de actieve rol van de Raad van Bestuur hier erg belangrijk is. Strategische beslissingen worden vaak genomen door een team dat bestaat uit alle leden van zowel het managementteam als de Raad van Bestuur. Er wordt geargumenteerd dat het toepassen van verschillende vormen van diversiteit in deze unieke team setting een betere verklarende factor is voor de strategische besluitvormingskwaliteit. Verder wordt het belang van samenwerking en integratie alsook de rol van de leider in het overkoepelende team benadrukt. Er worden een aantal hypothesen ontwikkeld die in verder onderzoek empirisch getest kunnen worden.

1. Chapter 1

Introduction

1.1. Objective of the dissertation

Many decisions made by a firm's top management team (hereafter TMT) have a high chance of failure (Nutt, 1999). Bloom et al. (2012) emphasize in their study that the situation is more alarming than expected. It is nearly impossible to read an edition of a business press outlet nowadays without being confronted with failures that are caused by TMT decisions. The key conclusion of the study of Bloom et al. (2012) is that the group of badly managed firms is much bigger than those that are well-managed. The main reason why the group of badly managed firms is bigger, is the fact that professionalism in TMTs is the exception rather than the norm. Overall, these worrying facts emphasize the importance to study TMTs and to unravel the complex interplay between managerial characteristics, team processes, and contingency factors that affect the quality of TMT decision-making.

Research on TMTs started to flourish after the publication of the seminal paper by Hambrick and Mason (1984). Hambrick and Mason (1984) proposed the upper echelon theory, which states that the organization is a reflection of its top managers, and thus if we want to understand why organizations do the things they do, we must understand the experiences, values and motives of its top managers (Hambrick & Mason, 1984). Their argumentation is based on the behavioral theory of Cyert and March (1963) which explains that decisions are mainly driven by behavioral factors instead of by a 'mechanical quest for economic optimization'. The upper echelons theory is based on the premise that the (subjective) perception of reality of top managers, e.g. their world view,

forms the input of decision situations, and of the choices they make. In general, Hambrick and Mason (1984) claim that the higher the complexity of decisions, the more applicable the behavioral theory ought to be.

The main focus of the upper echelons theory is related to the concept of diversity in TMT composition. Diversity in team composition is based on inequalities between team members and is generally regarded as an important explanatory factor of organizational outcomes (van Knippenberg, De Dreu, & Homan, 2004). In general, team diversity is likely to trigger two types of effects that can impact the quality of decisions. First, diverse teams are expected to have a broader range of information, knowledge, skills and experience which creates a more comprehensive search and analysis of alternatives that result in high quality decisions (Hoffman, 1959; Hoffman & Maier, 1961). Many upper echelon studies have focused on this so-called ' bright side of diversity'. These studies emphasize the information processing benefits of diverse TMTs through the positive effect of differences in knowledge, skills and expertise on organizational outcomes (e.g. Barkema & Shvyrkov, 2007; Barsade, Ward, Turner, & Sonnenfeld, 2000; Boone & Hendriks, 2009; Bunderson & Sutcliffe, 2002). Second, heterogeneity in attitudes, values and personalities may hamper interaction (Williams & O'Reilly, 1998) and enhance the occurrence of conflicts (Wagner, Pfeffer, & O'Reilly III, 1984) such that high quality decisions are hindered. Indeed, many studies have found that diversity can also lead to (relational) conflicts and tension in the decision-making processes of the TMT (e.g. Bantel & Jackson, 1989; Boone & Hendriks, 2009; Harrison, Price, Gavin, & Florey, 2002; Pelled, Eisenhardt, & Xin, 1999). Hence, even though research on these types of TMT diversity effects has proliferated the past decade, the effect of top managers' diversity on organizational outcomes generally yields

contradictory results (Certo, Lester, Dalton, & Dalton, 2006; Nielsen, 2010). Apparently, differences are a challenge for both theory and practice. Researchers struggle to conceptualize and study them effectively and organizations have difficulties in embracing and managing them (Harrison & Klein, 2007).

Harrison and Klein (2007) argue that an important step to address these challenges is to treat diversity as a 'diverse' concept. They propose three different types of diversity, each with potentially different consequences for organizational outcomes. First, diversity as variety refers to categorical differences based on information, knowledge or experience among team members. Second, diversity as separation refers to differences in position or opinion among team members based on values, attitudes and personality. Third, diversity as disparity indicates differences in concentration of valued social assets (e.g. pay, power, prestige, status). We take up the challenge to investigate the effect of all three types of diversity, and to study their possible interactions (Nielsen, 2010). Hence, we integrate both the differential and interaction effects of the three diversity types proposed by Harrison and Klein (2007), and examine their impact on TMT decision-making outcomes. Furthermore, we also take into consideration the mechanisms and contextual factors that explain the impact of the diversity types on TMT decision-making quality. As a result, the contradictory results of TMT diversity effects can be further clarified since the integration of mechanisms and contextual factors explain the condition under which the diversity types of Harrison and Klein (2007) have an impact on TMT decision-making quality (e.g. Carpenter, 2011; Wei & Wu, 2013).

We investigate the effect of TMT diversity in a family firm context. Family firms are commonly present in all world economies and provide an important contribution to economic growth and employment (La Porta, Lopez-de-Silanes, & Shleifer, 1999). Governance of family firms differs from nonfamily firms because of the alignment of management, ownership and control (e.g. Goel, Jussila, & Ikäheimonen, 2014; Schulze, Lubatkin, Dino, & Buchholtz, 2001). There is an overlap between family and business systems in family firms that lead to their hybrid identity (Basco & Pérez-Rodriguez, 2009; Gersick, Hampton, Lansberg, & Davis, 1997; Sundaramurthy & Kreiner, 2008). Within family firms, TMTs are highly responsive to the controlling family such that TMT decisions are influenced by family-specific features (e.g. Chua, Chrisman, & Sharma, 1999; Habbershon, Williams, & MacMillan, 2003; Tagiuri & Davis, 1992).

Family firms are an interesting research sample to study TMT diversity because they are subject to many potential sources of diversity that can affect team processes and decision-making quality. The varying levels of family involvement in management and ownership, and the mix between family and nonfamily members increase the potential sources of heterogeneity within the corporate governance mechanisms of family firms compared to nonfamily firms (Melin & Nordqvist, 2007; Nordqvist, Sharma, & Chirico, 2014). These additional layers of complexity are however most frequently investigated within the context of the board of directors in family firm literature (Nordqvist et al., 2014). Ling and Kellermanns (2010) advocate a shift towards investigating the presence, types and impact of compositional differences of family firm TMTs. In line with their focus on family firm-specific sources of diversity, we apply the Harrison and Klein (2007) approach in a family firm TMT context. For example, family firm

specific values (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007) might create value-based separation while family dominance in decision-making processes (Patel & Cooper, 2014) might create power-based disparity.

To summarize, the main goal of this research dissertation is to investigate the relationship between different diversity forms and TMT decision-making quality, while taking into consideration the mechanisms and contextual factors underlying this relationship within a private family firm context. Consequently, we formulate the following overall research question: "*how and when diversity within family firm TMTs affects the quality of decisions?".* We use two different samples consisting of Belgian private family firms to reach the objectives of this dissertation. The first sample was composed in the 2002-2003 period (Chapter 2) and the second sample in the 2013-2014 period (Chapter 3,4,5, and 6).

1.2. Outline of the dissertation

Chapter 2 focuses on a specific decision within the TMT of family firms, namely hiring a nonfamily manager by addressing the following research question: "*when do organizational characteristics affect the decision to appoint nonfamily managers in private family firm TMTs?".* The potential presence of nonfamily members besides family managers, and the related complexity for decision-making processes in family firm TMTs is generally acknowledged (Klein & Bell, 2007; Nordqvist et al., 2014). However, determinants of this important decision are not investigated before. Therefore, we examine the effect of organizational characteristics (firm innovativeness, firm internationalization, and firm size) on the appointment of nonfamily managers in private family firms while taking into

account the moderating role of socioemotional wealth. Socioemotional wealth (hereafter SEW) refers to "the 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 family dynasty" (Gómez-Mejía et al., 2007, p. 106). While organizational characteristics increase the need for expertise, family firms cope with a limited pool of family managers. Therefore, new creative knowledge from nonfamily managers is needed. However, results of the sample from the 2002-2003 period indicate that the positive effect of organizational characteristics on the integration of nonfamily managers decreases when family-related objectives, reflected by SEW, become more important for the firm. This chapter actually attempts to reach an important subpart of our main research objective. More concrete, we reveal the potential within family firm TMTs to create higher levels of knowledge variety (which is in general beneficial for TMT decision-making quality), but in the meantime emphasize the potential family-related pitfalls within this process.

Before further shedding light on the impact of the presence of both family and nonfamily managers in family firm TMTs through a diversity perspective, we describe the sample method from the 2013-2014 period in **Chapter 3**. A specific focus on this method is needed, since we opted for a multiple respondent sample to analyze the impact of the different diversity types. Cannella and Holcomb (2005) argued that the upper echelon arguments operate on the group level, such that a team-level data analysis would be more appropriate than data analysis on the individual level. Multiple respondents from TMTs create more consensus-based data sets, while simultaneously reducing common method variance concerns (Escribá-Esteve, Sánchez-Peinado, & Sánchez-Peinado, 2009). Within this chapter, the data collection procedures and

the most important characteristics of the sample are explained. This unique multiple respondent sample will form the basis of the analyses performed in Chapter 4,5 and 6.

Chapter 4 continues where Chapter 2 ended. Chapter 2 discussed important determinants of the presence of nonfamily managers in family firms. In chapter 4, we assume the actual presence of both family and nonfamily managers in the TMT, and use it as a driver of disparity within the TMT, one of the types of diversity of Harrison and Klein (2007). Next, we argue that disparity through power differences between family and nonfamily managers is detrimental for TMT decision-making quality. Furthermore, we study the potential interactive effects between the different diversity types (Harrison & Klein, 2007; Nielsen, 2010). More concrete, we state that separation (socio-emotional wealth differences) between TMT members may strengthen the negative disparity effect, while variety of knowledge (functional background differences) within the TMT may downsize it. By capturing both advantages and disadvantages of TMT diversity in family firms, we provide a clear answer to the following research question: *"How and when does the presence of both family and nonfamily managers in a family firm TMT affects TMT decision-making quality?*". While Chapter 2 contributes to the overall research question by highlighting pitfalls in the process of creating more diversity as variety, Chapter 4 will contribute by highlighting the potential impact of each of the three diversity forms of Harrison and Klein (2007) in an interactive way.

Chapter 5 will further investigate the negative effect of TMT diversity as separation on family firm decision-making quality. Since decision failures should be avoided, it is also important to describe ways to manage or solve the drawbacks of diversity as separation. We capture this research goal in the

following question: *"How does diversity as separation negatively affect TMT decision-making quality and when can potential pitfalls be managed or solved?"* More precise, we study the effect of socioemotional wealth (SEW) separation on TMT decision-making quality, while taking into consideration behavioral integration as a team process and psychological safety as team context. The integration of the team process and context approach is important to formulate the answer to the how and when elements of our research questions (Wei & Wu, 2013). We find that behavioral integration mediates the negative effect of SEW separation on TMT decision-making quality. In addition, we find that the negative effect of SEW separation on behavioral integration is mitigated by psychological safety and even turns into a positive effect at high levels of psychological safety. While Chapter 4 encompasses the impact of all three diversity forms to answer the general research question of this dissertation, Chapter 5 will focus on the downside of diversity as separation in relation with decision-making quality and how to avoid this negative impact.

The main focus in **Chapter 6** shifts from family firm TMTs to the relationship of these TMTs with the board of directors within the context of strategic decision-making processes. Within this important part of the organizational decision-making processes, the influence of managerial teams is already been acknowledged (Escribá-Esteve et al., 2009). We additionally acknowledge the importance of the influence of the board of directors. Family firms tend to operate more and more with an active board that is involved in strategic decision-making (Bammens, Voordeckers, & Van Gils, 2011). This more active role has created a potential partnership approach between TMT and board through a supra-team approach (Finkelstein, Hambrick, & Cannella, 2009). Within a supra-team, TMT and board combine forces within the strategic

processes. In this chapter, a conceptual framework is developed to set the stage for applying a diversity approach within this specific team context in family firms. Several propositions are developed that might form the base for future research to reach answers to the question: *"how and when does diversity within family firm supra-teams affects strategic decision-making quality?"*. As such, Chapter 6 provides an answer to a specific context of the general research goal of explaining diversity effects within family firm decision-making processes.

To conclude, **Chapter 7** summarizes the most important empirical findings per chapter, and discusses the most relevant theoretical and practical implications of this research dissertation. Furthermore, recommendations to future research are described.

2. Chapter 2

The effect of organizational characteristics on the appointment of nonfamily managers in private family firms: the moderating role of socioemotional wealth[1]

2.1. Introduction

Top management teams (hereafter TMT), defined as the group of managers consisting of the CEO and those managers that directly report to the CEO (Boeker, 1997), are widely recognized as one of the most imperative decision-making units in organizations. Organizational outcomes are regarded as a result of the values and capabilities of the firm's TMT members (Hambrick & Mason, 1984; Pettigrew, 1992). However, as Nielsen (2010) indicates, there is limited theory development and empirical research on what determines who is hired for the TMT (for exceptions see e.g. Boeker & Wiltbank, 2005; Boone, Van Olffen, Van Witteloostuijn, & De Brabander, 2004).

More insight and understanding of the determinants of TMT composition is especially relevant in private family firms, as most family firms are small and medium-sized enterprises (hereafter SME) that especially rely on their human resources due to the potential lack of other resources and administrative systems to support their decision-making processes (Lubatkin, Simsek, Yan, & Veiga, 2006). However, the family itself may not possess sufficient human resources to staff the TMT. Therefore, the inclusion of nonfamily managers in the TMT can be important for the survival and growth of the family firm (Block, 2011; Dyer, 1989; Klein, 2000; Sonfield & Lussier, 2009a), as nonfamily managers can tackle the human resource limitations that are present in the pool

[1] This chapter is published as "Vandekerkhof, P., Steijvers, T., Hendriks, W., & Voordeckers, W. (2015). The Effect of Organizational Characteristics on the Appointment of Nonfamily Managers in Private Family Firms: The Moderating Role of Socioemotional Wealth, *Family Business Review,* 28(2): 104-122.

of family managers (e.g. Bennedsen, Nielsen, Perez-Gonzalez, & Wolfenzon, 2007; Burkart, Panunzi, & Shleifer, 2003; Chirico, 2008). Even though many family firms already employ nonfamily managers in their TMT (Klein, 2000), the drivers for such a decision remain unexplored.

In order to understand family firm's decision-making, e.g. why they decide to hire nonfamily managers, Basco and Pérez-Rodriguez (2009) state that both the business system and the family system of a family firm should be taken into account, because both interact (Habbershon et al., 2003; Stafford, Duncan, Dane, & Winter, 1999). More specific, several studies acknowledge the intermingling of emotional factors originating from family involvement with business factors as a distinctive attribute of family firms that should be taken into account in family firm research (Berrone, Cruz, & Gomez-Mejia, 2012; Eddleston & Kellermanns, 2007; Tagiuri & Davis, 1996). Therefore, in this paper, we study how three essential business or organizational characteristics (firm innovativeness, firm internationalization, and firm size) affect the likelihood that a family firm decides to include nonfamily managers in the TMT, while at the same time taking into account the family's emotions.

The basic idea is that more innovative, more internationally active or larger firms cope with a higher need for additional human resources or new expertise (e.g. Gomez-Mejia, Makri, & Kintana, 2010; Graves & Thomas, 2006; Miller, Minichilli, & Corbetta, 2013), that may not be available in the pool of family managers, and thus put pressure on the firm to include nonfamily members that possess the necessary knowledge and expertise (Bennedsen et al., 2007; Chirico, 2008; Graves & Thomas, 2006). However, decision-making in private family businesses can also be driven by emotions (Baron, 2008; Houchin & MacLean, 2005) as emotions permeate the organization through the blurred

boundaries between family and business (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010). An important emotion-related factor that captures the essence of family firms and is believed to be the single most important feature to separate family firms from other organizational forms (Berrone et al., 2010), is the concept of socioemotional wealth. Socioemotional wealth (hereafter SEW) refers to "the 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 family dynasty" (Gómez-Mejía et al., 2007, p. 106). The preservation of SEW exists outside the realm of purposeful organizational activities and can cause family firms to adhere to the suboptimal choice of keeping management in family hands (Bloom & Van Reenen, 2007), even if organizational characteristics increase the need for new expertise which is not available within the family pool (Gómez-Mejia, Cruz, Berrone, & De Castro, 2011).

Emotions may be present in all types of firms, but are likely to be more dominant within family firms (Gómez-Mejia et al., 2011). Even though emotions and sentiments are receiving increasing attention in family business research, empirical studies on the influence of emotions in the decision-making process of family businesses remain scarce (Berrone et al., 2012; Gómez-Mejia et al., 2011). Therefore, the objective of this study is to investigate how three organizational characteristics being firm innovation, firm internationalization and firm size affect the decision to appoint a nonfamily manager in the TMT while taking also into account an important emotional factor (SEW) as moderator.

Our paper contributes to the literature in several ways. First, this study contributes to the debate on the antecedents of TMT composition in family firms highlighting a very specific barrier for family firms that can stifle effectiveness

considerations in their decisions to hire nonfamily managers. By examining SEW as a barrier within organizational decision-making behavior (Gómez-Mejía et al., 2007), our study helps to explain to what extent affective endowments of family firm TMTs can restrict family firms in their ability to match TMT requirements to organizational characteristics (Chirico, 2008). Hence, in contrast to most studies on SEW that emphasize a direct effect of SEW on family firm behavior (Gómez-Mejia et al., 2011), we investigate whether a strong preservation of SEW will *moderate* the direct effect of organizational characteristics on the integration of nonfamily managers. Second, we contribute to the family firm literature that emphasizes the level of heterogeneity within the pool of family firms (Zahra, Hayton, & Salvato, 2004). Thus far, most family firm studies use family ownership as a proxy for the preservation of SEW (e.g. Berrone et al., 2010; Gómez-Mejía et al., 2007). However, using family ownership as a proxy for SEW has substantial limitations as univariate measures do not explore the dimensions of the SEW construct in detail (Berrone et al., 2012). In this study we use a direct measure of SEW that measures the extent to which the family firm is focused on the preservation of her SEW, which enables us to identify the effect of a variation in terms of SEW within a pool of family firms.

The remainder of this chapter is structured as follows. The following section describes TMTs in private family SMEs. Next, three organizational characteristics as drivers for the integration of nonfamily managers in the private family firm's TMT will be described. Afterwards, the unique moderating influence of SEW on this relationship is explained. Hereafter, the methods will be described. Next, the results of the empirical analyses are presented. Finally, we discuss the results and formulate our conclusions.

2.2. Top management teams in private family SMEs

Research on top management teams (TMTs) is rooted in the upper echelon theory (Hambrick & Mason, 1984). Upper echelon theorists emphasize the importance of studying the dominant coalition of the organization, in particular its TMT because organizational outcomes—both strategies and effectiveness—are viewed as reflections of the values and cognitive bases of powerful actors in the organization. The TMT provides the interface between the firm and its environment, and is relatively powerful (Hambrick, Finkelstein, & Mooney, 2005). Since the seminal study of Hambrick and Mason (1984) on the upper echelons perspective, research on TMTs has developed itself into one the most prominent areas in the management research field (Menz, 2012).

However, TMT research in the context of family firms remains scarce. Of the limited amount of TMT studies in family firms, most have focused on the effect of family and nonfamily member presence in the TMT on several team and firm related aspects such as TMT benevolence toward the CEO (Cruz, Gómez-Mejia, & Becerra, 2010), pay dispersion in TMTs (Ensley, Pearson, & Sardeshmukh, 2007), entrepreneurial orientation (Sciascia, Mazzola, & Chirico, 2013a) and firm performance (Ling & Kellermanns, 2010; Minichilli, Corbetta, & MacMillan, 2010). However, what is missing in family firms TMT research is which factors determine whether a family firm decides to hire a nonfamily member for their TMT. Nevertheless, the nonfamily managers are important stakeholders that may add knowledge, solve family succession problems or even mediate family conflict (Block, 2011; Dyer, 1989; Klein, 2000; Sonfield & Lussier, 2009a).

In this study, we attempt to fill this gap by focusing on antecedents of the decision to include nonfamily managers in the TMT. When looking at decision-making in family firms, Basco and Pérez-Rodríguez (2009) indicate that the unique overlap between two subsystems, the organization on the one hand and the family and its emotions on the other hand, should be taken into account. With regard to the organizational subsystem, we use organizational characteristics as antecedents of the decision to include nonfamily managers. Finkelstein et al. (2009) acknowledge that organizational characteristics are an important determinant of TMT composition. In our study, we investigate three organizational characteristics: firm innovativeness, firm internationalization and firm size. Literature indicates that these organizational characteristics are among the most important organizational characteristics related to the need for new expertise which may not be available within the limited pool of family managers (e.g. Cerrato & Piva, 2012; Chang, Wu, & Wong, 2010; Fernández & Nieto, 2005; Gomez-Mejia et al., 2010; Graves & Thomas, 2006; Hambrick & Mason, 1984; Miller et al., 2013; Sanders & Carpenter, 1998; Zhang & Ma, 2009). It forms the basis of our reasoning why nonfamily managers may be integrated in the TMT of a family firm. Besides the investigation of the effect of these three organizational characteristics, we also take into account one emotional factor (socioemotional wealth) from the family system as predictor of the inclusion of nonfamily members in family firm TMTs.

2.3. Organizational characteristics as determinants of TMT composition

2.3.1. *Firm innovativeness*

Firm innovativeness is an important organizational characteristic in family firms as maintaining and enhancing innovativeness in family firms can be a crucial factor for performance, growth and survival (Beck, Janssens, Debruyne, & Lommelen, 2011). Innovativeness is defined here as the generation, adoption, and implementation of new ideas, internal processes, and products or services (Thompson, 1965). Family firms that pursue an innovative strategy need to be receptive to environmental change which includes searching for new opportunities (Wiersema & Bantel, 1992), and the awareness of technological discontinuities (Tushman & Rosenkopf, 1996), which calls for TMTs with a broad range of knowledge and experience (Hambrick & Mason, 1984). The inclusion of nonfamily managers can increase the available expertise pool in the TMT to deal with these innovativeness challenges (Block, 2011; Chang et al., 2010; Chen, 2011; Chirico, 2008; Daily & Dalton, 1992; Zahra, Filatotchev, & Wright, 2009). For example, Royer et al. (2008) indicate that nonfamily managers are especially valuable when general knowledge (such as previous management and industry experience) and technical knowledge (such as R&D and marketing knowledge) are needed instead of idiosyncratic knowledge (e.g. family specific knowledge like personal contacts and networks of the family). This general and technical knowledge is extremely valuable when a family firm has to deal with challenges regarding change and innovativeness (Talke, Salomo, & Kock, 2011).

All in all, the inclusion of nonfamily members in the family firm TMT deals with the lack of (general and technical) knowledge of family members,

needed to deal with firm innovativeness (Chang et al., 2010; Gomez-Mejia et al., 2010). Nonfamily members increase the level of the available expertise pool in the TMT which is one of the key elements to address and deal with firm innovativeness (Hambrick & Mason, 1984). We therefore propose the following hypothesis:

> ***Hypothesis 1 (H1):*** *There is a positive relationship between firm innovativeness and the inclusion of nonfamily managers in the TMT of private family firms.*

2.3.2. *Firm internationalization*

Another organizational characteristic that can be an important determinant of the inclusion of nonfamily managers is the level of firm internationalization. The growing economic globalization provides new opportunities for family firms to internationalize in order to enhance their overall global competitiveness which in turn is an instrument for performance, growth and survival (Segaro, 2012). Firm internationalization relates to the expansion of sales activities into different geographic locations, or markets (Hitt, Hoskisson, & Kim, 1997). Family firms expanding sales into different geographic locations have to cope with different social, commercial, and political systems which are very complex and demanding and may require new knowledge and expertise to configure and leverage resources in the international marketplace (Fernández & Nieto, 2005; Graves & Thomas, 2006). Cerrato and Piva (2012) further strengthen this requirement by stating that an increasing level of internationalization requires a higher number of people managing these international activities, all with the appropriate skills and expertise in order to succeed. Claver et al. (2009) mention however that the expertise and skills needed to reach a higher level of

internationalization may not be present in the family, which calls for hiring outside managerial talent. Thus, we propose the following:

> ***Hypothesis 2 (H2):*** *There is a positive relationship between firm internationalization and the inclusion of nonfamily managers in the TMT of private family firms.*

2.3.3. *Firm size*

The third organizational characteristic in this study that can influence the likelihood to include nonfamily managers in the family firm TMT, is firm size. This characteristic is important because it determines to a large extent if the family firm can still be controlled by the family (Zhang & Ma, 2009). In larger companies, skill requirements are elevated due to for example a greater number of employees to manage, more hierarchy and departments and more formal routines required (Miller et al., 2013). Overall, Miller et al. (2013) state that all these factors are related to a higher level of administrative complexity which leads to the requirement of more skills, knowledge and expertise of executives. These requirements may surpass the expertise of the family which leads larger family firms to look outside the firm in the much larger pool of nonfamily candidates, which are selected on the basis of their expertise alone (Claessens, Djankov, Fan, & Lang, 2002; Salvato, Minichilli, & Piccarreta, 2012). Thus, larger family firms need more and diverse expertise to meet the elevated skill requirements of their executives. This need can be answered by integrating outside managers given the limited pool of family managers' expertise (de Kok, Uhlaner, & Thurik, 2006; Dyer, 1989; Zhang & Ma, 2009). These considerations suggest the following hypothesis:

Hypothesis 3 (H3): *There is a positive relationship between firm size and the inclusion of nonfamily managers in the TMT of private family firms.*

2.4. The moderating role of socioemotional wealth

Many studies indicate that family firms are often more reluctant to integrate nonfamily managers because the family wants to avoid the loss of strategic and operational control, loss of identity, and goal conflicts (Gersick et al., 1997; Gómez-Mejia et al., 2011; Jones, Makri, & Gomez-Mejia, 2008; Schulze, Lubatkin, & Dino, 2003a). Although hiring nonfamily managers to deal with firm innovativeness, firm internationalization or increased firm size will contribute to achieve the goals of business system, it also threatens the non-economic goals of the family system (Basco & Pérez-Rodriguez, 2009). The non-economic goals of the family firm are captured in the preservation of socioemotional wealth (SEW). The preservation of SEW can become an end in itself (Berrone et al., 2012), which means that even if organizational features (e.g. firm innovativeness, firm internationalization, and firm size) may demand the need for additional expertise brought in by nonfamily managers, a high willingness to preserve SEW may hinder the decision of appointing nonfamily managers.

An important reason as to why the effect of organizational characteristics on the inclusion of nonfamily managers in the TMT can be hindered by the preservation of SEW can be found in social identity theory (Ashforth & Mael, 1989; Hogg, Terry, & White, 1995; Tajfel & Turner, 1979). Social identity theory argues that a large portion of an individual's self-concept is derived from perceived membership in a relevant social group (Oakes & Turner, 1986). The preservation of SEW indicates a strong identification of the members of the TMT

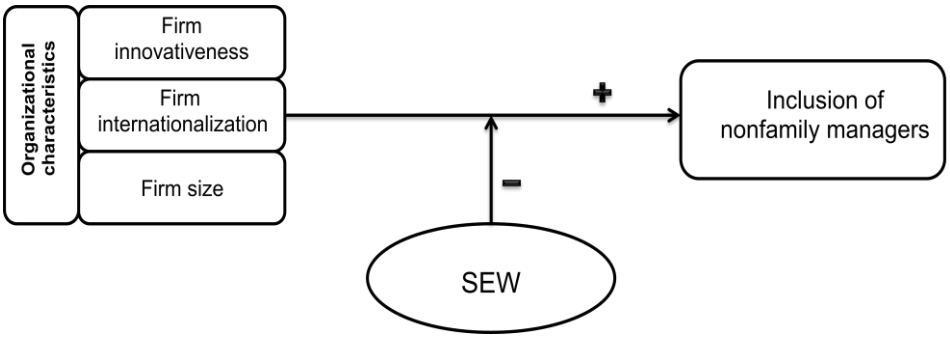
with the family. As there exists a strong overlap between the family and the family business (Basco & Pérez-Rodriguez, 2009), a family member's self-concept is also strongly tied to the identity of the firm (Berrone et al., 2010). The family firm being an extension of the family itself has a significant influence on attitudes toward nonfamily members (Berrone et al., 2012; Carrigan & Buckley, 2008). More specifically, it can create resistance by family members to hire nonfamily managers because the family gives priority to a familial atmosphere which leads to resistance towards these nonfamily managers. The inclusion of nonfamily members in a TMT of a family firm can result in a typical 'us (family managers) versus them (nonfamily managers)' behavior (Ashforth & Mael, 1989; Hogg et al., 1995; Minichilli et al., 2010; Tajfel & Turner, 1979). In-group family members try to self-enhance their own members by setting up social belief structures to favor themselves in comparison with out-group nonfamily members (Ashforth & Mael, 1989; Hogg et al., 1995; Tajfel & Turner, 1979).

All in all, if a family firm is more concerned with the preservation of SEW, it will be less receptive to effectiveness arguments to attract nonfamily members who can provide the team with additional expertise. More specific, the emotional argument captured by SEW (Berrone et al., 2012) may outweigh the organizational characteristics arguments to attract nonfamily managers within the family firm (Gómez-Mejia et al., 2011). Therefore, we argue that SEW acts as a moderator on the relationship between the three organizational characteristics used in this study and the inclusion of nonfamily managers. Therefore, we formulate the following hypotheses:

Hypothesis 4 a, b, c: *The positive relationship between: H4a) firm innovativeness; H4b) firm internationalization; H4c) firm size, and the inclusion of nonfamily managers in the TMT of private family firms is moderated by SEW such that the relationship is weaker at higher levels of SEW.*

In order to test the formulated hypotheses, this study will investigate the research model illustrated in Figure 1 below.

Figure 1 Conceptual model



2.5. Method

2.5.1. *Data set*

The empirical data presented in this paper are derived from a wider survey exploring general characteristics as well as strategic and environmental issues, management and board composition, growth, succession and performance for a representative sample of Belgian family businesses (see Appendix 8.1). Based on the Belfirst database of Bureau van Dijk, privately-owned firms were selected, located in the Flemish part of Belgium, and employing at least 5 people. As the Belfirst database does not contain information whether the firm is

a family firm, four *ex ante* criteria[2] regarding owner and board characteristics, which are available in the Belfirst database, were used in order to identify potential family firms. Thereby, a final sample of 3400 potential family firms was obtained.

The questionnaire was mailed to the CEO of these 3400 firms. In the questionnaire, we integrated questions with respect to the *ex post* criteria used to determine the final sample of family firms for this study: (1) at least 50 percent of ownership and management is controlled by the family and the CEO perceives the company as a family firm or (2) 50 percent of ownership is controlled by the family and the company is not managed by a family CEO but the CEO perceives the company as a family firm (Chua et al., 1999; Miller & Breton-Miller, 2006; Voordeckers, Van Gils, & Van den Heuvel, 2007; Westhead & Cowling, 1998). A follow-up by telephone was executed. We tested for non-response bias on some firm characteristics of this study (firm size and industry). No significant differences were found on these variables. After the follow-up, 311 surveys were returned (9.1 percent response rate), of which 17 cases were excluded as they did not match the criteria of our family firm definition, used for this study. Of the remaining 295 family firms, 246 (83 percent) were family-owned and managed by a family CEO, 41 (13.9 percent) were owned by the family but not managed by a family CEO and eight were managed by a family CEO but not family-owned. After excluding cases with missing values with regard to our main variables, organizational characteristics (firm innovativeness, firm internationalization and firm size) and TMT composition (total number of

[2] 1) Name of one of the directors is part of the firm name, 2) more than 1 director and at least 2 directors have the same surname, 3) one of the directors lives at the same address as the firm, or 4) at least 2 directors do not have the same surname but live at the same address. The firms were classified as family firms if one or more of these criteria apply to the firm.

managers, presence of nonfamily managers), the sample counted 218 private family firms. Finally, we also excluded 18 cases where there was not really a team of managers since the TMT only consisted of one manager and 55 cases with less than 10 employees in order to exclude micro-entities (less than 10 employees) in our sample, which leads us to the final sample of 145 private family firms.

2.5.2. *Variables*

Dependent variable. In order to measure the integration of nonfamily managers, we use two proxies. First, we include a dummy variable '*nonfamily'* which was coded "1" if at least one nonfamily manager was present in the TMT of the firm and "0" otherwise. Alternatively, we include the proportion of nonfamily managers ('*proportion'*) by dividing the number of nonfamily managers by the total number of managers in the TMT to measure the extent of nonfamily managers present in the TMT.

Independent variables. We use three organizational characteristics: firm innovativeness, firm internationalization, and firm size. *Innovativeness* was examined by using questions of the "Strategic Orientations of Small and Medium-Sized Enterprises" (hereafter STRATOS) questionnaire (Bamberger, 1994). Based on the measure of Voordeckers et al. (2007), we extract five questions of the STRATOS questionnaire that are closely related to business-related objectives concerning firm innovativeness: 1) the company is often the first to introduce new products or services, administrative techniques or operational technologies, in relation to the competitors, 2) the top managers of the firm often have the intention to be ahead of the competitors regarding development of new products or ideas, 3) the top managers of this company

emphasize R&D, technological leadership and innovation, 4) the company has launched a lot of new products or services the last five years and 5) the changes made to products or services were often rather drastic. The Cronbach's alpha (α) of these five statements is .85.

Second, to measure firm internationalization, the questionnaire included a question where the proportion of sales realized in foreign countries had to be indicated within different ranges. Based on this information, we measure *internationalization* by creating three alternative dummy variables based on three different thresholds on the full range of the foreign sales values (25%, 50%, and 75%). *International25* obtains a value '1' if the firm has more than 25 percent of turnover realized in foreign markets; '0' otherwise. *International50* obtains a value '1' if the firm has more than 50 percent of turnover realized in foreign markets; '0' otherwise. *International75* obtains a value '1' if the firm has more than 75 percent of turnover realized in foreign markets; '0' otherwise.

Third, firm size is measured by *lnsize,* being the natural logarithm of the number of full time-equivalents that are employed in the firm (Gabrielsson, 2007; Yildirim-Öktem & Üsdiken, 2010). In order to account for its skewed distribution, we used a logarithmic transformation of firm size (Gujarati, 1995).

Moderating variable. In line with Goel et al. (2013), we measure the variable *SEW* by extracting four questions from the STRATOS questionnaire. The first two questions are proxies for the perpetuation of the family dynasty, while the other two represent the ability to exercise family influence and maintaining family control. We asked the CEO of the firm to rate on a scale from one to five to what extent the objective of the firm is: 1) to maintain family traditions and the family character of the business, 2) to create and maintain jobs for the family, 3) to maintain independence in ownership, and 4) to maintain independence in

management. This measure captures the main elements of the socioemotional wealth construct (Goel et al., 2013; Gómez-Mejía et al., 2007). With a Cronbach's alpha (α) of .70, the scale demonstrates an acceptable level of internal consistency.

Control variables. First, firm age was used as a control variable. Literature suggests that more mature firms may be more eager to hire nonfamily managers because of the tendency within older family firms to be more ready to share governance roles with nonfamily members (Yildirim-Öktem & Üsdiken, 2010). *Lnage* was computed by the natural logarithm of firm age measured in years in order to account for its skewed distribution (Gujarati, 1995). Next, we include firm growth as a control variable. Flamholtz and Randle (2007) indicate that firm growth may imply the need for new or adapted management and governance structures, such as the integration of nonfamily managers in the TMT. Therefore, firms facing opportunities to grow may be more willing to hire nonfamily manager(s). Firm growth is measured in the survey by a dummy variable *growth* with value '1' if the respondent takes the view that the family firm is in the growth phase; '0' otherwise. Furthermore, we also control for firm performance as nonfamily members may be hired when performance is low (Blumentritt, Keyt, & Astrachan, 2007; Klein & Bell, 2007). We used the net Returns on Assets (*ROA*) of 2002 reported in the annual accounts, as the questionnaire was sent out in the beginning of 2003. Hence, we can capture whether bad performance in 2002 has an effect on the presence of nonfamily managers in 2003. Finally, as firms that operate within certain industries will be more likely to adopt nonfamily managers (Zhang & Ma, 2009), we control for firm industry by integrating four dummy variables (*manu, whole, retail and serv*), leaving out a dummy variable for the firms that operate within the

construction sector. This allows us to control for five major business lines: manufacturing, construction, wholesale, retail, and services (Casillas & Moreno, 2010).

2.5.3. *Data analysis*

In this study, we will use two types of regression techniques. We will estimate a binary dependent variable or logit model when using the proxy 'nonfamily' to investigate the effect of organizational characteristics on the *probability* of nonfamily managers being present or not in the TMT, which is a binary outcome (Y=1). Furthermore, we will use an Ordinary Least Squares regression when using the proxy 'proportion' of nonfamily managers in the TMT as continuous dependent variable and verifying whether the organizational characteristics affect this proportion.

In both types of regression models, we use an interaction model to test the moderating effect of SEW on the relationship between organizational characteristics and the inclusion of nonfamily managers. As indicated in several studies (Ai & Norton, 2003; Berry, DeMeritt, & Esarey, 2010; Brambor, Clark, & Golder, 2006; Norton, Wang, & Ai, 2004), the effect of any independent variable X in an interactive model on the dependent variable Y is not any single constant. The effect depends on the *coefficients* (betas) of X and of the interaction term XZ, as well as on the *value* of Z, the moderating variable. In order to interpret the results, the calculation of marginal effects is of great importance as it is perfectly possible that these effects are significant for relevant values of the moderating variable, even if the coefficient on the interaction term is insignificant (Berry et al., 2010; Brambor et al., 2006). More specific, we take into account the relevant elements of the variance-covariance matrix and

recalculate the standard errors as suggested by Brambor et al. (2006, p. 74). Overall, our main goal is not to investigate whether the coefficient of our interaction term is significant. Instead, we want to know if the marginal effect of each organizational characteristic remains positive once the importance of SEW preservation increases. So, assume we use a simplified logit or OLS model with an independent variable X_1, a moderating variable Z and the interaction term X_1Z, we can derive the marginal effect of X_1:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 Z + \beta_3 X_1 Z + \ldots + \varepsilon \quad \text{, and the marginal effect} = \frac{\partial Y}{\partial X_1} = \beta_1 + \beta_3 Z$$

Hence, the effect of X_1 on Y depends on β_1, β_3 and the value of the moderating variable Z. So, for certain ranges of values of the moderator Z, the marginal effect of X_1 can be significant even when the coefficient of the interaction term β_3 is insignificant. We can test this by examining a plot of $\frac{\partial Y}{\partial X_1}$ and its 95% confidence interval over the range of Z in the sample in order to test if X and Y are statistically related (at that value of Z), with the substantive significance of the relationship given by the direction and magnitude of the $\frac{\partial Y}{\partial X_1}$ estimate. Thus, we posit the following empirical model:

Inclusion of nonfamily managers = β_0 + β_1*SEW* + β_2*innovativeness* + β_3*internationalization* + β_4*lnsize* + β_{12}*(SEW x innovativeness)* + β_{13}*(SEW x internationalization)* + β_{14}*(SEW x lnsize)* + β_6*lnage* + β_7*growth* + β_8*ROA* + β_9*manufacturing* + β_{10}*wholesale* + β_{11}*retail* + β_{12}*services* + ε

2.6. Results

Descriptive statistics and correlations are summarized in Table 1 and Table 2. A family firm in our sample has on average 59 employees and is 42 years old**.** Table 1 also shows that firm size varies between 10 and 485 employees, and that our sample contains firms between 3 and 362 years old. The extent to which family firms are eager to preserve SEW differs: 9 percent of the sample firms have an SEW value situated in the range between 5 to 9; 40 percent of the firms have an SEW value between 10 and 14, while 51 percent of the family firms have an SEW value within the range of 15 to 20. The mean SEW value in the total sample is almost 15 on a total of 20. In our sample, 61 percent of the family firms did not have a nonfamily manager in their TMT, while 39 percent had integrated at least one nonfamily manager. The average TMT in our sample has a proportion of 23 percent of nonfamily managers. The average size of a TMT is about 4 managers with a variation in our sample between 2 and even 16 managers in one TMT. Furthermore, the average family firm in the sample is innovative to a certain extent as the mean value of the variable *innovativeness* is almost 15 on a total of 25. Finally, 31 percent of the firms in our sample generate more than 25 percent turnover in foreign countries, 20 percent of the firms in our sample generate more than 50 percent turnover in foreign countries, while 11 percent of the firms even create 75 percent or more of their turnover through foreign sales.

The correlation matrix, presented in Table 2 shows significant (univariate) effects of the organizational characteristics on the inclusion of nonfamily managers. Firm innovativeness (*innovativeness)*, firm internationalization (*international25, international50 and international75)*, and

firm size (*lnsize)* are all positively related to the likelihood of the presence of at least one nonfamily member in the TMT (‘*nonfamily*’) of a private family firm. The same univariate effects are found when using the alternative dependent variable, ‘*proportion*’. Based on the values in our correlation table, we found no indications of multicollinearity. Furthermore, we also computed the variance inflation factor analysis (VIF) among the variables. VIF shows how the variance of an estimator is inflated by the presence of multicollinearity (Gujarati, 1995). The highest VIF value here is 1.96, which is far below the threshold, so no multicollinearity is present (Mansfield & Helms, 1982).

Table 1 Descriptive statistics

Variable	Mean	SD	Min	Max
Nonfamily[a]	0.39	0.49	0	1
Proportion	0.23	0.32	0	1
Innovativeness	14.73	4.29	5	25
International25[a]	0.31	0.46	0	1
International50[a]	0.20	0.40	0	1
International75[a]	0.11	0.31	0	1
Firm size[b]	59.08	84.89	10	485
SEW	14.72	3.41	5	20
Firm age [b]	41.79	40.73	3	362
Growth[a]	0.34	0.47	0	1
ROA (%)	5.15	14.21	-85.6	46.22
Manufacturing[a]	0.39	0.49	0	1
Wholesale[a]	0.21	0.41	0	1
Retail[a]	0.11	0.31	0	1
Services[a]	0.17	0.38	0	1
TMT size	3.77	2.29	2	16

N=145
[a]dummy variable, [b]Natural logarithm used in regression model

Table 2 Pairwise correlations

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Nonfamily	1.00														
2. Proportion	0.91***	1.00													
3. Innovativeness	0.16*	0.14*	1.00												
4. International25	0.20**	0.25***	0.14	1.00											
5. International50	0.21**	0.26***	0.032	0.75***	1.00										
6. International75	0.22***	0.27***	0.002	0.53***	0.70***	1.00									
7. Lnsize	0.43***	0.50***	0.051	0.31***	0.26***	0.064	1.00								
8. SEW	-0.27***	-0.30***	0.055	-0.13	-0.035	-0.13	-0.24***	1.00							
9. Lnage	0.22***	0.25***	0.024	0.19*	0.12	0.12	0.39***	-0.11	1.00						
10. Growth	-0.15*	-0.13	0.12	-0.070	-0.066	-0.066	-0.14*	0.14*	-0.29***	1.00					
11. ROA	-0.055	-0.11	0.034	-0.044	-0.15*	-0.23***	0.025	0.007	0.14*	-0.020	1.00				
12. Manufacturing	0.13	0.094	0.000	0.36***	0.31***	0.17**	0.23***	-0.11	0.061	0.002	0.11	1.00			
13. Wholesales	-0.068	-0.094	0.021	-0.17**	-0.093	-0.022	-0.23***	0.034	-0.015	0.054	-0.029	-0.41***	1.00		
14. Retail	-0.14	-0.17**	0.002	-0.19**	-0.18**	0.12	-0.25***	0.14*	-0.052	-0.066	0.006	-0.28***	-0.18**	1.00	
15. Services	0.012	0.059	0.042	0.049	-0.046	0.014	0.010	0.022	-0.052	-0.017	-0.097	-0.36***	-0.24***	-0.16*	1.00

N = 145
*, **, *** correlation is significant at .10 level, .05 level, .01 level (two-tailed)

In Table 3, we present the results of the logistic regression analysis. The Hosmer-Lemeshow test for overall fit indicates that there is a good fit for all models estimated (model 1-3: χ^2 < critical value of 15.51, model 4: χ^2 < critical value of 21.03). In order to test if the three organizational characteristics each have a significant effect on the integration of nonfamily managers, we included our three characteristics, namely firm innovativeness, firm internationalization and firm size in model (1), (2) and (3). We used three different models to test the direct effect of the organizational characteristics as each model includes only one of the three possible measures of firm internationalization *(international25, international50 and international75).* With respect to firm innovativeness (*innovativeness),* results indicate in model 1, model 2, and model 3 that this organizational characteristic has a positive effect on the presence of nonfamily managers in the TMT, which supports H1. Hence, more innovative private family firms will be more eager to include a nonfamily manager in their TMT. Concerning our second organizational characteristic, firm internationalization, generating more than 25 percent of turnover in foreign countries (model 1) as well as generating more than 50 percent in foreign countries (model 2) seems to be have no significant effect on the likelihood of nonfamily managers being present in the TMT. However, model (3) of Table 3 shows a significant positive effect of *international75*, which supports H2. So, only family firms that are to a large extent internationally focused (more than 75 percent foreign sales) appear to be more eager to hire a nonfamily manager. Finally, regarding firm size, all three models indicate a positive effect of *lnsize* on the presence of nonfamily managers in the TMT, which supports H3. Hence, larger private family firms will be more eager to include a nonfamily manager in their TMT. Overall, the three organizational characteristics included in our study seem to be stimuli for hiring

nonfamily managers as these managers may possess unique, additional expertise needed to encounter these organizational characteristics.

Table 3 The effect of organizational characteristics on the presence of nonfamily manager(s) in the TMT: Logistic regression results

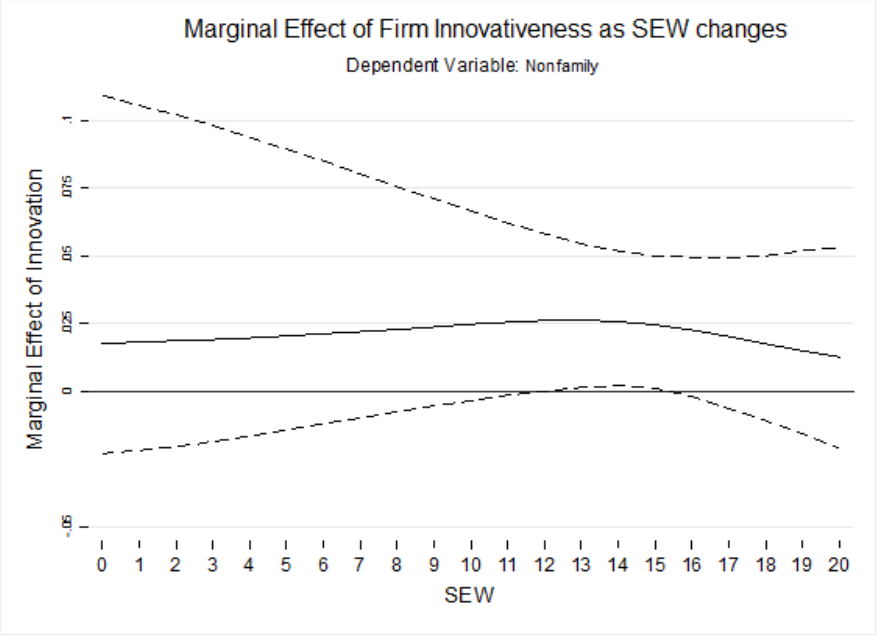
Model	**1**		**2**		**3**		**4**
	b	Exp(*b*)	*b*	Exp(*b*)	*b*	Exp(*b*)	
Constant	- 5.44***		-5.45***		-5.51***		-9.05*
	(1.26)		(1.27)				(5.28)
Innovativeness	0.095**	1.10	0.097**	1.10	0.10**	1.11	0.22
	(0.046)	(0.054)	(0.046)	(0.054)	(0.049)	(0.056)	(0.20)
International25	0.12	1.13					
	(0.49)	(0.52)					
International50			0.42	1.53			
			(0.54)	(0.78)			
International75					1.33*	3.77	-1.36
					(0.76)	(2.51)	(3.31)
Lnsize	0.88***	2.40	0.86***	2.37	0.92***	2.50	2.02*
	(0.24)	(0.58)	(0.25)	(0.56)	(0.25)	(0.59)	(1.06)
SEW							0.24
							(0.35)
Interaction effects							
SEW X Innovativeness							-0.0073
							(0.014)
SEW X International75							0.19
							(0.23)
SEW X Lnsize							-0.080
							(0.069)
Control variable							
Lnage	0.14	1.15	0.14	1.15	0.074	1.08	0.10
	(0.27)	(0.30)	(0.27)	(0.30)	(0.28)	(0.28)	(0.29)
Growth	-0.61	0.54	-0.60	0.54	-0.60	0.55	-0.52
	(0.46)	(0.25)	(0.46)	(0.25)	(0.46)	(0.25)	(0.47)
ROA	-0.014	0.99	-0.012	0.99	-0.0064	0.99	-0.0026
	(0.013)	(0.013)	(0.013)	(0.013)	(0.012)	(0.014)	(0.012)
Manufacturing[1]	0.29	1.34	-0.21	1.24	0.081	1.08	-0.060
	(0.58)	(0.91)	(0.56)	(0.83)	(0.55)	(0.72)	(0.62)
Wholesales	0.32	1.38	-0.28	1.32	0.20	1.22	0.19
	(0.61)	(0.91)	(0.62)	(0.98)	(0.61)	(0.91)	(0.68)
Retail	-0.21	0.81	-0.20	0.82	-0.19	0.83	-0.21
	(0.77)	(0.74)	(0.79)	(0.74)	(0.77)	(0.76)	(0.82)
Services	0.14	1.15	-0.12	1.13	0.021	1.02	0.23
	(0.72)	(0.86)	(0.70)	(0.83)	(0.71)	(0.76)	(0.75)
Nagelkerke R^2	0.302		0.306		0.332		0.382
Chi-square	34.511**		33.76**		33.21**		35.13**
Hosmer-Lemeshow goodness-of-fit (χ^2)	3.30		4.01		2.96		3.35

Dependent variable = dummy variable with a value '1' if the TMT contains at least one nonfamily manager, '0' otherwise; Robust standard errors in parentheses; N=145

[1] Construction sector is the suppressed category, *p < 0.10, **p < 0.05, ***p < 0.01 (two-tailed)

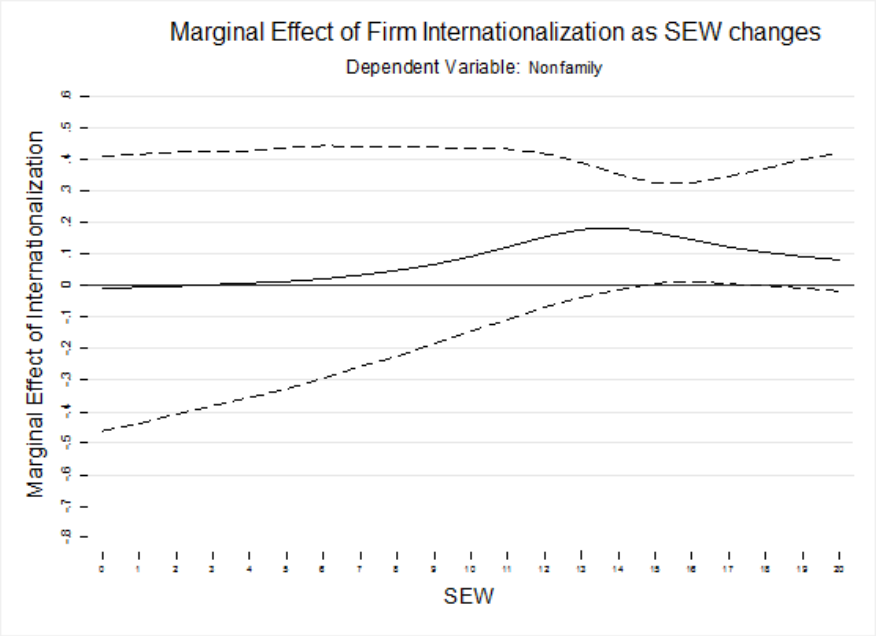
In model (4) of Table 3, we test the moderating effect of SEW on the relationship between the organizational characteristics and the presence of nonfamily members in the TMT. Regarding firm internationalization, we only integrate the interaction with *international75* because only this measure of firm internationalization was significantly related to the integration of nonfamily managers, as shown in model 3 of Table 3. Hence, model (4) contains the results of the interaction between *SEW* and the measures *innovativeness, international75* and *lnsize.* To correctly interpret these moderating effects, the calculation of marginal effects is crucial (Kam & Franzese, 2007). In order to capture the total effect, we do not only have to take into account the coefficient of the interaction term but also the coefficient of each organizational characteristic measure and the value of our moderator SEW (Brambor et al., 2006; Kam & Franzese, 2007).

Figure 2 Marginal effect of firm innovativeness on the presence of nonfamily managers in the TMT as SEW changes



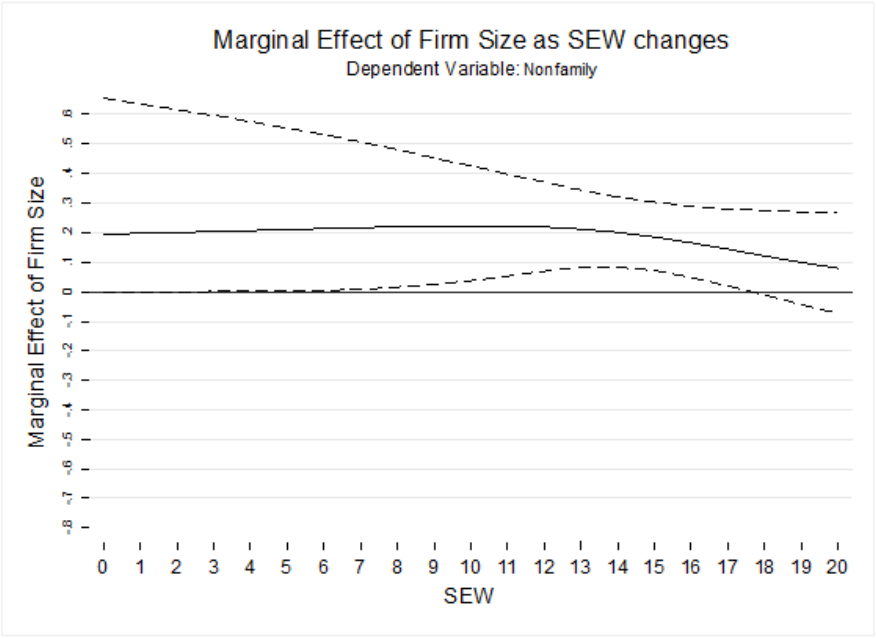
Therefore, Figure 2 graphically represents the marginal effect of firm innovativeness on the presence of nonfamily managers as the preservation of SEW changes, illustrated by the solid line. As already mentioned, any point of this line is obtained by calculating $\frac{\partial Nonfamily}{\partial\ innovativeness} = \beta_2+\beta_{12}SEW$. The dotted lines represent the 95% confidence interval. This effect is significant when both upper and lower bounds of the confidence interval are above (or below) the zero line, which is the case if SEW ranges between 12 and 15, which represents 39 percent of the total sample. The moderating effect of SEW appears to be significant and as a result, the positive effect of firm innovativeness on the likelihood of nonfamily members in the TMT declines when the preservation of SEW increases. For low and very high values of SEW, firm innovativeness does not seem to have an effect on the likelihood of nonfamily membership in the TMT. Hence, Figure 2 partly supports H4a by illustrating that the presence of unique familial objectives, translated by high SEW, will decrease the positive marginal effect of innovativeness on integration of new expertise and knowledge through nonfamily managers.

Figure 3 Marginal effect of firm internationalization on the presence of nonfamily managers in the TMT as SEW changes (international='1' if turnover realized in foreign countries>75%; '0' otherwise)



In model (4) of Table 3, we also investigate the moderating effect of SEW on the relationship between firm internationalization and the integration of nonfamily managers (H4b). Even though the interaction term *SEWxinternational75* is not statistically significant, Figure 3 shows that SEW does act as a moderator within certain ranges. If SEW ranges between approximately 14 and 18, which encompasses about 50 percent of the total sample, the positive marginal effect of firm internationalization on integration of new knowledge and expertise through hiring nonfamily managers decreases when the preservation of SEW increases. Again, for low and very high values of SEW, the moderating effect of SEW is not significant. Hereby, we can partially confirm H4b.

Figure 4 Marginal effect of firm size on the presence of nonfamily managers in the TMT as SEW changes



Finally, Figure 4 graphically represents the marginal effect of firm size on the integration of nonfamily managers as the preservation of SEW changes (H4c). The moderating effect of SEW appears to be significant if the moderator ranges between approximately 6 and 17, which represents almost 75 percent of the total sample. Here, the effect of SEW is also not significant for very low or very high values of SEW. The positive marginal effect of firm size on the likelihood of a nonfamily manager being present in the TMT decreases when the preservation of SEW ranges from 12 to 17, which partly confirms H4c. Moreover, Figure 4 indicates that the positive marginal effect of firm size on the presence of nonfamily managers is not weakened when the firm is characterized by low SEW values (ranging from 6 till 11). In that range of SEW values, the solid line remains rather flat.

In Table 4, we provide the OLS regression results when using our second proxy for the dependent variable, being the proportion of nonfamily managers in the TMT. Based on these results, our three baseline hypotheses (H1, H2 and H3) can again be confirmed by using the proxy 'proportion' of nonfamily managers instead of the presence or not of nonfamily manager(s). Regarding firm innovativeness (*innovativeness),* results indicate in the first 3 models of Table 4 that innovativeness has a positive effect on the presence of nonfamily managers in the TMT, which supports H1. With respect to firm internationalization, both model 1 (more than 25 percent of turnover in foreign countries) and model 2 (more than 50 percent in foreign countries) show no significant effect, similar to the logistic regression results. However, model (3) of our OLS model shows a significant positive effect of *international75*, which supports H2. With regard to firm size, models 1, 2 and 3 indicate a positive effect on the presence of nonfamily managers in the TMT, which supports H3. Finally, model (4) in Table 4 tests the effect of the moderator SEW on the relationship between organizational characteristics and the proportion of nonfamily members in the TMT (H4a, H4b, and H4c). In line with our logistic regression model, the results of the interaction between *SEW* and *innovativeness, international75* and *lnsize* are presented. In order to correctly interpret the moderating effects, we again calculate marginal effects (Kam & Franzese, 2007). The resulting figures are similar to Figures 2, 3 and 4 (see Appendix 8.2). Based on these OLS results, H4a and H4c can be partly confirmed while H4b could not be confirmed since SEW did not appear to act as a significant moderator within any range of values on the relationship between firm internationalization and the likelihood of nonfamily managers being present.

Table 4 The effect of organizational characteristics on the proportion of nonfamily managers in the TMT: OLS regression results

Model	**1**	**2**	**3**	**4**
Constant	-0.39**	-0.40**	-0.40**	-1.04**
	(0.15)	(0.14)	(0.11)	(0.43)
Innovativeness	0.0087*	0.0092*	0.0093**	0.035*
	(0.0050)	(0.0048)	(0.0047)	(0.019)
International25	0.059			
	(0.067)			
International50		0.10		
		(0.078)		
International75			0.22**	0.11
			(0.11)	(0.41)
Lnsize	0.13***	0.13***	0.14***	0.28**
	(0.027)	(0.027)	(0.028)	(0.076)
SEW				0.046
				(0.028)
Interaction effects				
SEW X Innovativeness				-0.0017
				(0.0012)
SEW X International75				0.0068
				(0.028)
SEW X Lnsize				-0.011*
				(0.0057)
Control variables				
Lnage	0.023	0.023	0.013	0.018
	(0.040)	(0.038)	(0.040)	(0.041)
Growth	-0.043	-0.041	-0.039	-0.026
	(0.055)	(0.054)	(0.054)	(0.054)
ROA	-0.0027	-0.0023	-0.0016	-0.0011
	(0.0020)	(0.0020)	(0.0018)	(0.0017)
Manufacturing[1]	-0.030	-0.036	-0.046	-0.058
	(0.076)	(0.074)	(0.071)	(0.076)
Wholesales	-0.011	-0.014	-0.021	-0.027
	(0.074)	(0.076)	(0.073)	(0.075)
Retail	-0.064	-0.061	-0.058	-0.070
	(0.075)	(0.077)	(0.075)	(0.079)
Services	0.0047	0.011	-0.00080	-0.0037
	(0.10)	(0.099)	(0.097)	(0.091)
R^2	0.2930	0.3016	0.3298	0.3793
F statistics	7.27***	7.27***	7.35***	7.80***

Notes: Dependent variable = number of nonfamily managers in the TMT / total number of managers in the TMT; Robust standard errors in parentheses; N=145

[1] Construction sector is the suppressed category

*p < 0.10, **p < 0.05, ***p < 0.01 (two-tailed)

2.6.1. *Robustness tests*

We also executed additional robustness tests. First, we estimated a tobit regression due to the many zero values of the variable 'proportion' (results not reported). Regression results are comparable to the results presented in Table 3 and Table 4, which provides further support for the results of our study.

In order to mitigate any causality concerns with regard to our firm internationalization variable, we retested our firm internationalization hypothesis with an alternative proxy measuring the 'demands for internationalization' instead of the 'realized turnover in foreign markets'. This alternative proxy is extracted from one of the five dimensions of the five-dimension scale of environmental uncertainty of Dickson and Weaver (1997), namely demands for internationalization. This dimension contains two five-point Likert scale questions about the growing demands for internationalization ('*the company can be successful by focusing sales within the region in which it is located'* and *'the company can be successful by focusing sales within Belgium'*). Taken together, high scores on this dimension imply that the company does not perceive the need to internationalize and thus we propose that this variable can be considered a proxy for firm internationalization but in a reversed way. This retest of our statistical models (results not reported) showed qualitatively the same results as with our prior firm internationalization measure.

2.7. Discussion and conclusions

The goal of the present study was to explore to what extent emotions influence decision-making in family firms by examining if the preservation of SEW will make family firms less receptive to effectiveness arguments to attract nonfamily managers. We hypothesized that certain organizational characteristics

(firm innovativeness, firm internationalization and firm size) increase the need to expand the expertise pool of family firm TMTs. Since the pool of potential familial managers is not exhaustive, this may require the family firm to look beyond the family by including nonfamily members in the TMT (Carney, 2005; Chua, Chrisman, & Bergiel, 2009; Sirmon & Hitt, 2003). However, family firms often have a strong emotional component present in their decision-making process (Basco & Pérez-Rodriguez, 2009; Distelberg & Sorenson, 2009; Gómez-Mejia et al., 2011; Hall & Nordqvist, 2008; Miller, Le Breton-Miller, & Scholnick, 2008). The emotional component of family firms is reflected in the preservation of socioemotional wealth (SEW) which refers to the affective needs such as the ability to exercise family control and the perpetuation of the family dynasty. These affective needs may outweigh the effectiveness arguments to attract nonfamily managers within the family firm (Gómez-Mejia et al., 2011).

Our regression results confirm hypotheses 1,2 and 3 as we found that family firms that have to deal with firm innovativeness, firm internationalization or increasing firm size are more likely to include nonfamily members in the TMT. Furthermore, we found that SEW negatively moderates the positive relation between the three organizational characteristics and the inclusion of nonfamily members in the TMT, but only at high values of SEW[3]. Hence, at high values of SEW, we empirically confirm the arguments of Baron (2008) that emotions outweigh rational considerations in organizational decision-making processes. Decision-making within family firms then becomes more emotionally loaded which pushes individuals toward achieving affective family needs instead of following effectiveness arguments. Hiring nonfamily managers is then believed

[3] Regarding firm internationalization, this conclusion only relates to these firms that are to a large extent internationally focused (more than 75 percent foreign sales). Apparently, the unique and additional knowledge of nonfamily managers is only needed when internationalization is a primary focus for the firm.

to endanger familial control and unity. As a result, high levels of SEW create a mental fence (Turner, 1985) which makes the family firm less receptive to effectiveness arguments.

This study contributes to family firm research in several ways. First, in contrast to former studies using family ownership as a proxy for the preservation of SEW (e.g. Berrone et al., 2010; Gómez-Mejía et al., 2007), we use a direct measure of SEW. We found that the range of SEW values in our sample varies from 5 to 20, which indicates that although SEW is an important characteristic that separates family firms from nonfamily firms, the preservation of SEW is not for all family firms an important goal. An interesting trajectory for future research is to capture the drivers of the preservation of SEW or to examine differences between family firms' characteristics, based on the importance of preservation of SEW of these firms. Furthermore, although we used several dimensions to capture the concept SEW, we agree with Berrone et al. (2012) that the content structure of SEW as a construct leads to several possible measurement improvements. Hence, future research should meet the challenge to further develop a scale encompassing all important dimensions of SEW in order to set up a uniform measure of the affective endowments within family firms. A more in-depth understanding of the dimensions that capture SEW will increase the explanatory value of SEW as a driver of family firm behavior.

Second, in contrast to other studies that investigate the direct effect of SEW, we used SEW as a moderating variable. Studying SEW as a moderating mechanism shows that SEW is neither always beneficial nor destructive, and thus it allows us to identify both the bright and the dark side of the construct. When investigating SEW as a direct effect, only one of both sides becomes clear, while using SEW as a moderator is less one-sided. Hence, both advocates and

opponents of the effect of SEW are being balanced by using the construct as a moderator. The wide range of values of preserving SEW in our sample of family firms indicates that there are different levels of emotional attachment in family firms. In this study, we found that only in case of high values of SEW, emotions outweigh the rational considerations in decision-making processes, while in firms with low values of SEW emotions will not get the upper hand of the rational decisions regarding organizational processes. The moderating effect of the extent of SEW preservation used in this paper answers the call of several studies to take into account emotions when investigating organizational processes of family firms (e.g. Berrone et al., 2012; Goel et al., 2013; Sharma & Manikutty, 2005; Stanley, 2010). So, unraveling this preservation can be an important research avenue to further investigate the role of emotions within family firm processes.

A significant first step is to focus attention on the determinants of the preservation of SEW. Thus far, most attention is focused on the effect of SEW on management processes such as professionalization (Cruz, Justo, & De Castro, 2010; Gersick et al., 1997), strategic choices such as diversification (Gomez-Mejia et al., 2010); acquisition behavior (Miller, Le Breton-Miller, & Lester, 2010); R&D investments (Gómez-Mejia et al., 2011) and organizational governance (Anderson & Reeb, 2004; Voordeckers et al., 2007). More attention to the determinants of SEW can help to explain how the preservation of SEW develops over time, and how SEW can be 'managed' by family firms. For instance, Bammens et al. (2008) found that family firms of later generations were more likely to include outsiders in the board. Similarly, Gomez Mejia et al. (2007) found that strategic choices of later generations family firms are more driven by economic motivations. Further research should be able to set up a

framework that, on the one hand determines if SEW is manageable, while on the other hand it also gives a complete overview of the drivers that explain the preservation SEW as an umbrella term for noneconomic factors in family firms. Since emotions are an important dimension of this umbrella term (Berrone et al., 2012), more insights into the manageability of emotions in family firms is needed.

Our findings have some important managerial implications. Our results show that emotions can limit the firm in its ability to adapt to certain business demands. It is important that family firms acknowledge that putting a large emphasis on emotions through for example the preservation of SEW can help the family firm to keep family in control but can negatively affect the decision-making process. Family firms should try to reach a delicate balance where both business and family needs are met. A family firm can undertake several actions to reach this balance. First, family firms can professionalize their governance system. For instance, a board of directors with external directors can be an antidote to prevent family firms especially in the early generations to let emotions get the upper hand in decision-making processes (Goel et al., 2013). Similarly, also, specific familial governance mechanisms like a family forum and charter may lead to a clear formulation of the role of the family in the firm (Mustakallio, Autio, & Zahra, 2002). The fear of losing control can be tackled by making appointments about the role of the family within the firm as well as their position towards other members of the firm, like for example nonfamily managers. Consequently, the family owners may be less reluctant to answer the firm needs by hiring nonfamily managers given their predefined role in the firm.

Our research has some limitations that also provide interesting avenues for future research. First, in line with several others studies (Chang et al., 2010;

Chen, 2011; Chirico, 2008; Daily & Dalton, 1992; Zahra et al., 2009), the inclusion of nonfamily managers in the TMT of private family firms served as a proxy for new and unique knowledge that these nonfamily members bring to the team. However, the extent to which nonfamily members indeed bring in new knowledge or competences to the familial TMT is not measured directly. Although the baseline hypotheses were confirmed which indicates that the inclusion of nonfamily members is a good proxy of new and unique expertise, more direct measures of the competences, knowledge and traits of nonfamily managers are necessary to enrich our understanding of the added value of nonfamily TMT members. Furthermore, more in-depth knowledge about the characteristics of nonfamily members in the TMT as compared to family TMT members allows for a more comprehensive study on how to balance the affective needs of the family with the cognitive demands of the firm.

Second, we focused on three important organizational characteristics in our study. However, other organizational characteristics (e.g. firm strategy) can influence the likelihood of integration of nonfamily managers in family firms. Furthermore, environmental factors (industry volatility, munificence and complexity) can also influence the need to integrate nonfamily managerial support within the TMT of private family firms. Future research can include direct measures of industry conditions to improve our understanding of the restriction SEW puts on the ability of family firms to adjust to environmental conditions.

A final limitation of our research is its cross-sectional design. Although cross-sectional designs in this type of research are currently standard practice, claims about causality cannot be substantiated with such a method. However, our study focuses on interactions which are difficult to explain with a reverse causation logic (Cummings, 2004). We used the preservation of SEW as our

interaction variable. SEW refers to affective needs of family firms such as the ability to exercise family control, and the perpetuation of family dynasty (Gómez-Mejía et al., 2007, p. 106). The preservation of SEW makes family firms reluctant to include nonfamily members (de Vries, 1993; Schulze, Lubatkin, & Dino, 2003b). Hence, the preservation of SEW acts as a gatekeeper to ensure that family members control the family firm, even when organizational characteristics may demand the inclusion of nonfamily members. The reverse causation logic where the inclusion of nonfamily members affect organizational characteristics such as firm size, firm innovativeness and firm internationalization, is less likely with SEW as a moderator, which eases endogeneity concerns.

3. Chapter 3

Sample methods of the multiple respondent survey of 2014-2015

3.1. Data collection procedure

Our sample of firms consists of Belgian private family firms, defined as firms perceived by the CEO as being a family firm and where ownership is controlled by a single family (50% or more of the shares) and at least two members of the same family significantly influence the firm through positions in a governance mechanism (Chua et al., 1999; Tagiuri & Davis, 1996). Other conditions that had to be met by the firms are: (1) at least 20 employees active in the firm because we expected family firms with less than 20 employees to operate with a top manager, instead of a top management team (hereafter TMT), (2) at least three managers in the TMT because we argue that TMTs with less than 3 members cannot be considered as a team of managers. A TMT was defined as the group of managers consisting of the CEO and those managers who directly report to the CEO (Boeker, 1997). Furthermore, we also did not take into consideration family firms that were dependent, i.e. family firms that belong to a larger multinational, because these firms are constrained in their TMT decisions.

The so-called snowball sampling method is chosen to select our sample cases because of three major difficulties that we faced in data collection. Attaining reliable information and a priori identification of private family firms is difficult (Daily & Dollinger, 1993; Schulze et al., 2003a). A comprehensive list of all Belgian family firms, based on a chosen definition of family firms, is lacking. Moreover, two conditions (based on firm and TMT size) that simultaneously had to be met are difficult to detect a priori. The snowball sampling procedure helps locate members of special hard-to-find populations via referral by network contacts (Biernacki & Waldorf, 1981; Saunders, Lewis, & Thornhill, 2007) and

has already been used in family business studies that faced comparable constraints (e.g. Bettinelli, 2011; Björnberg & Nicholson, 2012; Farrington, Venter, & Boshoff, 2012; Fiegener, Brown, Prince, & File, 1996; Van der Merwe, 2007; Venter, Boshoff, & Maas, 2003). The risk of sample bias through this specific method (Lee, 1993), is less of a problem in our sample because the descriptive statistics provide evidence of sufficient variation within the sample in terms of firms and respondents (e.g. firm size, firm age, top management composition). Furthermore, we study multifaceted research models (i.e. through inclusion of moderating and mediating effects) that lead to less problems related to case selection bias (Simons, Pelled, & Smith, 1999).

Sample selection started by sending a letter to a small group of five family firm CEOs in our network of which we knew that their family firms matched our sample criteria. Reason for sending only a small amount of letters was that we expected that it would possibly take some time before we had the opportunity to speak to the CEO in person. If we would have selected a larger group of family firm CEOs in our network, it would be impossible to follow up all these contacts simultaneously. Furthermore, because we selected the snowball sampling method, each contact with a CEO would in turn provide new opportunities to contact CEOs of other family firms. The overall motivation to start with a small group of CEOs is thus mostly related with manageability of the procedures from first contact until the actual meeting with the CEO. The purpose of the introduction letter (see Appendix 8.3) was to stimulate the CEO of each family firm to participate in our research. The letter contained a brief description of our research and the procedures. In order to further motivate the CEOs to participate, we promised each CEO a benchmark report in which we compare the position of each individual family firm in relation to other family firms that

participate in our research on important TMT and firm success indicators. After a week, we telephoned the five family firms in order to find out if they were willing to participate. Since they belong to the network of our research group, they all confirmed their willingness to participate in our research. Next, we made an appointment for a one hour interview with the CEO. The structured interview consisted of questions about the family firm's background and the TMT. Afterwards, we introduced our questionnaires to the CEO. All questions in our questionnaires have been validated by two anonymous family firms[4]. The CEO received two questionnaires; the first questionnaire consisted of questions on general firm characteristics and especially on TMT dynamics and outcomes (see Appendix 8.4). The second questionnaire consisted of a checklist of both TMT and board composition as well as demographic and individual characteristics of each TMT and board member (see Appendix 8.5). After we had gone through the two questionnaires with the CEO, we asked him/her to define the TMT with respect to identifying the fellow top managers (Pitcher & Smith, 2001) in order to give self-administrated structured questionnaires for each TMT member. The TMT members only received the first questionnaire which contained the questions about firm characteristics and TMT dynamics and outcomes. Each of these questionnaires was accompanied with the introduction letter that was sent to the CEO. We stressed in these letters that we guaranteed each participant that no individual information would be reported back to the CEO and/or TMT members. To further ensure confidentiality, we added a return envelope for each TMT member, only indicating the firm name, in which they could put the completed questionnaire. After a few weeks, we personally went back to pick up all return envelopes.

[4] We thank the management team members of the anonymous family firms for their corporation and professional advice.

Based on the snowball sampling procedure, we repeated the whole procedure for all family firms that the CEOs mentioned in the structured interview as being appropriate candidates for participating in our research. Most of the time, a CEO of a family firm gave us the contact details of CEOs of other family firms. In some cases however, the CEO that we visited called CEOs of other family firms when I visited the firm such that he/she could personally convince the other CEOs to participate. Overall, the snowball sample selection procedure led to 68 structured interviews with CEOs of Belgian private family firms that were interested to collaborate. Thirteen family firms were excluded (8 firms decided not to collaborate in the end and 5 firms did not manage to retrieve information from the whole team). The most important reason why 8 firms decided not to collaborate in the end was that these family firms found participation too time consuming, despite clear time indications in the introduction letter. Concerning the 5 family firms of which we received incomplete information, we sent reminder e-mails to all participants that had not yet returned their questionnaires. We emphasized in our e-mails that the returned questionnaires of the other team members are worthless until we have received their questionnaires as well. In a final attempt, we contacted the CEO of these firms, and asked him/her to remind the specific team members to return the completed questionnaires. However, despite these efforts, these five firms could not be included in our sample due to incomplete information of all TMT members. Our final sample thus consists of 55 Belgian private family firms of which we received complete information (i.e. from the CEO and each TMT member). Within this sample of 55 Belgian private family firms, a total of 300 individual respondents completely filled in the questionnaire.

3.2. Sample characteristics

In order to get a better view on the profile of the 55 Belgian private family firms in our sample, some important firm and TMT characteristics are described in this section. With regard to the firm characteristics, Table 5 shows that the family firms in our sample have an average firm size of about 375 (expressed in number of employees), with all firms employing more than the cut-off point of 20 employees. Furthermore, the average firm age is 33 years with the youngest firm existing 8 years while the oldest exists already 72 years. Related to family ownership in our family firms, the average percentage is about 95 percent with each firm meeting the requirement of our family firm definition of having at least 50 percent of family ownership.

Table 5 Descriptive statistics of sample

	Mean	SD	Min	Max
Firm characteristics				
Firm size	374,16	699,62	21	3900
Firm age	33,16	13,91	8	72
Percentage family ownership	94,35	13,82	50	100
TMT characteristics				
Team size	5,45	1,87	3	10
Number of family managers	1,91	1,11	0	5
Number of nonfamily managers	3,55	2,08	0	9
Age†	46,67	8,71	26	71
TMT tenure‡	111,84	98,42	1	492
Firm tenure†	15,59	10,42	1	50

N = 55. † in years. ‡ in months

With regard to the TMT characteristics, Table 5 shows us that the average team size is about 6 managers with all teams consisting of at least three managers and the largest team counting 10 TMT members. Within these TMTs, there are on average 2 family and 4 nonfamily team members present. The average age of the TMT members is about 47 years with the youngest manager being 26 years old and the oldest 71 years. The average numbers of months active in the TMT is about 112 months with the newest TMT members only being active for one month while the maximum TMT tenure is 492 months. Finally, the managers are on average already 16 years active in the family firm with a minimum firm tenure of 1 year and a maximum of 50 years.

To conclude, some additional sample characteristics are given that are not reported in Table 5. In total, 52 of the 55 family firms have an active board of directors or board of advice. Geographically, all family firms are situated in the Flemish part of Belgium with 36 firms in Limburg, 11 in Antwerp, 4 in East Flanders, 2 in West Flanders and 2 in Flemish Brabant. Concerning the industries in which our sample firms are active, we used five major categories: manufacturing, services, construction, wholesale and retail. A closer look at each firm revealed that 21 firms were active in manufacturing, 16 in services, 8 in construction, 5 in wholesale and 5 in retail. To conclude the description of firm characteristics, we note that we did not specify any geographical or industry-related restrictions. Both the division into geographical areas and industries of the sample are at random due to the snowball method for our data collection. Through the choice of this specific method, location and industry of each firm was dependent on the network of the CEOs that we contacted and the family firms that they advised us to contact to participate in our research project.

4. Chapter 4

The effect of TMT diversity as disparity on decision-making quality in family firm TMTs: the moderating role of diversity as separation and diversity as variety

4.1. Introduction

Research on top management teams (hereafter TMTs) in family firms has stressed the importance of nonfamily managers in family firm TMTs (e.g. Block, 2011; Dyer, 1989; Sonfield & Lussier, 2009a). In Chapter 2, the contribution of nonfamily managers is related to the increased expertise pool of the TMT. Other contributions of nonfamily managers are related to the prevention of managerial entrenchment (Gomez-Mejia, Nuñez-Nickel, & Gutierrez, 2001), and enhancement of the level of professionalization of the firm (Stewart & Hitt, 2012).

In this chapter, we create a more nuanced picture of the nonfamily managers' presence in family firm TMTs. We use the combined presence of family and nonfamily managers as an antecedent of an important potential liability in family firm TMTs. More specific, the combined presence of both family and nonfamily managers in the TMT can result in power/status differences that can negatively affect family firm performance (Ling & Kellermanns, 2010; Patel & Cooper, 2014) and entrepreneurial orientation (Sciascia, Mazzola, & Chirico, 2013b). In this study, we investigate to what extent the presence of nonfamily members in the TMT affects power related differences within the TMT, which in turn affect the decision-making quality of the TMT. Furthermore, we attempt to explain *when* power related differences within the team affect decision-making quality by studying the interaction effect of two specific team composition types.

We capture the power/status compositional differences by the concept of disparity (Harrison & Klein, 2007). Harrison and Klein (2007) define disparity as differences in concentration of valued social assets (e.g. pay, power, prestige, status). To examine the impact of disparity on TMT decision-making processes, we use the neglected but common ownership differences between family and nonfamily managers as our disparity measure (Harrison & Klein, 2007). Family managers often exert significant influence in the family firm as they also hold shares of the firm (Gersick et al., 1997; Patel & Cooper, 2014). Nonfamily managers are often not allowed to hold shares, and if so, they are mostly dominated by the family managers/shareholders (Klein & Bell, 2007). Consequently, a hierarchy based on ownership power may be formed with excessive control of TMT (family) shareholders. The ownership hierarchy and excessive control of TMT shareholders can harm the quality of team outcomes as it may decrease open information sharing and the equal consideration of knowledge and insights of different team members (Bunderson & Reagans, 2011; Greve & Mitsuhashi, 2007; Pitcher & Smith, 2001). Taken together, we use the combined presence of family and nonfamily managers as antecedent of ownership disparity in family firm TMTs, and we consider ownership disparity as a central intermediate process that explains *how* TMT decision-making quality within family firm TMTs can be negatively affected.

Furthermore, we investigate *when* ownership disparity negatively affects decision-making quality through integrating the other two diversity types of Harrison and Klein (2007), separation and variety. The use of these diversity types to explain *when* disparity harms team outcomes is based on the call of Harrison and Klein (2007) to use trivariate configurations of the three diversity types as they may simultaneously interact to influence team outcomes. Diversity

as separation represents differences in values, attitudes and personality within the TMT and is expected to emphasize the negative impact of ownership disparity in family firm TMTs (Chua et al., 2009; Minichilli et al., 2010). Within the specific context of family firms, we state that separation may occur through TMT member differences in their preference to preserve socioemotional wealth (hereafter SEW). SEW refers to "the 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 family dynasty" (Gómez-Mejía et al., 2007 p.106). A wide variation in SEW preferences based on values and attitudes may lead to lower participation and less effective interaction in the decision-making process (Patel & Cooper, 2014). We argue that these dissimilarities will further enhance the detrimental effect of the power hierarchies, created by ownership-based disparity.

Diversity as variety refers to categorical differences in information, knowledge or experience. We posit that knowledge variety within the TMT can downsize the negative effect of ownership disparity. Functional background diversity is a commonly used measure to represent variety in knowledge (e.g. Boone & Hendriks, 2009; Buyl, Boone, Hendriks, & Matthyssens, 2011) and is defined as differences in expertise and experience possessed by individuals in a given domain to perform a task or activity in a team (Jehn, Northcraft, & Neale, 1999). Team members with unique knowledge and expertise will increase the likelihood that diverse opinions and perspectives exist within the team (Gibson & Vermeulen, 2003; Harrison & Klein, 2007). We argue that a high level of variety creates a certain form of expertise power which can be a good counterbalance for the negative effect of ownership power on decision-making quality. Expertise power, created by unique and valuable input of each team member, will shift

away the attention from ownership power between TMT members. This shift to expertise power will benefit the overall quality of TMT decisions (Boone & Hendriks, 2009; Bunderson, 2003; Tushman & Scanlan, 1981; Yetton & Bottger, 1982).

This study contributes to both family firm and TMT literature. First, we follow the call of authors like Harrison and Klein (2007) and Nielsen (2010) to study the effects of separation, variety and disparity on firm outcomes simultaneously in order to increase our understanding as to how different types of diversity affect TMT performance. Second, we focus on the underdeveloped research area of TMT diversity within family firms (Ling & Kellermanns, 2010) by using the presence of family and nonfamily managers as a driver of ownership-based power differences. Furthermore, we use two other types of differences, value and knowledge differences among all TMT members, to explain when the power differences harm TMT decision-making quality. In order to examine the effect of the underresearched family firm TMTs' internal dynamics on team outcomes (Minichilli et al., 2010), we use the diversity types of Harrison and Klein (2007) to capture several unique family firm TMT differences.

4.2. The mediating role of ownership disparity in the relationship between the presence of nonfamily managers and TMT decision-making quality in family firm TMTs

The foundation of this study rests on explaining *how* the quality of TMT decisions may be negatively affected when family firm TMTs consist of both family and nonfamily managers (Minichilli et al., 2010). We argue that such a family/nonfamily member TMT can result in power differences within the team. In general, power within a TMT plays an essential part in the decision-making

process of a firm. Power can be defined as the capacity of an individual to exert influence to change the behavior of a person or group in an intended way (Pfeffer, 1981). Finkelstein (1992) recognized the multidimensional nature of power by developing four power dimensions relevant to top managers. Within this study, we focus specifically on the ownership power dimension, captured by the existence of differences in ownership shares among TMT members. This topic is especially relevant within the context of family firm TMTs. Family firms are characterized by family influence in both ownership and management, with ownership often concentrated in the hands of one or several family member(s) of which some are also present in the family firm TMT (Chua et al., 1999; Tagiuri & Davis, 1996). Concentration of ownership can be captured by diversity as disparity. According to Harrison and Klein (2007), disparity occurs if team members differ in the extent to which they hold a specific asset or resource such as ownership shares. They argue that the level of disparity is high if for example 10 percent of the TMT holds a great deal of ownership shares while 90 percent of the TMT members owns very little shares.

Despite the fact that ownership differences among family managers through for example generational differences (Fiegener, 2010; Sciascia et al., 2013b) may also create disparity, we decide to focus on the presence of nonfamily managers in the TMT as determinant of ownership disparity. Reason is that high levels of ownership disparity in the TMT are more likely to occur when nonfamily members are present in the TMT. Nonfamily managers are often not allowed to have shares since the family prefers to retain ownership in the family (Fiegener, 2010; Klein, 2000). When nonfamily managers possess shares, as a way to tie their interests to the firm (e.g. Berenbeim, 1990; Dyer, 1989; Sirmon & Hitt, 2003; Sonfield & Lussier, 2009b), they will still be minority shareholders

in comparison to the percentage of shares held by family managers (Chrisman, Memili, & Misra, 2014). The likelihood of disproportionate levels of stock ownership within the TMT thus increases when the group of "non-owners" (cf. nonfamily managers) is larger, compared to TMTs that consist mainly out of family managers. More concrete, the percentage of TMT members owning none or very little of the shares will increase by a higher nonfamily ratio while the percentage of TMT members holding all or most shares will decrease. Consequently, a higher ratio of nonfamily managers is an important source of the asymmetric power distribution, captured by the level of disparity within the TMT (Harrison & Klein, 2007). Therefore, we argue:

> ***Hypothesis 1a (H1a)****: There is a positive relationship between the proportion of nonfamily managers in a family firm TMT and the level of TMT ownership disparity.*

The basic reasoning of the upper echelon theory of Hambrick and Mason (1984) relates to the positive impact that diverse teams have on team outcomes through the broader range of skills, knowledge, and abilities of team members with different opinions and perspectives (van Knippenberg & Schippers, 2007). Wei and Lau (2012) however mention an important assumption linked with the positive impact that has to be taken into consideration. The upper echelon reasoning only benefits team outcomes if functional team dynamics are present in the TMT. Functional team dynamics relate to balanced roles, collaboration, and constructive interactions.

It is exactly that assumption that can be tackled by ownership disparity. Concentration of ownership power can give potential instability in the decision-making process through for example disturbance of interaction and knowledge sharing in the TMT (Bunderson & Reagans, 2011; Greve & Mitsuhashi, 2007;

Smith, Houghton, Hood, & Ryman, 2006) Disparity creates power hierarchies that shift the decision power to the privileged few that hold shares in the TMT such that the opportunities for the "non-owners" to influence TMT decisions and their knowledge and information are not exploited (Boone & Hendriks, 2009). Furthermore, the majority shareholders in the TMT will attempt to control the team and withhold information leading to less collaboration in the TMT (Keltner, Gruenfeld, & Anderson, 2003). However, the most authorized person/subgroup is not always the most qualified to take a specific decision. To summarize, disparity implies that formal power such as hierarchical positions based on ownership differences will dominate the decision-making process, which may hamper the quality of decisions (Boone & Hendriks, 2009; Brodbeck, Kerschreiter, Mojzisch, & Schulz-Hardt, 2007; Bunderson, 2003). Consequently, the proportion of nonfamily managers indirectly inhibits TMT decision-making quality due to the higher likelihood of TMT ownership disparity. Therefore, we hypothesize:

> ***Hypothesis 1b (H1b)****: The proportion of nonfamily managers in a family firm TMT is negatively related to TMT decision-making quality through TMT ownership disparity.*

Inspired by the call of Harrison and Klein (2007) to investigate trivariate configurations of the three diversity types, we therefore argue that separation and variety can determine when the ownership-based power differences harm TMT decision-making quality. In the next two sections, we explain the influence of both team-level value separation and team-level knowledge variety on the relation between ownership disparity and TMT decision-making quality.

4.3. The reinforcing effect of SEW separation as a moderator

An important factor that influences the negative effect of ownership disparity on decision-making quality, is related to differences in values and attitudes within the team. Family firm TMTs in which ownership disparity occurs can experience tensions and conflict when there are substantial value differences among TMT members. Value or attitude-based differences are captured by diversity as separation (Harrison & Klein, 2007). The similarity-attraction paradigm (Byrne, 1971) argues that similarity in values and attitudes is a major source of attraction between individuals. Differences in values within a TMT may lead to separation as those who share the same value preferences will feel attracted to each other, while the managers that do not share these preferences will not feel attracted and this creates separation between the team members (Harrison & Klein, 2007).

Within the context of family firms, we focus on dissimilarities in unique values, captured in the overarching construct of socioemotional wealth (hereafter SEW) (Gómez-Mejía et al., 2007). Family firms are not homogeneous in terms of values, emotions, sentiments and relationships (Berrone et al., 2012; Hoy & Sharma, 2010). Overall, each TMT member in a family firm holds a different degree of SEW salience, dependent on the managers' preferences, emphasis on certain values and overall embeddedness (Berrone et al., 2012; Le Breton-Miller, Miller, & Lester, 2011).

SEW differences can result in fundamental differences of opinion about the course and direction of the firm that may create emotional conflicts that nurture disruptive interpersonal conflicts and tensions (Harrison, Price, & Bell, 1998; Jehn et al., 1999). The tension and conflicts that originate from SEW

dissimilarities can further tackle the functional team dynamics that are needed to make high-quality decisions (Wei & Lau, 2012) as the level of team collaboration, information sharing and attachment is further downsized (e.g. Guillaume, Brodbeck, & Riketta, 2012; Patel & Cooper, 2014; Tsui, Egan, & O'Reilly Iii, 1992; Williams, 2001). Several studies have already argued that the tensions and conflicts derived from deep-level diversity forms such as value differences increase the likelihood to centralize decision power to the leader of the team (Boone & Hendriks, 2009; Mohammed & Angell, 2004). Hence, we argue that the tensions and conflicts that arise from SEW separation can further emphasize the use of ownership power, that negatively influences TMT decision-making quality.

Hence, SEW separation acts as a mechanism that 'activates' the reliance on ownership power created by disparity. As such, SEW separation will emphasize the negative relationship between TMT ownership disparity and the decision-making quality of the TMT in a family firm. Accordingly, we formulate the following hypothesis:

> ***Hypothesis 2 (H2)****: SEW separation moderates the relationship between ownership disparity and TMT decision-making quality in a way that the negative effect of ownership disparity on TMT decision-making quality is more accentuated when SEW separation is higher.*

4.4. The mitigating effect of knowledge-based variety as a moderator

Another important factor that influences the negative effect of ownership disparity on decision-making quality, is related to differences in knowledge and expertise within the team. Knowledge and expertise heterogeneity is captured by the concept of variety of Harrison and Klein (2007). The law of requisite

variety can be used as a foundation to support this form of diversity. This law states that: "the variety within a system must be as great as the environment against which it is attempting to regulate itself. Put more succinctly, only variety can regulate variety" (Buckley, 1968: 495). According to Harrison and Klein (2007), diversity is considered to be a source of variety if members of the team differ from one another qualitatively on attributes such as functional background. Several studies indicate that functional background differences are an important source of asymmetric information distribution in TMTs and therefore often used in extant empirical work on TMT diversity (e.g. Boone & Hendriks, 2009; Buyl et al., 2011; Cannella Jr, Park, & Lee, 2008; Hambrick, Cho, & Ming-Jer, 1996).

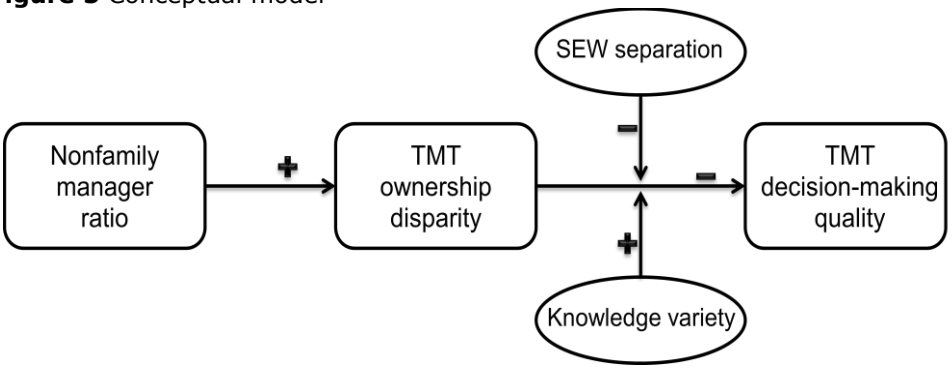
We argue that knowledge-based variety mitigates the negative effect of ownership disparity on TMT decision-making quality. The dominating effect of ownership power may diminish when expertise power, originating from differences in knowledge of expertise of each TMT member, increases. When TMT members contribute unique knowledge and expertise, these variety effects can shift away the focus from ownership power to a focus on knowledge and expertise. At high levels of variety, most individuals have different functional backgrounds, giving them each a certain level of expertise power (Finkelstein, 1992). Through their differentiation, each TMT member may have more influence on decision-making and their advice and input is more required within the decision-making processes (Boone & Hendriks, 2009; Bunderson, 2003; Tushman & Scanlan, 1981; Yetton & Bottger, 1982). Overall, the foundation of TMT decision-making processes rests more on expertise power than on ownership power when functional background variety is high, which is beneficial for functional team dynamics and consequently also for TMT decision-making

quality (e.g. Boone & Hendriks, 2009; Smith et al., 2006). So we argue that ownership power differences are less detrimental when variety is present in the TMT by hypothesizing:

> ***Hypothesis 3 (H3)****: Functional background variety moderates the relationship between ownership disparity and TMT decision-making quality in a way that the negative effect of ownership disparity on TMT decision-making quality is lessened when functional background variety is higher.*

In order to test the formulated hypotheses, this study will investigate the research model illustrated in Figure 5 below.

Figure 5 Conceptual model



4.5. Methods

4.5.1. Sample

See chapter 3. Compared to the method described in Chapter 3, we had to take into consideration that 3 family firms had TMTs where no managers owned any shares of the firm. This leads us to eliminate these cases out of the final sample for the analyses of this chapter. Therefore, we based our regressions on a final sample of 52 instead of 55 Belgian private family firms. Within our sample of 52

Belgian private family firms, a total of 284 individual respondents completely filled in the questionnaire.

4.5.2. Measures

Decision-making quality. Decision-making quality was measured using both 'decision quality' as well as 'decision commitment' (Mustakallio et al., 2002). 'Decision quality' refers to the overall quality of the decisions and its effects on the organization whereas 'decision commitment' indicates how satisfied managers were with chosen decisions and how dedicated they are to implement the decision properly. Both concepts were each measured by six 5-point Likert scale items, adapted from Olson et al. (2007). Sample items of decision quality are *'Team members feel that the decisions made were the best possible'* and '*Overall, team members feel satisfied about the quality of the decision made'.* Sample items of decision commitment included *'Team members believe that the decisions enhance the overall firm performance'* and *'Team members are willing to do a lot to see that the decision was properly implemented'.* A principal component factor analysis revealed a single decision-making quality factor. All factor loadings are higher than .585 with an eigenvalue of 5.54 and explain 46.13% of the variance among the items (see Appendix 8.6). The Cronbach alpha for this 12-item scale was 0.89. We measured all variables, including decision-making quality on the individual level and thus aggregated the individual data to the team level based on acceptable interrater agreement scores (Rwg) and intraclass coefficients (Bliese, 2000). A mean interrater agreement score of 0.87 for decision-making quality was well above the acceptance value of 0.70 (James, Demaree, & Wolf, 1993). Furthermore, an ICC(1) of 0.40 for decision-making quality showed sufficient agreement among

ratings from members of the same group while an ICC(2) of 0.89 for decision-making quality indicates sufficient reliability of average team perceptions (Bliese, 2000). The overall measure of decision-making quality will vary from 1 (*low level of decision-making quality*) to 5 (*high level of decision-making quality*).

Nonfamily. To measure the extent of nonfamily managers present in the TMT, we divided the number of nonfamily managers by the total number of managers in the team.

Ownership disparity. According to Finkelstein (1992), managerial shareholdings are relevant and objective indicators of power. Therefore, we asked each member of the TMT to indicate the percentage of shares owned by him/her. We then computed the coefficient of variation for the managerial shareholdings of each team (standard deviation of the percentage of stock ownership of TMT members divided by the mean stock ownership in the TMT) to measure ownership disparity. Harrison and Klein (2007) state that this measurement captures both the distances between TMT members as well as the dominance of those who have higher amounts of shares in the firm. When the coefficient of variation is low, ownership power is equally distributed in the TMT. When the coefficient is one or higher, ownership power is unequally distributed.

Knowledge variety. Following studies like Boone and Hendriks (2009), Bunderson (2003), and Buyl et al. (2011), each TMT member was asked to select those functional categories in which they gained relevant experience throughout their career. TMT members could choose out of eight important functional categories (Bunderson & Sutcliffe, 2002): 1) marketing and sales, 2) finance, 3) research and development, 4) legal, 5) production, 6) human resources, 7) buying and logistics, and 8) IT. In line with the argumentation of

Bunderson and Sutcliffe (2002) in which they argue that many people gain experiences also outside of their dominant career track, we allowed TMT members to indicate as many categories as they perceived relevant in their career. Bunderson and Sutcliffe (2002) also stress the importance of taking into account the *between-member* functional background diversity net of *intrapersonal* functional diversity (for details see Bunderson and Sutcliffe 2002). Since alternative measures such as the Blau's index (or the similar Shannon-Wiener measure) do not disentangle both sources of diversity, we use Attneave's (1959) entropy based, 'transmission measure' T_{xy}. This measure consists of three types of information, contained in any two-dimensional 'team member (dimension Y with members from 1 to j) – functional category (dimension X with functional categories form 1 to i)' frequency table: 1) the proportional distribution of the number of TMT members over the functional categories represented by the marginal entropy measure H_x (i.e., the standard Shannon-Wiener measure); 2) the proportional distribution of the number of functional categories over the team members represented by the marginal entropy measure H_y; 3) and the total entropy of the frequency table represented by H_{xy}:

$\mathrm{Hx} = \sum^{i} \mathrm{p}_i \log 1/\mathrm{p}_i$ where *i* stands for any functional category

$\mathrm{Hy} = \sum^{j} \mathrm{p}_j \log 1/\mathrm{p}_j$ where *j* stands for any team member

$\mathrm{Hxy} = \sum^{ij} \mathrm{p}_{ij} \log 1/\mathrm{p}_{ij}$ where *i* stands for any functional category and *j* for any team member.

T_{xy}, or transmission, equals $H_x + H_y - H_{xy}$, and can be interpreted as a measure of association between team members and functional background categories in our study (Attneave, 1959). Large values of T_{xy} reflect high levels of knowledge variety in the team with several different functional background categories

uniquely distributed over the team members. Values of T_{xy} can range from zero to (K-1)/K with K being the number of functional background categories used. In our study, the range of values of T_{xy} is thus from 0 to 0.875 (Boone & Hendriks, 2009; Harrison & Klein, 2007). As a result, the closer sample values are to 0.875, the more variety in the TMT with a value of 0.875 representing a TMT in which every TMT member holding unique knowledge.

Socioemotional wealth separation. Several proxies have been used to measure SEW (e.g. ownership, family presence in board, CEO family status) but the most of these proxies did not capture the multidimensionality of the construct in detail. The FIBER model of Berrone et al. (2012) splits up the concept of SEW in five major dimensions: family control and influence, family members' identification with the firm, building social ties, emotional attachment, and renewal of family bonds to the firm through dynastic succession. The authors proposed a set of items that may serve as a base for conducting questionnaires in order to capture each dimension of the FIBER model. In this study, we selected one item per dimension to measure the SEW construct: '*Preservation of family control and independence of this family firm are important goals'*; *'Family members have a strong sense of belonging to this family firm'*; *'In this family firm, nonfamily members are treated as part of the family'*; *'In this family firm, the emotional bonds between family members are very strong'*; and *'Successful business transfer to the next generation is an important goal for this family firm'*. Although a generally accepted scale for SEW still does not exist, our measurement scale serves the purpose of the current study as it is a concise measure of the variation in SEW among TMT members building on the five main dimensions of the construct. A principal component factor analysis revealed a single SEW factor. All factors loadings are higher than .547 with an eigenvalue of

2.20 and explain 44.02% of the variance among the items (see Appendix 8.7). The Cronbach alpha for this 5-item scale was 0.68. The overall SEW construct will vary from 1 to 5 ranging from 1 (*low level of SEW*) to 5 (*high level of SEW*). As the purpose of our study is to express separation through the differences among team members on their SEW salience, we use the operationalization of Harrison and Klein (2007). The within-unit standard deviation will be used to express the cumulative distances in SEW that captures separation based on values within the family firm TMTs. It should be emphasized that it is the extent to which team members are similar or different that matters, not the fact whether team members are high or low on SEW (Bell, Villado, Lukasik, Belau, & Briggs, 2011; Harrison & Klein, 2007). The maximum level of separation equals (u-l)/2. Since our SEW variable consisted of a five-point Likert scale ranging from l = 1 to u = 5, our maximum separation value is 2. The more our sample values go to this upper bound of 2, the more separate the TMT is. A value of 2 implies that each TMT member holds a different position on SEW, as far from the others as possible.

Control variables. We integrate two control variables, one on organizational and one on team level. At the organizational level, we use firm size, measured by the number of full-time employees, since it is a common control variable in organizational research (Buyl et al., 2011). We used the natural logarithm of the number of employees to account for its skewed distribution (Gujarati, 1995). At the team level, we use TMT size, measured by the number of TMT members (CEO and those managers directly reporting to the CEO). TMT size is considered to possibly have an effect on the team and decision-making processes and outcomes (Kearney & Gebert, 2009; Simsek, Veiga, Lubatkin, & Dino, 2005; West & Anderson, 1996).

4.6. Results

Descriptive statistics and correlations are summarized in Table 6. An average family firm in our sample has 370 employees and a TMT of about 5 members (including the CEO) with on average 60% nonfamily TMT members. The mean level for ownership disparity is 1.65 with a TMT in our sample having on average an overall ownership percentage of 14.32. The mean level of decision-making quality is 4.11. An average SEW value of 3.94 on 5 was detected. We used the SEW values to calculate SEW separation as mentioned in the measurement section. The mean value of SEW separation is 0.49 with a maximum level of 1.04 out of 2. Finally, the mean level of knowledge variety is 0.41 with a maximum value of 0.62 out of 0.875. The correlations show a significant (univariate) negative relationship between ownership disparity and the quality of decision-making in the TMTs. Furthermore, a positive relationship between both ownership disparity as well as knowledge variety and the nonfamily ratio was found. To finalize the univariate analysis, we check for the presence of multicollinearity. Since the variance inflation factors (VIF) of each variable are lower than recommended cutoff of 10 (highest value of VIF is 2.11), multicollinearity is not a problem in our study (Gujarati, 1995; Mansfield & Helms, 1982).

Prior to testing the moderated mediation model, we test hypothesis 1a. Results in Panel A of Table 7 confirm that the effect of the nonfamily ratio on ownership disparity is positive and significant (□ = 1.673, $p < .01$). The results of the simple mediation model to test hypothesis H1b are also presented in Table 7. For this model, we apply the PROCESS codes of Hayes (2013). These codes test for statistically significant effects through the use of bootstrapping

methods to avoid power problems that result from asymmetric and other non-normal sampling distributions of an indirect effect, while also being able to probe the significance of conditional indirect effects at different values of our moderator variable. Table 7 shows that H1b can be supported. The indirect effect of the nonfamily ratio ($z = -2.309$, $p < .05$) on decision-making quality through ownership disparity is confirmed by the bootstrap results as the bootstrapped 95% confidence interval around the indirect effect does not contain zero (-0.813, -0.114), confirming H1b.

Table 6 Descriptive statistics and pairwise correlations

		Mean	SD	1	2	3	4	5	6	7
1	Decision-making quality	4.11	0.33	1						
2	Nonfamily ratio	0.60	0.24	-0.054	1					
3	Ownership disparity	1.65	0.71	-0.304**	0.587***	1				
4	SEW separation	0.49	0.21	-0.267*	0.015	0.168	1			
5	Knowledge variety	0.41	0.11	-0.120	0.258**	0.154	0.211	1		
6	Firm size†	369,90	713,19	0.247*	0.299**	0.126	-0.098	0.302**	1	
7	Team size	5.46	1.93	-0.110	0.409***	0.344**	0.091	0.543**	0.463***	1

N = 52 teams.
*, **, *** Correlation is significant at the 0.1 level, 0.05 level, 0.01 level (2-tailed).
† Natural logarithm used in regression model.

Table 7 Regression results for simple mediation model of nonfamily ratio on decision-making quality through ownership disparity

Model	*b* coeff	SE	t
Mediator variable model (DV = Ownership disparity)			
Constant	0.549	0.292	1.879*
Nonfamily ratio	1.673	0.313	5.341***
Firm size	-0.0634	0.0603	-1.0525
Team size	0.0973	0.0421	2.309**
R^2 = 0,5096, F = 16.6292, p = 0,0000			
Dependent variable model (DV= Decision-making quality)			
Constant	4.0374	0.183	21.980***
Nonfamily ratio	0.298	0.240	1.241
Ownership disparity	-0.228	0.0875	-2.605**
Firm size	0.0832	0.0370	2.252**
Team size	-0.0223	0.0269	-0.826
R^2 = 0,2380, F = 18,674, p = 0,0111			

Total, direct and indirect effects				
Total effect of NF ratio on dmq				
Effect	**SE**	**t**	**LLCI**	**ULCI**
-0,0837	0.201	-0.416	-0.488	0.321
Direct effect of NF ratio on dmq				
Effect	**SE**	**t**	**LLCI**	**ULCI**
0,298	0.240	1.242	-0.185	0.780
Indirect effect of NF ratio on dmq				
Effect	**Boot SE**	**z**	**BootLLCI**	**BootULCI**
-0.382	0.172	-2.309**	-0.813	-0.114

N= 52 teams. Mean centered regression coefficients are reported. Bootstrap sample size = 10000.
LL = lower limit, UL = upper limit, CI = confidence interval.
* p < .10. ** p < .05. *** p < .01, two-tailed.

Prior to testing H2 and H3, we check for a potential direct effect of the nonfamily ratio on our two moderators. As assumed in our theoretical argumentation, both the direct effects of nonfamily ratio on SEW separation and on knowledge variety were not significant (see Appendix 8.8 & 8.9). Hereby, we can confirm that the presence of more nonfamily managers does not directly determine the level of neither separation nor variety in a family firm TMT. The results of the moderated mediation model to test H2 and H3 are presented in Table 8. We mean centered the interaction variables (ownership disparity, SEW separation and knowledge variety) since this is commonly done when products of variables are used as predictors. The interaction terms obtained by first multiplying ownership disparity and SEW separation (☐ = -0.414, p = 0.183) and then ownership disparity and knowledge variety (☐ = 0.682, p = 0.250) are not significant. In Table 9, we further examined the conditional indirect effect of the nonfamily ratio on decision-making quality through ownership disparity at three values of both SEW separation and knowledge variety: the mean value as well as one standard deviation above and below the mean. We used the non-mean centered values here since these values give a more clear view on the meaning of the values of the interaction variables. Concerning SEW separation, bootstrap results at a 95% confidence interval around the indirect effect do not contain zero for the mean value 0.492 (-0.296;-0.0130) and one standard deviation above, 0.702 (-0.388;-0.0198). Regarding knowledge variety, this is only the case at the mean value of 0.410 (-0.303;-0.0183). At the values where the confidence interval does not contain zero, evidence of a significant conditional indirect effect was found.

Table 8 Regression results for moderated mediation model of nonfamily ratio on decision-making quality through ownership disparity with SEW separation and knowledge variety as moderators

Model	*b* coeff	SE	t
Mediator variable model (DV = Ownership disparity)			
Constant	0.5494	0.2923	1.879*
Nonfamily ratio	-7.919	2.210	-3.583***
Firm size	0.0639	0.0355	1.799**
Team size	-0.265	0.130	-2.0329**
R^2 = 0,6644, F = 19,402, p = 0,000			
Dependent variable model (DV= Decision-making quality)			
Constant	3.576	0.235	15.235***
Nonfamily ratio	0.322	0.249	-2.556
Ownership disparity	-0.232	0.0907	-2.556***
SEW separation	-0.213	0.208	-1.0219
Knowledge variety	-0.295	0.450	-0.655
SEW separation x Ownership disparity	-0.414	0.306	-1.353
Knowledge variety x Ownership disparity	0.682	0.585	1.166
Firm size	0.0767	0.0378	2.0292*
Team size	-0.0091	0.0303	-0.302
R^2 = 0,2994, F = 2.2966, p = 0,0381			

N= 52 teams. Mean centered regression coefficients are reported. Bootstrap sample size = 10000.
LL = lower limit, UL = upper limit, CI = confidence interval.
* p < .10. ** p < .05. *** p < .01, two-tailed.

Table 9 Conditional indirect effects of SEW separation and knowledge variety as moderators

Conditional indirect effects of SEW separation				
SEW separation	**Bootstrap indirect effect**	**Bootstrap SE**	**BootLLCI**	**BootULCI**
0.281	-0.104	0.0848	-0.275	0.0662
0.492	-0.154	0.0702	-0.296	-0.0130
0.702	-0.204	0.0915	-0.388	-0.0198
Conditional indirect effects of knowledge variety				
Knowledge variety	**Bootstrap indirect effect**	**Bootstrap SE**	**BootLLCI**	**BootULCI**
0.297	-0.175	0.0895	-0.355	0.0049
0.410	-0.161	0.0708	-0.303	-0.0183
0.524	-0.147	0.0897	-0.327	0.0340

N= 52 teams. Bootstrap sample size = 10000. LL = lower limit, UL = upper limit, CI = confidence interval.
* p < .10. ** p < .05. *** p < .01, two-tailed

In order to complete the analysis, we explore the conditional indirect effect through the use of the Johnson and Neyman technique (Hayes, 2013) to detect the range of values of respectively separation and variety for which conditional indirect effects of the nonfamily manager ratio on decision-making quality were statistically significant at a .05 level. Figure 6 and Figure 7 graphically represent these conditional indirect effects (solid line) as well as the upper and lower level 95% confidence interval (dotted lines). The effect is significant when both upper and lower bounds of the confidence interval are above (or below) the zero line. Figure 6 shows that ownership disparity has a significant negative effect on TMT decision-making quality when SEW separation (X axis) ranges from 0.485 to 0.808, representing 48% of the total sample. Within this interval, the negative effect is accentuated as the level of SEW separation increases.

For the low range of SEW separation, it seems that ownership disparity does not affect TMT decision-making quality. This means that the negative impact of ownership disparity effects on decision-making quality is prevented when TMT members are more similar to each other with regard to their SEW preservation.

Since we hypothesized that value dissimilarities instead of similarities reinforce the negative effect of ownership disparity, the findings are exactly in line with our hypothesis. Since about 46% of the family firm TMTs in our sample are characterized by low SEW separation values (cf. more value similarity), our hypothesis H2 is supported by almost 94% of our data. Only a small proportion of our sample, namely 6%, is characterized by high SEW separation values (>0.808). Here, we find no support for our hypothesis which is probably due to the availability of only very few cases in this range of values such that further accentuation of the negative effect of ownership disparity could not be confirmed.

For knowledge variety, Figure 7 shows that ownership disparity has a significant negative effect on TMT decision-making quality when the level of knowledge variety is situated between 0.325 and 0.450. Looking at our sample, we see that about 50% of the family firm TMTs is characterized by a level of knowledge variety in this range. Within this interval, the negative disparity effect on TMT decision-making quality is lessened when knowledge variety increases. For high levels of knowledge variety (> 0.450), it seems that ownership disparity no longer affects performance. This means that when the TMTs consists of TMT members that each hold a unique set of knowledge and expertise, the negative effect of ownership disparity on decision-making quality is prevented. This is perfectly in line with our hypothesis H3. Since 32% of the TMTs in our sample are characterized with these higher levels of variety, our hypothesis is confirmed for about 82% of our data. Only a small proportion of TMTs in our sample, namely 18%, is characterized by low levels of variety (<0.325). Here, we find no support for our hypothesis. We speculate on this trend in the discussion.

Taken all together, our results indicate that the marginal effect of ownership disparity on TMT decision-making quality on the one hand increases when TMTs are confronted with more value dissimilarities between TMT members, while on the other hand decreases when more TMT members hold a unique set of knowledge and expertise, which provided support for H2 and H3. Furthermore, the moderating role of SEW separation also becomes dominant at levels of value similarity (cf. low level of SEW separation) because our results indicate that ownership disparity does not cause lower decision-making quality when TMT members share similar values, translated by SEW. Finally, the moderating role of knowledge variety becomes even more dominant for high levels of variety because the results indicate that ownership disparity no longer negatively affects TMT decision-making quality when the variety of knowledge is more distributed among different TMT members.

Figure 6 Marginal effect of nonfamily ratio on decision-making quality through ownership disparity as SEW separation changes

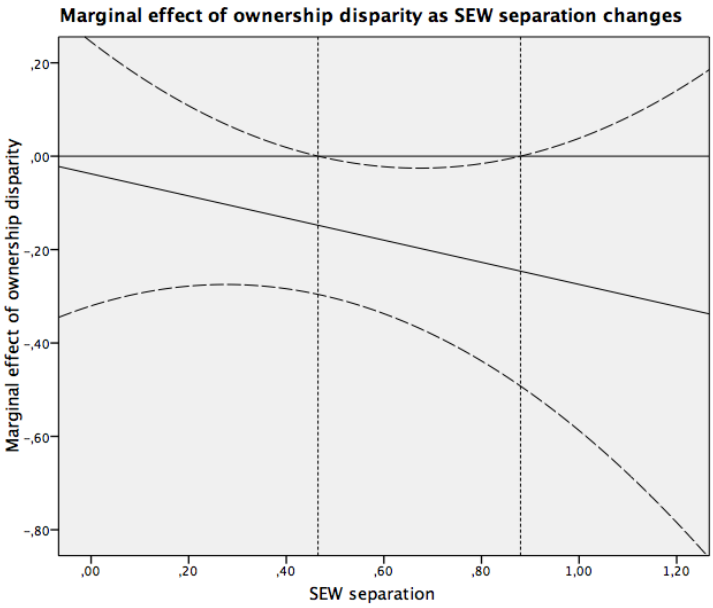
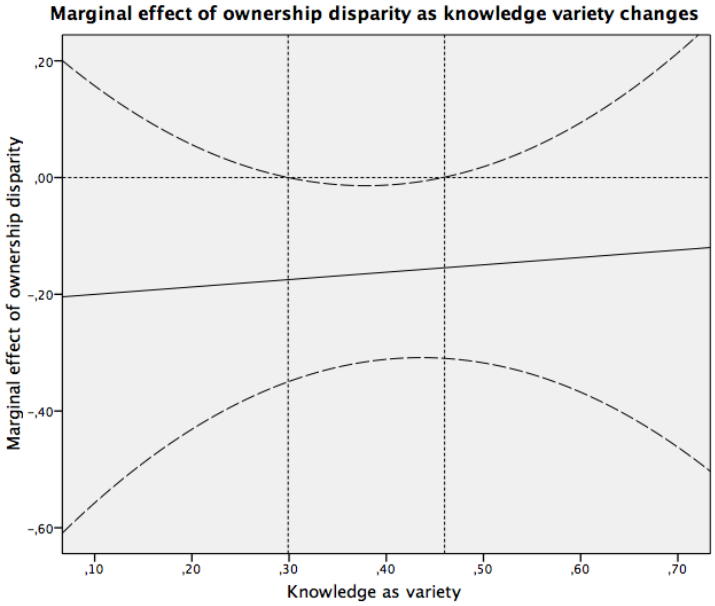


Figure 7 Marginal effect of nonfamily ratio on decision-making quality through ownership disparity as knowledge variety changes



4.7. Discussion

In this study, we examined if TMT ownership differences affect decision-making quality in family firm top management teams (TMT). We argued and found that a higher proportion of nonfamily managers in the TMT positively affects the level of ownership disparity, and that ownership disparity is negatively related to TMT decision-making quality. Furthermore, we hypothesized and found that the negative effect of ownership disparity on decision-making quality increases when value-based separation in the TMT is high, and that knowledge variety in the team mitigates the negative effect of ownership disparity on decision-making quality.

4.7.1. *Theoretical implications*

This study has several important contributions to both TMT and family firm literature. First, Harrison and Klein (2007) argued that a closer examination and refinement of the diversity construct by simultaneously using their three diversity elements (disparity, separation, and variety) is viable and interesting. To our knowledge, this is the first study to test a trivariate configuration in order to take into account the joint impact of all three forms of diversity. The second contribution is the use of disparity as diversity construct. Diversity reviews and studies (Carpenter, Geletkanycz, & Sanders, 2004; Finkelstein et al., 2009; Harrison & Klein, 2007; Konrad, 2003) stressed the lack of research addressing the team consequences of power inequality within teams. We provide evidence that the presence of a formal power hierarchy through TMT ownership differences can be considered as an obstacle for the decision-making quality of the team, since it may lead to a range of counterproductive social and interpersonal dynamics between those with more ownership power and those with less ownership power (Bunderson & Reagans, 2011).

We also take into account the interactive dynamics of separation and variety that may determine the strength of the negative influence of power differences on TMT outcomes. First, we provide evidence that deep-level disagreements arise through value differences which in turn further stresses the negative impact of ownership power differences on TMT decision-making quality. The accentuation of the negative effect of ownership disparity occurs because the tensions and conflict that originate from value dissimilarities further tackle the team dynamics (Wei & Lau, 2012). The ownership-based power hierarchies become even more 'activated' because team members will collaborate and

communicate even less due to the value dissimilarities (e.g. Guillaume et al., 2012; Patel & Cooper, 2014; Tsui et al., 1992; Williams, 2001). These even lower levels of team dynamics imply an even higher degree of power centralization without exploiting the benefits of each TMT member's input which all together negatively affects the quality of decisions (Boone & Hendriks, 2009; Mohammed & Angell, 2004). Notably, our findings suggest that if TMT members are similar in their values and norms (low levels of separation), the negative impact of ownership disparity does not seem to prevail. Value alignment appears to shift away the attention from ownership power effects as more homogeneity in values may tackle the disturbance of functional team dynamics through disparity as value congruence creates more identification with each other and more intensive collaboration and interaction (Woehr, Arciniega, & Poling, 2013). As such, the need to exploit formal power that is created by ownership differences is absent in these teams. Altogether, the negative impact of power hierarchies especially seems to affect team outcomes when at the same time, more value dissimilarities occur in the TMT. Second, the dynamics related to differences in knowledge and expertise were also taken into account. We provide evidence that the negative impact of ownership power reduces when expertise power (through functional background diversity) within the TMT increases. The increasing expertise power, created by the breadth and relevance of knowledge of all TMT members, shifts the attention away from ownership to expertise power (Van der Vegt, de Jong, Bunderson, & Molleman, 2010). This shift is created because TMT members are frequently consulted for their input, aside from the 'boundaries' created by their ownership position (Bunderson, 2003). Hence, decisions are not only based on the knowledge and perspectives of the powerful elite (Bunderson & Reagans, 2011). We cannot confirm the effect at

low levels of variety. A possible explanation can be that TMTs with a homogeneous pool of knowledge, do not struggle with the impact of dominance through power hierarchies since homogeneity in knowledge may enhance the functional team dynamics, similar to the case of value similarity.

Besides the contributions to TMT literature, the specific context of family firms also leads to several contributions to this specific research domain. First, we used the presence of nonfamily managers in family firm TMTs as an antecedent of disparity. Nonfamily managers are often recruited for their additional knowledge and expertise and professionalization of the firm (e.g. Stewart & Hitt, 2012; Vandekerkhof, Steijvers, Hendriks, & Voordeckers, 2015; Zhang & Ma, 2009). However, their presence may create ownership-based disparity which can have a negative effect on TMT decision-making quality. Ownership-based disparity can be created by the unwillingness of the family to share ownership power (Patel & Cooper, 2014). In order to avoid negative team outcomes, we show that the knowledge and values of these nonfamily members should also be taken into consideration. Hence, we provide a more clear view on the complex interplay between family and nonfamily managers within family firm TMTs (Minichilli et al., 2010; Patel & Cooper, 2014; Vandekerkhof et al., 2015). Second, the investigation of how and when the difficult ownership balance between family and nonfamily managers affects team outcomes is inspired by the study of Minichilli et al. (2010). We extend this study by using a diversity perspective on the presence of both family and nonfamily managers to get a clearer view on how family specific TMT diversity types can be managed (Ling & Kellermanns, 2010).

4.7.2. *Practical implications*

An important challenge that many family firms face, is the presence of both family and nonfamily members within the TMT. Recent family firm literature (e.g. Stewart & Hitt, 2012; Vandekerkhof et al., 2015) shows that nonfamily managers are becoming more and more an asset for family firm TMTs. It is therefore important to understand and create the right team conditions in which the combination of family and nonfamily TMT members can flourish, and to achieve team outcomes (Bunderson & Reagans, 2011). Our study used the presence of ownership power differences within a family firm TMT to describe a main pitfall of the presence of nonfamily members in the TMT, since these managers often do not own shares of the family firm. Most family firms are eager to retain ownership 'in the family' (Fiegener, 2010), tackling this power hierarchy by giving nonfamily managers more shares can be a rather sensitive action. Ownership differences do not per se have to be considered as a liability in family firms, because we show that the negative effect of ownership differences seems to prevail especially when value dissimilarities are present in the TMT. We found that more value dissimilarities activate and even further accentuate the negative influence ownership differences in the team, while Figure 6 reveals that more value similarity among team members may neutralize the impact of power hierarchies in family firm TMT. Each individual in the TMT may value different things in work and life in general, and within the specific context of family firms, these differences stem from different degrees of SEW for each team member, family or nonfamily. In order to avoid further deep-level disagreement within the TMT, (family) firms should pay more attention to matching team members' values with the ones that are already part of the TMT.

This focus has to be integrated in the recruitment processes. An important part of the decision to select a new TMT member in family firm TMTs has to be based on the value fit with other TMT members. Next, given a value fit in family firm TMTs, we also emphasize the importance of knowledge heterogeneity in the TMT. When knowledge diversity is created in the TMT, each individual will have different input for the decision-making processes such that every team member counts and collaboration is stimulated. This may lower the (vertical) distance that exists between the TMT shareholders and those not holding any shares within the firm.

4.7.3. *Limitations and future research*

Our study has some limitations that have to be acknowledged, that also provide interesting research avenues for the future. First, we looked at the influence of nonfamily managers on ownership power differences. Finkelstein (1992) however defined several power dimensions that can be used to examine power differences within a team. Patel and Cooper (2014) for example used the structural power dimension (e.g. compensation, status, …) within a family firm context to examine the effect of the presence of both family and nonfamily managers on firm performance. Future studies may examine if the presence of family and nonfamily managers also affects disparity based on the other power dimensions of Finkelstein (1992), namely expert (e.g. job assignments in the firm) or prestige (e.g. board presence) power, while also taking into account the related effect of these dimensions on team outcomes such as decision-making quality. Second, we only use the ratio of nonfamily members in the TMT as antecedent for ownership disparity, but research regarding antecedents of disparity remains largely uncharted (Harrison & Klein, 2007). Therefore, future

studies can look for other (family-specific) antecedents that determine the level of disparity such that a broader viewpoint on this disruptive team force can be developed. Some demographic characteristics such as e.g. tenure, gender, and race can lead to additional hierarchies (for instance see Pfeffer & Davis-Blake, 1990) while within the specific context of family firms generational differences often lead to dispersion (Sciascia et al., 2013b). Furthermore, preliminary results in this study provide evidence that the ratio of nonfamily managers is not an antecedent of the other two diversity types, variety and separation but future research should examine the determinants of these two diversity types. Additional insights on these antecedents could be very useful, since we found that separation has to be diminished while variety should be enhanced in order to make high-quality TMT decisions. Previous research already found some factors that may determine the level of (dis)similarity or agreement within teams such as organizational characteristics (e.g. low performance, high diversification, high competition) or social interaction and work interdependence (e.g. Klein, Conn, Smith, & Sorra, 2001). However, a direct link with determinants and the diversity types of Harrison and Klein (2007) is lacking in diversity literature up to now. Therefore, future researchers can be inspired by these first moves in order to develop a framework of determinants of each of the three diversity types. Finally, Figures 6 and 7 reveal that our hypotheses 2 and 3 cannot be confirmed for the whole range of values of respectively separation and variety. The absence of an impact of ownership differences on team outcomes at low levels of separation and variety provide interesting research avenues. In TMTs with low levels of value separation, nonfamily and family members appear to 'take care of SEW' in the same way. It can be interesting to examine if the nonfamily managers are selected among known and trusted people in these

TMTs. Furthermore, TMTs with homogeneous pools of knowledge should be examined with regard to their degree of consensus, trust, … These team processes can explain why the impact of ownership power differences does not prevail.

5. Chapter 5

Value-based separation and decision-making quality in family firm TMTs: the moderating role of psychological safety

5.1. Introduction

Research on the effect of diversity in top management team (hereafter TMT) composition has flourished after the publication of the seminal paper of Hambrick and Mason (1984). Some studies suggested a positive effect of TMT diversity through investigating the information processing benefits of diverse TMTs. These studies focused on the influence of differences in knowledge, skills and expertise to improve organizational outcomes (e.g. Barkema & Shvyrkov, 2007; Bunderson & Sutcliffe, 2002; Certo et al., 2006). On the contrary, other diversity studies suggested a negative effect of TMT diversity through investigating conflicts in the decision-making processes (e.g. Chatman & Flynn, 2001; Miller, Burke, & Glick, 1998; Smith et al., 1994; Williams & O'Reilly, 1998). Even though different studies provide various explanations to solve the contradictions in the research findings of the impact of TMT diversity, Wei and Wu (2013) called for a focus on overarching frameworks of the impact of a diverse TMT. Especially the importance of taking both team processes and the team context into consideration in such a framework needs to be stressed (e.g. Cannella Jr et al., 2008; Certo et al., 2006; Wei & Wu, 2013).

Before taking into consideration the important role of team processes and contexts in explaining the effect of TMT diversity, we first consider another important explanatory factor in the contradictory findings of TMT diversity research. The diversity construct has changed with the publication of Harrison and Klein's (2007) seminal paper. In this paper Harrison and Klein argue that

evidence is accumulating that "diversity is itself diverse" (p. 27), with important differences between e.g. variety and separation effects. The variety effect stems from pooling knowledge and expertise and is expected to benefit team decision-making. Separation effects tend to be related to emotional and affective states that might trigger relational conflict, and is, therefore, potentially detrimental to team effectiveness.

Although Harrison and Klein (2007) have provided a clear theoretical framework for studying the effects of different types of diversity, not many studies actually considered the (negative) effect of diversity as separation on organizational outcomes (for an exception, see Boone & Hendriks, 2009), nor *how* separation affects outcomes by including mediating processes, and *when* separation effects can be mitigated through examining the contextual factors (van Knippenberg & Schippers, 2007; Wei & Lau, 2012). According to Harrison and Klein (2007), separation effects stem from differences in values, attitudes and personality of TMT members. We focus on value diversity as a driver for separation effects in TMTs. Values reflect individual beliefs, perspectives, and behaviors (Tyran & Gibson, 2008) and guide people in their decisions about how they should, or are expected to behave (Meglino & Ravlin, 1998) and about what is important for them in life (Bardi & Schwartz, 2003).

We propose that a focus on value diversity is extremely relevant and applicable within the context of family firms as values may be considered a salient feature in these type of firms. TMT members in family firms are guided by a unique bundle of values, encompassed in the overarching construct of socioemotional wealth (hereafter SEW). SEW refers to "the 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 family dynasty" (Gómez-Mejía

et al., 2007, p.106). Until now, SEW is considered to be solely attributable to family members with each family member holding a relative equal degree of SEW. We however follow the call of Miller and Le Breton-Miller (2014) to argue that diversity based on SEW priorities may exist since the salience of SEW can vary significantly among all team members in family firms. We label this distinctive type of diversity as *SEW separation*. While prior studies investigated the impact of differences of family versus nonfamily members on (team) performance measures (e.g. Minichilli et al., 2010; Patel & Cooper, 2014), we consider SEW dissimilarities of each individual, family or nonfamily, in the TMT of a family firm. TMT members may have low SEW preferences which implies that their decisions are mainly guided by economic motivations, while those members that have high SEW preferences incorporate more parochial SEW-related motivations such as family control and influence, emotional attachment, and sense of dynasty in their decisions. The major purpose of this study is to investigate how SEW separation affects the ability of family firm TMTs to formulate high-quality decisions, and when the potential detrimental effects of SEW separation can be avoided.

We start from the idea that SEW separation negatively affects team outcomes since Harrison and Klein (2007) state that separation effects related to dissimilarities in values, attitudes and personality may cause relational tensions which can be detrimental for team effectiveness. We use behavioral integration as a mediating team process to explain *how* SEW separation affects TMT performance. Behavioral integration captures the core of team processes and is defined as the degree to which the members of the TMT engage in mutual and collective interaction (Hambrick, 1994). Behavioral integration is conceptualized as a meta-construct that captures three TMT processes: (1) joint decision-

making; (2) collaborative behavior; and (3) the quality of information exchange (Hambrick, 1994). Studies show that high levels of behavioral integration in TMTs positively affect team performance measures, as these teams are better able to deal with complexity and to integrate diverging opinions into balanced strategic decisions (Carmeli & Halevi, 2009; Carmeli & Schaubroeck, 2006; Carton & Cummings, 2012). The general idea is that SEW separation in family firms is negatively related to TMT behavioral integration, because TMT members are more eager to interact with members that have similar SEW preferences because their own beliefs and behaviors are verified and reinforced this way (Harrison et al., 2002). If team members hold different assumptions and expectations, relational tension increases, which makes it more difficult to collaborate and to communicate openly (Jehn & Mannix, 2001; Liang, Wu, Jiang, & Klein, 2012). Overall, value dissimilarities will tackle the team factor with a TMT such that TMT members rather function as a group of individuals instead of as a strong team. Hence, we posit that behavioral integration is a central intermediate process that determines how SEW diversity affects TMT decision-making quality.

If value dissimilarities threaten TMT members to work together as a team, there is a need to design a team context that enables positive team processes which in turn lead to increased team performance (Roberge & van Dick, 2010). Consequently, the role of the team context is a facilitative one. It influences the extent to which TMTs, where value dissimilarities between TMT members exist, can function as a team instead of a group. Therefore, we integrate a team context to detect *when* SEW separation negatively affects TMT decision-making quality. According to Carmeli and Schaubroeck (2006), the willingness of TMT members to respect and accept differences avoids the risk of

becoming a group of individuals instead of a team. This willingness can be created by a sense of psychological safety in the team (Gibson & Vermeulen, 2003; Gibson & Gibbs, 2006; Joshi & Roh, 2009). Psychological safety reflects a team climate where interpersonal risk taking is safe for all team members without fear of embarrassment, rejection or punishment (Edmondson, 1999). It alleviates concerns about others' reactions when people are being themselves through a sense of interpersonal trust and mutual respect. A psychologically safe TMT climate implies that differences in SEW salience are respected and accepted by other team members such that the dissimilarities have a less negative impact on the level of behavioral integration of the TMT (Martins, Schilpzand, Kirkman, Ivanaj, & Ivanaj, 2012). Psychological safety can thus be considered as the team condition that can manage value differences in such a way that positive team processes such as behavioral integration are less negatively affected by value-based separation (Carmeli & Schaubroeck, 2006; Kessel, Kratzer, & Schultz, 2012; Singh, Winkel, & Selvarajan, 2013). Hence, we expect a psychologically safe climate to mitigate the negative effect of SEW separation on behavioral integration.

We tested our hypotheses using a unique sample of 300 top managers out of 55 Belgian private family firms for which we collected full team information (a requirement was that every TMT member cooperated in the survey). Our study makes two main contributions to the literature. First, we contribute to the upper echelon literature by focusing on the often ignored 'dark side' of diversity in TMT composition (Barkema & Shvyrkov, 2007), and by following the call to develop more inclusive models on how and when TMT diversity affects team performance (Boone & Hendriks, 2009; Hambrick, 2007; Marks, Mathieu, & Zaccaro, 2001). Second, we contribute to the family firm

literature on SEW. By using SEW as 'diversity as separation', we concur with recent notions that the heterogeneity of family firms will also be reflected by different degrees of SEW present among management team members (Berrone et al., 2012; Kellermanns, Eddleston, & Zellweger, 2012) leading to SEW separations in the family firm's TMT.

5.2. Value-based separation in family firm TMTs: SEW as differentiator

Harrison and Klein (2007) argued that diversity has been considered too long as a single construct, while it is a compositional construct that may be indicative of three specific types of differences. First, diversity as *variety* refers to categorical differences in information, knowledge or experience. Second, diversity as *disparity* relates to differences that represent a vertical distance of social assets (e.g. pay, power, prestige, status) among group members. Third, diversity as *separation* represents differences leading to horizontal distance through dissimilarity in values, attitudes and personality.

In general, value dissimilarities within a team imply difficulties in cohesion, coordination and collaboration between team members that lead to relational tensions and conflicts in the team with lower team performance as a consequence. The similarity-attraction paradigm of Byrne (1971) serves as adequate theoretical building block for explaining these negative effects. This paradigm focuses on interpersonal similarities which determine interpersonal attraction. The main argument is that people tend to work better with more similar others and find it hard to collaborate with those who they perceive as being dissimilar, based on psychological characteristics (Byrne, 1971). As a

result, teams that consist of members that do not share interpersonal similarities often experience relational conflicts that hamper decision-making.

To study value differences within TMTs of family firms we use the concept of socioemotional wealth (SEW). SEW refers to the non-financial aspects of the firm that meet the family's affective needs (Gómez-Mejía et al., 2007). Generally, when members of the family firm TMT emphasize the preservation of SEW, they will frame problems in terms of to what extent their actions will affect their socioemotional endowment. When they feel there is a threat to that endowment, they are prepared to make decisions that defy economic logic, and willing to put the firm at risk if that is what it takes to preserve that endowment (Berrone et al., 2012; Gómez-Mejía et al., 2007). In general, TMT members of a family firm that prefer the preservation of SEW tend to favor the desire for control and guaranteed security for later generations which may induce risk aversion, dysfunctional conservatism (Schulze et al., 2003a) and may cause strategic stagnation (Bloom & Van Reenen, 2007) and incompetent management (Volpin, 2002).

The socioemotional wealth model has often been used to describe the difference between family and nonfamily firms (e.g. Gómez-Mejía et al., 2007). However, recent research reveals that family firms represent a highly heterogeneous group with different levels of family involvement and emotional attachments to the family firm (Berrone et al., 2012). Indeed, studies show that the level of emotional attachment to the family firm differs between family members (Berrone et al., 2012), and that nonfamily members can also possess the strong emotional endowments to the family firm that are captured by SEW (Miller & Le Breton-Miller, 2014). Different levels of SEW preservation within the family firm TMT can result in fundamental differences of opinion about the

course and direction of the firm, and thus increase the likelihood of relational tensions that hamper decision-making. Although (to the authors' knowledge) no such studies exist on *SEW separation*, there is evidence that value differences between members of a work group affect group outcomes. For instance, Jehn et al. (1999) in a study of 92 work teams of a large firm found that value diversity (e.g. value separation) was negatively related to objective team performance measures such as actual group performance and group efficiency, and to the affective performance measures satisfaction, intention to stay, and commitment. We therefore hypothesize:

> ***Hypothesis 1 (H1):*** *SEW separation has a negative effect on TMT decision-making quality.*

5.3. The mediating role of behavioral integration

We posit that TMTs with high levels of SEW separation negatively affect team outcomes through low levels of 'teamness' of a TMT. To capture the level of 'teamness', we use the construct of behavioral integration. The comprehensive meta construct "behavioral integration" has been developed by Hambrick (1994) and has been acknowledged as a core TMT process that measures the overall team factor of TMTs (Simsek et al., 2005).

Hambrick (1994) argued that TMT processes are distinct from group processes at other levels in the organization, because TMT members face higher level responsibilities, both individually and interdependently as members of a firm's top decision-making team. Hambrick (1995) found that truly integrated TMTs engage in several interrelated processes to reflect the inherent complexity and dynamism of strategic decision-making that cannot be adequately captured by any single process dimension. Behavioral integration consists of one social

dimension (TMT level of collaborative behavior) and two task dimensions (TMT quantity and quality of information exchange, and TMT joint decision-making). As such, it encompasses several team process elements that were previously represented as separate constructs like social integration or group cohesion, quality of information exchange, and collaboration (e.g. Boone & Hendriks, 2009; Buyl et al., 2011; Harrison et al., 2002; Wei & Wu, 2013; Woehr et al., 2013). However, Hambrick (1994, 1995) argued that these mutually reinforcing processes, when taken together, better capture a TMT's level of wholeness and unity of effort than does each dimension when examined separately. Research has acknowledged the multidimensional origin of behavioral integration (Simsek et al., 2005), and its consequences for firm performance. For instance, Hambrick (1995) noted that TMT with low levels of behavioral integration experience problems with adapting in time to external challenges. Li and Zhang (2002) found that behavioral integration facilitated product innovation intensity, and Carmeli and Schaubroeck (2006) found that it improved the quality of TMT decisions.

SEW separation in family firm TMTs can lower the level of 'teamness' because these deep level dissimilarities between team members may prevent TMTs from working together effectively (e.g. Bell, 2007; van Knippenberg & Schippers, 2007). For instance, Jehn et al. (1999) found that deep-level value differences will increase relational tensions and conflicts that in turn will lead to less productive collaboration in teams (Jehn et al., 1999). To summarize, the relational tensions and conflicts that emerge through value dissimilarities negatively affect the level of behavioral integration, and subsequently the ability of the team to make high-quality decisions (Ellis, Mai, & Christian, 2013;

Kearney & Gebert, 2009; Kearney, Gebert, & Voelpel, 2009; Lau & Murnighan, 2005). Therefore, we propose:

> ***Hypothesis 2 (H2):*** *The relationship between SEW separation and TMT decision-making quality is mediated by behavioral integration*

5.4. The moderating role of psychological safety

We argue that psychological safety is a team context that influences the relationship between SEW separation and the extent to which TMT members work together as a team and make high-quality decisions (Wei & Wu, 2013). Psychological safety describes a team climate characterized by interpersonal trust and mutual respect in which people are comfortable being themselves. As such, it refers to a shared belief about the consequences of interpersonal risk-taking such as asking questions and seeking information within the team (Edmondson, 1999). This shared belief implies that team members have the confidence to speak up without risking embarrassment, rejection or a depreciation of self-image (Kahn, 1990). As a result, psychological safety reduces insecurity and defensiveness in a team.

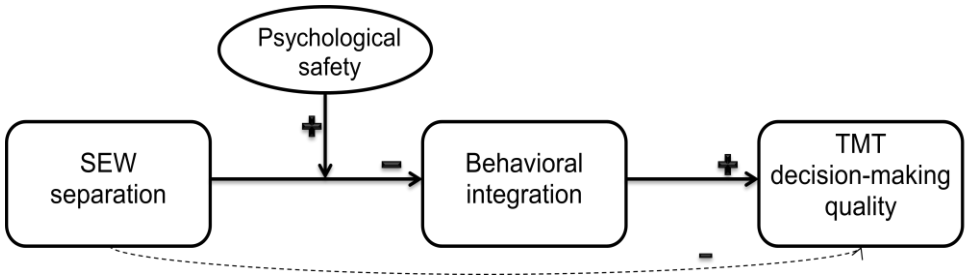
A climate of psychological safety is especially beneficial in TMTs with value-based separation. Generally, deep level value differences result in fundamental differences in opinion about the right course of action, and create tensions within the team, that can result in relationship conflicts. Relationship conflicts have shown to be detrimental to team performance (see for instance Jehn et al., 1999). In a non-threatening climate, team members are more likely to express themselves due to the lack of anxiety about negative judgments (West & Anderson, 1996). In our study, despite the fact that team members will hold different opinions and ideas due to SEW differences, the openness that is

created by psychological safety implies that team members can translate the differences in SEW into a shared meaning that enables the TMT to make high quality decisions as a team instead of as a group of dissimilar individuals (Anderson & West, 1998; González-Romá, Fortes-Ferreira, & Peiró, 2009). Taken together, we state that in family firm TMTs where SEW dissimilarities occur, psychological safety can create a team condition in which the negative effect of these differences is mitigated and in which TMT members are allowed to engage in the constructive team process of behavioral integration that in turn positively affects decision quality. Therefore, we hypothesize:

> ***Hypothesis 3 (H3):*** *Psychological safety moderates the negative and indirect effect of SEW separation on TMT decision-making quality (through behavioral integration) such that the relationship is less negative when psychological safety is higher.*

In order to test the formulated hypotheses, this study will test a research model with behavioral integration as team process and psychological safety as team context in the relationship between SEW separation and TMT decision-making quality. The related research model is illustrated in Figure 8 below.

Figure 8 Conceptual model



5.5. Methods

5.5.1. Sample

See Chapter 3.

5.5.2. Measures

Decision-making quality. In line with Mustakallio et al. (2002), we measure decision-making quality as consisting of both 'decision quality' as well as 'decision commitment'. 'Decision quality' refers to the overall quality of the decisions and its effects on the organization whereas 'decision commitment' indicates how pleased managers were with chosen decisions and how committed they are to implement the decision properly. Decision quality and commitment were each measured by six 5-point Likert scale items, adapted from Olson et al. (2007). Sample items of decision quality are '*Overall, team members feel satisfied about the quality of the decision made'* and *'Team members feel that the decisions made were the best possible'.* Sample items of decision commitment included *'Team members are willing to do a lot to see that the decision was properly implemented'* and *'Team members believe that the decisions enhance the overall firm performance'*. A principal component factor analysis revealed a single decision-making quality factor. All factor loadings are higher than .572 with an eigenvalue of 5.56 and explain 46.37% of the variance among the items (Appendix 8.10). The Cronbach alpha for this 12-item scale was 0.89. We measured decision-making quality and other variables below on the individual level and aggregated the individual data to the team level based on acceptable interrater agreement scores (Rwg) and intraclass coefficients (Bliese, 2000). A mean interrater agreement score of 0.87 for decision-making quality was well above the acceptance value of 0.70 (James et al., 1993).

Furthermore, an ICC(1) of 0.37 for decision-making quality showed sufficient agreement among ratings from members of the same group while an ICC(2) of 0.89 for decision-making quality indicates sufficient reliability of average team perceptions (Bliese, 2000). The overall measure of decision-making quality will vary from 1 (*low level of decision-making quality*) to 5 (*high level of decision-making quality*).

Socioemotional wealth separation. Prior studies have often used proxies to measure SEW (e.g. ownership, family presence in board, CEO family status) but the majority of these proxies did not capture the multidimensionality of the construct in detail. Berrone et al. (2012) developed the FIBER model in which SEW is split up in five major dimensions: family control and influence, family members' identification with the firm, building social ties, emotional attachment, and renewal of family bonds to the firm through dynastic succession. The authors proposed a set of items that may serve as a base for conducting questionnaires in order to capture the five dimensions of SEW. In this study, we selected one item per dimension to measure the construct: '*Preservation of family control and independence of this family firm are important goals'*; '*Family members have a strong sense of belonging to this family firm'*; *'In this family firm, nonfamily members are treated as part of the family'*; *'In this family firm, the emotional bonds between family members are very strong'*; and *'Successful business transfer to the next generation is an important goal for this family firm'*. Although a generally accepted scale for SEW has not been developed to date, our measurement scale serves the purpose of the current study as it is a concise measure of the variation in SEW among TMT members building on the five main dimensions of the construct. A principal component factor analysis revealed a single SEW factor. All factors loadings are higher than .607 with an

eigenvalue of 2.39 and explain 47.74% of the variance among the items (see Appendix 8.11). The Cronbach alpha for this 5-item scale was 0.72. The overall SEW construct will vary from 1 to 5 ranging from 1 (*low level of SEW*) to 5 (*high level of SEW*). As the purpose of our study is to express the differences among team members on their salience of SEW within the TMT of a private family firm, we use the operationalization of Harrison and Klein (2007). The within-unit standard deviation will be used to express the cumulative distances in SEW that captures separation based on values within the family firm TMTs. It should be emphasized that it is the extent to which team members are similar or different that matters, not the fact whether team members are high or low on SEW (Bell et al., 2011; Harrison & Klein, 2007).

Psychological safety. We used the 7-item measure of Edmondson (1999) to measure the psychological safety climate in the TMT. Sample items include *'No one in this team would deliberately act in a way that undermines my efforts'* and *'It is safe to take a risk on this team'*. Hereby, we capture the shared belief with regard to the extent to which managers feel psychologically safe in taking interpersonal risks, speaking openly and making mistakes (Carmeli & Gittell, 2009). A principal component factor analysis revealed a single psychological safety factor. All factor loadings are higher than .454 with an eigenvalue of 2.80 and explain 39.88% of the variance among the items (see Appendix 8.12). The Cronbach alpha for this 7-item scale was 0.72. We justified averaging responses to create a team-level variable based on a mean Rwg of 0.80, an ICC(1) value of 0.15 and an ICC(2) value of 0.72. The construct psychological safety will vary from 1 (*low level of psychological safety*) to 5 (*high level of psychological safety*).

Behavioral integration. Hambrick (1994) divided the meta-construct behavioral integration into three interrelated and mutually reinforcing team processes: collaborative behavior, information exchange, and joint decision-making. In our study, we use specific measures for each dimension that capture the process itself before assessing all items together to express the meta-construct TMT behavioral integration. In line with Boone and Hendriks (2009), we build on Hambrick (1994) to measure collaborative behavior by the following three items with a 5-point Likert scale: *'There is a fruitful, rewarding cooperation within this team'*; *'It is easy to ask advice from any member of this team'*; and *'This TMT operates as a "real" team'*. With regard to information exchange, we follow the reasoning of Buyl et al. (2011) by adapting the following 2 items on a 5-point Likert scale: *'The communication in this team normally goes without hidden agendas'*; and *'In general, differences of opinions with respect to task execution are discussed openly and thoroughly'*. These items are derived from the 'perceived communication openness' scale of O'Reilly and Roberts (1976) that closely resembles the degree to which information within the TMT is exchanged and integrated in an open way (Buyl et al., 2011; Dahlin, Weingart, & Hinds, 2005). Building on Hambrick (1994, 1995), joint decision-making was measured by the next two items on a 5-point Likert scale: *'In decision-making, usually every team member's input is used'*; and *'Most team members only have limited influence on the decision-making process'*. A principal component factor analysis reveals that the 7 items load together on one factor with factor loadings higher than .546 with an eigenvalue of 3.39, explaining 48.40% of the variance among the items (see Appendix 8.13). Cronbach alphas for collaborative behavior, information exchange and joint decision-making equaled respectively 0.70, 0.60 and 0.64 while the overall reliability of the meta-construct was 0.81. We

justified averaging responses to create a team-level variable based on a mean Rwg of 0.75, an ICC(1) value of 0.32 and an ICC(2) value of 0.81. The meta-construct was set on a 5-point Likert scale ranging from 1 (*low level of behavioral integration*) to 5 (*high level of behavioral integration*).

Control variables. We integrate a control variable on both organizational and team level that have been associated with one or more of our core constructs. As organizational level control variable, we use firm size, measured by the number of full-time employees, since it is a common control variable in organizational research (Buyl et al., 2011). We used the natural logarithm of the number of employees to account for its skewed distribution (Gujarati, 1995). As team level control variable, we use TMT size, measured by the number of TMT members (CEO and those managers directly reporting to the CEO). TMT size is considered to possibly have an effect on the team and decision-making processes and outcomes (Kearney & Gebert, 2009; Simsek et al., 2005; West & Anderson, 1996). We again use the natural logarithm of team size to account for its skewed distribution (Gujarati, 1995).

5.6. Results

Prior to hypotheses testing, descriptive statistics and correlations are summarized in Table 10. A family firm in our sample has on average 374 employees and a management team of about 5 members (including the CEO). The mean level for behavioral integration is 3.80, 4.08 for decision-making quality, 3.95 for psychological safety, and 4.09 for preservation of SEW. We find an important range of SEW values for family as well as nonfamily managers (not reported in the tables). 11.2% of the family managers have a SEW value lower or equal to 3 with a minimum value of 2.20, 27.9% of the family managers have

a value between 3 and 4, while 60.9% of the family managers hold a SEW ranging between 4 and 5 with a maximum value of 5. In comparison, 15.6% of the nonfamily managers have a SEW value lower or equal to 3 with a minimum value of 1.20, 50.6% of the nonfamily managers have an average value between 3 and 4, while 33.8% of the nonfamily managers hold a high value of SEW ranging between 4 and 5 with a maximum value of 5.

The correlations show a significant (univariate) positive relationship between psychological safety as well as behavioral integration and the quality of decision-making in the TMTs. There is also a direct negative relationship between SEW separation and TMT decision-making quality, however only on a 10% significance level. Furthermore, a negative relationship between both psychological safety as well as behavioral integration and SEW separation was found. Moreover, the team process, behavioral integration, and the emergent team state, psychological safety, appear to be positively related. To finalize the univariate analysis, we check for the presence of multicollinearity. Since the correlation values are lower than 0.8 and the variance inflation factors (VIF) of each variable are lower than the recommended cutoff of 10 (highest value of VIF is 2.38), multicollinearity is not a problem in our study (Gujarati, 1995; Mansfield & Helms, 1982).

Table 10 Descriptive statistics and pairwise correlations

		Mean	SD	1	2	3	4	5	6
1	Decision-making quality	4.08	0.33	1					
2	SEW separation‡	4.31	1.88	-0.252*	1				
3	Psychological safety	3.95	0.38	0.726***	-0.249*	1			
4	Behavioral integration	3.80	0.47	0.764***	-0.275**	0.718***	1		
5	Firm size†	374.16	699.62	-0.086	0.005	-0.135	-0.227*	1	
6	Team size†	5.45	1.87	0.229*	-0.059	0.138	0.209	0.466**	1

N = 55 teams.
*, **, *** Correlation is significant at the 0.1 level, 0.05 level, 0.01 level (2-tailed).
‡ Average amount of variance in SEW among team members across all teams.
† Natural logarithm used in regression model.

Prior to testing the moderated mediation model, we test hypothesis H1. Results in Table 11 confirm that SEW separation has a significant negative effect on TMT decision-making quality (□ = -0.402, p < .05). In this study, the main focus is on how and when the SEW separation has an effect on TMT decision-making quality. Therefore, we estimate a simple mediation model to test H2 followed by a moderated mediation model to test H3. For both steps, we apply the PROCESS codes of Hayes (2013). These codes test for statistically significant effects through the use of bootstrapping methods to avoid power problems that result from asymmetric and other non-normal sampling distributions of an indirect effect, while also being able to probe the significance of conditional indirect effects at different values of our moderator variable.

Table 11 OLS regression results for the effect of SEW separation on decision-making quality

Model	*b* coeff	SE	t
Constant	4.205	0.239	17.615***
SEW separation	-0.402	0.201	-2.003**
Firm size	.0810	0.0380	2.131**
Team size	-0.196	0.140	-1.397
R^2 = 0,117, F =3.380 , p = 0,025			

N= 55 teams. Unstandardized regression coefficients are reported.
* p < .10. ** p < .05. *** p < .01, two-tailed.

The results of the simple mediation model to test H2 are shown in Table 12. H2 states that behavioral integration mediates the relationship between SEW separation and TMT decision-making quality. Table 12 shows that H2 can be supported. The indirect effect of SEW separation on decision-making quality through behavioral integration is confirmed by the bootstrap results as the

bootstrapped 95% confidence interval around the indirect effect does not contain zero (-0.576, -0.0285).

Table 12 Regression results for simple mediation model of SEW separation on decision-making quality through behavioral integration

Model	***b* coeff**	**SE**	**t**
Mediator variable model (DV = Behavioral integration)			
Constant	4.209	0.321	13.130***
SEW separation	-0.515	0.269	-1.914*
Firm size	0.135	0.0508	2.658***
Team size	-0.503	0.188	-2.677***
R^2 = 0,233, F = 5,166, p = 0,0034			
Dependent variable model (DV= Decision-making quality)			
Constant	1.947	0.350	5.564***
Behavioral integration	0.538	0.0730	7.350***
SEW separation	-0.125	0.145	-0.861
Firm size	0.0081	0.0283	0.288
Team size	0.0745	0.105	0.712
R^2 = 0,5990, F = 18,674, p = 0,000			

Total, direct and indirect effects

Total effect of SEW on dmq				
Effect	**SE**	**t**	**LLCI**	**ULCI**
-0,402	0.201	-2.00*	-0.738	-0.0657
Direct effect of SEW on dmq				
Effect	**SE**	**t**	**LLCI**	**ULCI**
-0,125	0.145	-0.861	-0.417	0.167
Indirect effect of SEW on dmq				
Effect	**Boot SE**	**z**	**BootLLCI**	**BootULCI**
-0.277	0.166	-1.836*	-0.576	-0.0285

N= 55 teams. Unstandardized regression coefficients are reported. Bootstrap sample size = 10000.
LL = lower limit, UL = upper limit, CI = confidence interval.
* p < .10. ** p < .05. *** p < .01, two-tailed.

Table 13 Regression results for moderated mediation model of SEW separation on decision-making quality through behavioral integration with psychological safety as moderator

Model	*b* coeff	SE	t
Mediator variable model (DV = Behavioral integration)			
Constant	3.956	0.201	19.683***
SEW separation	-0.290	0.190	-1.527
Psychological safety	0.876	0.113	7.771***
SEW separation x Psychological safety	1.933	0.551	3.511***
Firm size	0.0639	0.0355	1.799*
Team size	-0.265	0.130	-2.0329**
R^2 = 0,6644, F = 19,402, p = 0,000			
Dependent variable model (DV= Decision-making quality)			
Constant	1.883	0.327	5.755***
Behavioral integration	0.537	0.0730	7.350***
SEW separation	-0.125	0.145	-0.861
Firm size	0.0081	0.0283	0.288
Team size	0.0745	0.105	0.712
R^2 = 0,5990, F = 18,674, p = 0,000			

Conditional indirect effects of psychological safety				
Psychological safety	**Bootstrap indirect effect**	**Bootstrap SE**	**BootLLCI**	**BootULCI**
3,5678	-0.549	0.180	-0.912	-0.210
3,9471	-0.155	0.110	-0.389	0.0451
4,3264	0.238	0.131	-0.0372	0.485

N= 55 teams. Mean centered regression coefficients are reported. Bootstrap sample size = 10000.
LL = lower limit, UL = upper limit, CI = confidence interval.
* p < .10. ** p < .05. *** p < .01, two-tailed

The results of the moderated mediation model to test H3 are presented in Table 13. We mean centered the interaction variables (SEW separation, behavioral integration and psychological safety) since this is commonly done when products of variables are used as predictors. Table 13 reveals that the interaction term obtained by multiplying SEW separation and psychological safety is positive and significant (□ = 1.933, $p < .01$). We further examined the conditional indirect effect of SEW separation on decision-making quality through behavioral integration at three values of psychological safety: the mean (3.9471) as well as one standard deviation above (4.3264) and below (3.5678) the mean. Bootstrap results at a 95% confidence interval around the indirect effect does not contain zero (-0.912, -0.210) at a value of psychological safety of 3.5678 (one below mean). This implies a significant conditional indirect effect of psychological safety. At the other two values of psychological safety of 3.9471 (mean) and 4.3264 (one above mean), both intervals do contain zero which indicate insignificant conditional indirect effects of psychological safety.

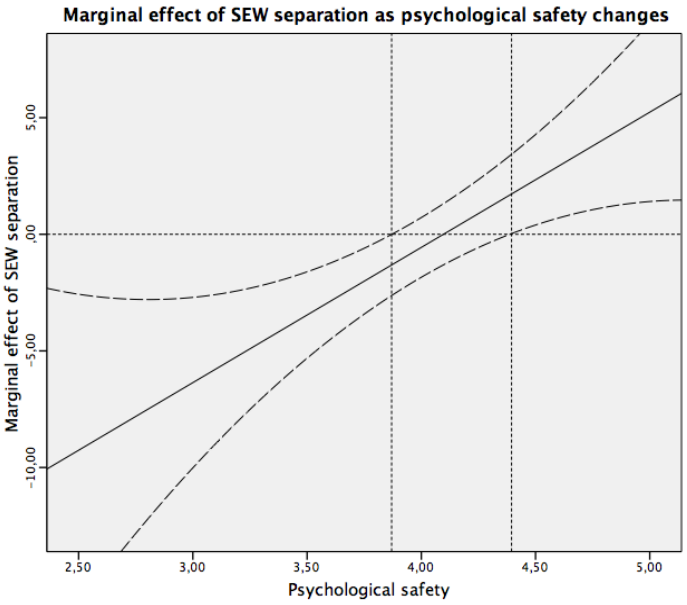
In order to complete the analysis and formulate a final conclusion about the moderated mediation, we explore the conditional indirect effect through the use of the Johnson and Neyman technique (Hayes, 2013) to detect the range of values of psychological safety for which conditional indirect effects were statistically significant at a .05 level. Figure 9 graphically represents the conditional indirect effect as well as the upper and lower level 95% confidence interval. The conditional indirect effect of SEW separation on decision-making quality through behavioral integration is significant when both upper and lower bounds of the confidence interval are above (or below) the zero line. The figure shows that SEW separation has a significant negative effect on decision-making quality through behavioral integration when the level of psychological safety is

situated between 2.943 and 3.829. Furthermore, SEW separation appears to have a significant and positive effect on TMT decision-making quality through behavioral integration when the level of psychological safety is situated between 4.396 and 4.714. Looking at our sample, we see that 44% of the family firm TMTs is characterized by a level of psychological safety situated in these ranges. Within the range of 2.943 to 3.829, the negative effect is lessened when the level of psychological safety increases. Within the range of 4.396 to 4.714, the positive effect increases when psychological safety increases. For average values of psychological safety (3.829 to 4.396), it seems that SEW separation no longer affects decision-making quality through behavioral integration. This means that when the level of psychological safety in the TMT is average, the sense of feeling psychologically safe is sufficient to prevent value dissimilarities to have a negative impact on TMT decision-making quality through behavioral integration. Since 56% of the TMTs in our sample are characterized by psychological safety values between 3.829 and 4.396, our hypothesis H3 is fully supported.

Taken all together, our results indicate that the marginal effect of SEW separation on TMT decision-making quality decreases when TMT members feel psychologically safer within the team which provides evidence for our hypothesis. Furthermore, the moderating role of psychological safety becomes stronger for average levels of psychological safety because our results indicate that more SEW separation is no longer translated in lower decision-making quality through behavioral integration when the sense of psychological safety further increases. Finally, the moderating role of psychological safety becomes even more dominant for extremely large values of psychological safety because

our results indicate that SEW separation is translated into high-quality decisions when the psychological safety climate is very strong within the team.

Figure 9 Conditional indirect effect of SEW separation on decision-making quality through behavioral integration



5.7. Discussion

This study examines the effect of socioemotional wealth (SEW) separation of family firm top management teams (TMT) on decision-making quality. TMT SEW separation is a deep-level type of the diversity construct (Harrison & Klein, 2007) which is expected to negatively influence decision-making quality of family firms. In our study, we investigate both *how* and *when* SEW separation affects the decision-making quality of family firms. We argued that SEW separation negatively affects the level of behavioral integration and decision-making quality. This negative separation effect can be mitigated by a climate of psychological safety, where it is safe for team members to freely express their feelings and beliefs. By using a moderated mediation model in a unique sample

of 300 managers from 55 family firms, we indeed found that TMT behavioral integration mediates the negative relation between SEW separation and family firm TMT decision-making quality, which shows that deep-level value differences between team members complicate cooperation and communication in the TMT. In addition, our results reveal that the negative effect of SEW separation on behavioral integration, and ultimately on decision-making quality, is mitigated by psychological safety and even becomes a positive effect for high values of psychological safety.

This study contributes to both TMT and family firm literature in several ways. First, despite the importance and prevalence of studying deep-level value differences of TMT members, the amount of studies that actually include them is still limited (for an exception, see e.g. Klein, Knight, Ziegert, Lim, & Saltz, 2011; Liang et al., 2012; Woehr et al., 2013). Second, we use the framework of Harrison and Klein (2007) that provides us with both the theoretical foundation and the operationalization of value diversity of TMTs from a separation perspective. By doing so, we respond to the plea of Bell et al. (2011) to clearly match diversity measures with its theoretical conceptualization. Third, to our knowledge this is the first study that systematically analyses how and when value differences within the TMT affect important team outcomes such as decision-making quality. We argue that the disruptive nature of value differences (e.g. Klein et al., 2011; Liang et al., 2012; Woehr et al., 2013) is captured by the concept of separation (Harrison & Klein, 2007), and explain how value-based separation negatively affects the decision-making processes by lowering TMT behavioral integration. In addition, we argue that creating a team climate of psychological safety can reduce the negative effects of value dissimilarities. The inclusion of internal team moderators such as the climate of

psychological safety is valuable because it is amenable for managerial design. Creating the right team climate can prevent the firm from costly interventions such as changing TMT composition. Figure 9 gives us an indication of the powerful effect of creating a right team climate to address value differences in the TMT. This figure shows that at very high levels of psychological safety, the effect of SEW separation on team outcomes becomes positive, which indicates that with the right team climate value dissimilarities may not be considered as being negative for team functioning but can even enhance team outcomes.

Besides the contributions to TMT literature, our study also contributes to family firm literature in several ways. Since Ling & Kellermanns (2010) opened the debate about TMT diversity within family firms, more surface-level diversity sources have been investigated such as the number of family members and the generations active in the firm (e.g. Ling & Kellermanns, 2010; Sciascia et al., 2013b). We contribute to family firm literature by integrating SEW as a deep-level diversity source which better captures the realm of diversity effects in family firms TMTs. The results of this study improve our understanding as to why certain TMTs in family firms perform better as others, which is important since TMTs are responsible for the daily control of the firm (Ling & Kellermanns, 2010; Minichilli et al., 2010). Furthermore, by capturing the effect of differences in SEW in family firm TMTs, we also indirectly unravel the functioning of this overarching construct in relationship with firm performance in general (Gómez-Mejia et al., 2011).

Next, by capturing the degree of SEW of each TMT member, we consider SEW as being attributable to both family and nonfamily members with each individual potentially having a different degree of SEW (Berrone et al., 2012). We also provide evidence for the existence of a dark as well as bright side of

SEW separation, depending on psychological safety as team context. The debate about different types and effects of SEW is vivid in family firm literature nowadays (Berrone et al., 2012; Gómez-Mejia et al., 2011; Kellermanns et al., 2012; Miller & Le Breton-Miller, 2014) but empirically, the construct is usually considered as having a homogeneous level among key decision makers in family firms. The results of our study provide empirical evidence on the heterogeneity of the SEW construct among family as well as nonfamily TMT members in family firms. Even though SEW literature states that nonfamily members cannot claim SEW as a 'birth right' and that family members are more aware of and value SEW more (Deephouse & Jaskiewicz, 2013), it appears also that nonfamily members' degree of SEW can be high and clearly present. The descriptive statistics show a wide range of SEW values for nonfamily managers (including high SEW levels). With regard to the family members present in a family firm, our descriptive statistics also confirm a significant spread of the SEW values held by family managers. In addition, we show that SEW values may differ significantly among TMT members in a family which has an impact on the behavioral integration of the TMT. We hereby contribute to the recent debate about the heterogeneity of SEW among key decision makers within a family firm (Berrone et al., 2012; Miller & Le Breton-Miller, 2014).

5.7.1. *Practical implications*

Top management teams can face all sorts of problems and one of them is value differences among team members and their consequences. Every individual is different in that they value different things in their work and more general their life and these value differences may create schisms in a team. In the specific family firm context, it is important to notice that the degree of SEW can be

different for each individual, family or nonfamily member. So family firm CEOs need to take into account that every member of the TMT can show dissimilarities in SEW in comparison with others such that not all family members are considered equal on SEW salience. In order to cope with the negative effects of value dissimilarities, (family) firms can focus on homogeneity in values among team members when recruiting new managers. However, it takes a while to discover these deep-level traits which makes this solution challenging to achieve. In our study, we however show that another attempt to tackle the disrupting forces of value differences may be the creation of a psychologically safe climate in the TMT. This sense of psychological safety can be created or improved by a set of team structural features (team size, clear team goals and adequate resources, information and rewards), and a leader that focuses on aspects like coaching and interpersonal relationships among team members (Edmondson, 1999; Edmondson & Lei, 2014). Preliminary results in this study (see Appendix 8.14) show that two important CEO traits influence psychological safety. First, CEO dominance is negative for psychological safety because a dominant CEO will be rather individualistic without taking into account the different views and opinions of fellow team members in the decision-making process. The second trait explains the alternative for CEOs in order to benefit psychological safety in the TMT, namely CEO relational leadership. Instead of being dominant, CEOs have to focus on building and nurturing social bonds and promote sincere team behavior such that value differences and uniqueness of each team member are accepted and respected (Carmeli, Ben-Hador, Waldman, & Rupp, 2009; Kearney & Gebert, 2009). Furthermore, the preliminary results also indicate that two important team traits predict psychological safety. First, TMT size is negatively related to a psychologically safe TMT climate such that too

large teams have more difficulties to achieve and maintain this specific team context. Second, TMT tenure differences are also negatively correlated with a high sense of psychological safety such that too many differences in team tenure through a highly diversified mixture of senior and junior managers leads to risks of for instance conflict or dominance by the seniors which again lowers the team psychological safety.

5.7.2. *Limitations and future research*

Our research has some limitations that also provide interesting avenues for future research. First, Harrison and Klein (2007) differentiate between three types of diversity. While in previous diversity research the link with variety effects was mainly the focus, we added by focusing on the separation type of TMT diversity discussed by Harrison and Klein (2007). However, there is also the need to focus on the third type, disparity. Harrison and Klein (2007) define disparity as the differences in valued social assets (e.g. status) and state that disparity will probably negatively influence team functioning. Future studies may thus examine if these assumptions are correct while simultaneously taking into account *when* or *how* disparity (negatively) affects team performance within the specific context of family firms.

Second, this study stresses the importance of psychological safety as a contextual factor that moderates the relation between SEW separation and team performance. The creation of a climate of psychological safety is crucial to address the potential integration problems between team members, and their subsequent negative effect on decision-making quality. It is therefore interesting to study the determinants of a psychological safe climate in TMTs. Edmondson (1999) already indicated that psychological safety can be created or improved

by a set of team features such as a (team)leader that values and focuses on interpersonal relationships among team members. In addition to our research, one can thus study specific CEO personality traits that are believed to affect the climate in a TMT. This line of research fits in the emerging research stream of the 'CEO-TMT interface' relation (e.g. Klimoski & Koles, 2001; Peterson, Martorana, Smith, & Owens, 2003), where successful TMT performance jointly depends on team and leader dynamics and their interactions (Ling, Simsek, Lubatkin, & Veiga, 2008).

Third, we used SEW as our measure of value-related differences within the TMT. SEW is generally considered to be an important trait of family firms, and SEW differences in the TMT tend to reflect fundamentally different viewpoints on the direction and goals of the family firms (Gómez-Mejía et al., 2007). Still, there are other family firm-specific or moral values like for instance parental altruism of the CEO (Lubatkin, Durand, & Ling, 2007) that can create feelings of procedural injustice between family and nonfamily members in the TMT, that result in separation effects within TMTs of family firms. Future research could explore more sources of value related tensions within family firms, and study their effect on team performance.

5.8. Conclusion

To summarize, our study shows that the negative influence of value differences on team outcomes in family firm TMTs can be tackled by creating and maintaining a psychologically safe team climate. The dark side of separation can even become a bright side at high levels of psychological safety. This implies that value dissimilarities can become an asset for a family firm's TMT if the right team climate is created. We conclude this by testing a moderated mediation

model using a unique sample of 300 managers working in 55 private family firms. Adding to recent discussions in both TMT and family firm literature, our study provides interesting implications for theory and practice as well as offering future researchers some promising research avenues.

6. Chapter 6

Combined effort between top management team and board in strategic decision-making processes of private family firms: A conceptual framework of the supra-team approach

6.1. Introduction

Up to this point, the emphasis of this research dissertation has been set on the impact on daily top management team (hereafter TMT) decisions. In this chapter, we posit that strategic decision-making is often a combined effort between board and TMT (Bammens et al., 2011; Brunninge, Nordqvist, & Wiklund, 2007; Zahra et al., 2009). This demands attention for the specific strategic role of both the TMT and the board, the partnership between both governance institutes and how integration between these two institutes can be achieved (Bammens et al., 2011; Siggelkow & Rivkin, 2009). We argue that the composition and effective integration of both governance systems, is essential to improve the strategic decision-making quality of the firm.

The strategic role of boards has been a topic of much discussion. A passive stance is taken by managerial hegemony theorists who state that TMTs dominate the strategic decision-making processes while the board can only review and approve (Mace, 1971). Agency theorists follow this stance as they argue that it is necessary to divide the strategic tasks between the TMT and the board. Agency theory emphasizes that the separation of ownership and control can result in potential conflicts of interest (Jensen & Meckling, 1976). They propose the initiation and implementation ("decision management") should be allocated to the TMT whereas the ratification and monitoring ("decision control")

should be one of the main tasks of the board of directors (Fama & Jensen, 1983).

Recently, board research seems to develop from a 'directors should control managers' perspective to a 'directors and managers work together' perspective (Rindova, 1999). As a result, recent board research is more focused on explaining the active involvement of boards in strategic decision-making, and their effect on firm outcomes such as firm strategy. The so-called strategic choice perspective (Judge & Zeithaml, 1992; Rindova, 1999) proposes a much broader strategic role of the board of directors including refining corporate strategy and even engaging in the development of strategic plans (Finkelstein et al., 2009; McNulty & Pettigrew, 1999; Ravasi & Zattoni, 2006; Simsek, Jansen, Minichilli, & Escriba-Esteve, 2015). From this point of view, TMTs and boards of directors should be both involved in the strategic process in an interactive and iterative way, rather than sequential (Rindova, 1999).

These opposing viewpoints on the role of the board in strategic decision-making is a topic of lively debate (e.g. Anderson, Melanson, & Maly, 2007; Castro, De La Concha, Gravel, & Periñan, 2009; Hendry & Kiel, 2004; Kim, Burns, & Prescott, 2009). This debate is particularly relevant within a family firm context. Family firms tend to operate more with an active board that is involved in strategic decision-making, rather than focused on management control and monitoring (Bammens et al., 2011; Brunninge et al., 2007; Zahra et al., 2009). Indeed, the active involvement of the board in strategic decision-making is perceived as most important by the CEOs of family firms (van den Heuvel, Van Gils, & Voordeckers, 2006). This higher chance on joint involvement is due to the emphasis on the active role of a board of directors combined with the blurred boundaries between TMT and board caused by compositional overlap

between both governance mechanisms (Bammens et al., 2011; Brunninge et al., 2007; Gersick et al., 1997; Rindova, 1999; Uhlaner, Matser, Berent-Braun, & Flören, 2015). We join the debate of the joint role of TMT and the board in the development of an organizational strategy within a family firm context by proposing a model of so-called supra-teams, which refers to the joint collaboration between board and TMT in strategic decision-making (Finkelstein et al., 2009). We focus on three specific aspects of supra-teams.

First, we examine the impact of supra-teams on strategic decision-making quality. Generally, combined involvement of the TMT and the board in strategy is viewed as a core contribution to firm value (Castro et al., 2009; Pugliese et al., 2009). It is acknowledged that TMTs in SMEs desire board's participation in the strategic domain to improve strategic decision-making quality (Ford, 1988). However, a clear link between the assumption of combined involvement through the creation a supra-team and organizational effectiveness remains elusive (Hendry & Kiel, 2004). Despite research efforts of authors like Castro et al. (2009) who examine the effect of a compositional overlap between the TMT and the board on the extent of strategic change, no study has considered the effect of a supra-team setting on strategic task performance/quality. We assume that strategic decisions taken by a supra-team are influenced by differences in supra-team members' backgrounds, skills, values, personalities and so on (Hambrick & Mason, 1984; van Knippenberg et al., 2004). Furthermore, the specific family firm context also implies that different levels and types of family involvement may influence the interrelationships between TMT and board within the supra-teams (Bammens et al., 2011). In order to find out which factors contribute to an effective supra-team configuration that improves the strategic decision-making quality, we focus

on the three diversity categories of Harrison and Klein (2007): variety, separation and disparity. Diversity as variety refers to categorical differences based on information, knowledge or experience among supra-team members. Diversity as separation refers to differences in position or opinion among supra-team members based on values, attitudes and personality. Diversity as disparity indicates differences in concentration of valued social assets (e.g. pay, power, prestige, status).

Second, organization structure theorists like Lawrence and Lorsch (1967) and Galbraith (1973) argue that the more organizations operate with differentiated subunits, the more they need integration mechanisms to coordinate action. The general idea behind integration is that the subunits in the supra-team, namely the board and TMT, have to act as a real team instead of a loosely coupled, fragmented collection of executives. Therefore, we integrate the concept of behavioral integration of Hambrick (1994) as important determinant of effective improvement of strategic decision-making quality by the supra-team (Castro et al., 2009). This concept has been established as the key concept in TMT literature to measure the 'teamness' of a team. Behavioral integration expresses the degree to which a team engages in mutual and collective interaction, information sharing, and joint decision-making (Hambrick, 1994, 1995). Behaviorally integrated teams are found to have a higher capacity to integrate diverging opinions into qualitative strategic decisions (Carmeli & Halevi, 2009; Carmeli & Schaubroeck, 2006; Lubatkin et al., 2006).

Third, the CEO as leader of a TMT is often considered to fuel the level of behavioral integration within the TMT (Buyl et al., 2011; Carmeli, Schaubroeck, & Tishler, 2011; Hambrick, 1995). In line with these TMT research findings, we assume that the leader of the supra-team is also an important factor within the

strategic decision-making processes. More specific, we use the concept of intergroup leadership of Hogg et al. (2012) who argue that in general, intergroup leadership is of crucial importance to promote positive relations (Hogg et al., 2012; Pittinsky & Simon, 2007). Therefore, we propose several important characteristics of the intergroup leader as precondition for facilitating the level of behavioral integration within the supra-team.

Our propositions are summarized in a conceptual framework (see Figure 10). This conceptual framework is based on several propositions, combined with some preliminary results of our research sample (see Chapter 3). The main goal of this conceptual framework is to provide research avenues for future research that contribute to the lively debate on how and when supra-teams in a (family) firm have an impact on strategic decision-making processes.

6.2. The impact of supra-teams on strategic decision-making quality in private family firms: the variety, separation and disparity effects.

Supra-teams effectively appear to be a common used governance mechanism within strategic decision-making processes of private family firms since preliminary results of our sample show that in 36 of the 55 private family firms, a supra-team is composed that is responsible for the strategic decision-making of the firm. However, little is known about the impact of these supra-teams on team outcomes such as the strategic decision-making quality (Anderson et al., 2007). The previous chapters of this research dissertation already provided evidence of diversity effects being one of the main explanatory factors of the impact of teams and their members on decision outcomes. Consequently, we stress the importance of examining the impact of supra-teams on strategic

decisions through a diversity perspective by formulating propositions related to the effect of each diversity form, namely variety, separation and disparity, on strategic decision-making quality. In the conceptual model of the impact of supra-teams, we do not take into consideration the interactive effects of the three diversity forms of Harrison and Klein (2007), but solely focus on the direct relationship of each form with strategic decision-making quality. The main difference in the proposition development of this research model is related to additional dimensions of each diversity form within the context of supra-teams.

With regard to diversity as variety, Chapter 4 used the concept of functional background variety in TMTs to provide evidence that this form of diversity tackles the negative impact of ownership-based disparity on decision-making quality. In the conceptual model of this chapter, we assume a positive relationship between variety and strategic decision-making quality. This relationship is justified by the creation of greater information richness within the supra-team such that this richness can be translated into better strategic decisions (Harrison & Klein, 2007). Supra-teams whose members draw different pools of informational resources (e.g. functional backgrounds, expertise, network ties) make more effective decisions compared to supra-teams drawing from a more homogeneous information pool (e.g. Austin, 2003; Finkelstein et al., 2009; Harrison & Klein, 2007). The variety dimension already discussed within this dissertation, functional background variety, stays an important dimension and can even increase within supra-teams. Preliminary results from our sample reveal that there were several family firms in which TMT members lacked experience in specific functional backgrounds (R&D, legal, and production) while board members of these particular firms did have experience in these functional categories. As such, the uniqueness of the knowledge pool

may increase when the two teams join forces in strategic decision-making. Even though functional background variety stays a prevalent source (Bammens et al., 2011), we recommend the use of additional dimensions of variety when board members complement TMT members within a supra-team. Differences in the external network ties of board members (Kim & Cannella, 2008) or the personal background of board members (Hillman, Cannella, & Paetzold, 2000) can be considered as valuable sources of information richness that benefit the quality of strategic decisions (Austin, 2003; Harrison & Klein, 2007). An exploration of the supra-team members in our sample of 36 supra-teams reveals heterogeneity in the personal backgrounds of the external board members, based on the background categories of Hillman et al. (2000). Most board members are retired CEOs or managers from the firm itself or business experts (CEO/TMT member in another firm). Others can be considered as support specialist (lawyer, banker, insurer, …) or as community influential (politician, academic, …). All these different categories are related to different sources of knowledge, expertise and social networks that give access to information resources that other teams cannot easily access, implying greater variety effects of supra-teams. Overall, the supra-team approach adds extra sources of diversity as variety and will directly impact supra-team outcomes in a positive way, as formulated in our first proposition:

> ***Proposition 1 (P1):*** *Supra-team diversity as variety is a better predictor of strategic decision-making quality than TMT diversity as variety to explain the positive impact on strategic decision-making quality.*

With respect to diversity as separation, we base our proposition on the findings of Chapter 5, where we provide evidence that separation effects harm the

overall decision-making quality of a team. Differences in values, beliefs, goals or attitudes can result in fundamental differences of opinion about the course and direction of the firm, and thus increase the likelihood of relational tensions that hamper decision-making (e.g. Boone & Hendriks, 2009; Harrison et al., 2002; Jehn et al., 1999). We maintain this argumentation within the supra-team context to assume a negative relationship between diversity as separation and decision outcomes. Again, the main difference between separation within these teams in comparison with TMTs is based on the extra potential sources of separation within supra-teams. The SEW separation form, already discussed in this research dissertation, stays prevalent within supra-teams. SEW separation reflects differences in the preservation of non-financial aspects of the firm that meet the individuals' affective needs (Gómez-Mejía et al., 2007). Even though SEW differences between family and nonfamily members within a family firm are acknowledged (Berrone et al., 2012; Miller & Le Breton-Miller, 2014), the question if external board members, that are not related to the family firm, also preserve any degree of SEW remains open. Preliminary results of the sample of 36 supra-teams show that on average 20 percent of the members of a supra-team can be considered as not belonging to the firm (cf. outside board members). Therefore, future research should investigate the preservation of SEW for these members, as it may cause further separation within the supra-team. Additional separation dimensions can relate to goal incongruence between TMT and board members in the supra-team. For example, since the board of directors represent the owners' interests (Jensen, 1993), incongruence with the intentions, actions and interests of the top management team may be present. Even though there is an overlap of these governance systems within family firms (Gersick et al., 1997), there are still for example passive familial board members

who may have different interests in comparison with the active family managers. For instance, the family shareholder, who is present in the board but not employed in the firm, wants to distribute more dividends in comparison with familial managers in order to avoid perquisite consumption of inside family managers. Overall, heterogeneity in goals and attitudes is formed by the different time perspectives of TMT and board members. TMT members are more short-term focused on day-to-day operations (Brunninge et al., 2007; Finkelstein et al., 2009; Ling et al., 2008) while board members focus more on long-term issues like survival and sustainability (Bammens et al., 2011; Boulton, 1978; Pfeffer & Salancik, 1978). Consequently, managers want to increase their wealth with growth and diversification strategies while the board rather sets up strategies to increase the total equity value of the firm (Brunninge *et al.*, 2007). Again, preliminary research results indicate that on average 37 percent of supra-teams consists of non-executives, which implies that the contradiction between TMT and board members in the supra-team is vivid. All together, several dimensions of separation can form an impediment for effective strategic decision-making. As such, we propose that diversity separation can negatively affect the strategic decision outcomes of supra-teams:

> ***Proposition 2 (P2):*** *Diversity as separation is higher in supra-teams than in TMTs through additional sources of separation such that potential pitfalls in strategic decision-making are better explained by supra-team diversity as separation.*

Finally, with respect to diversity as disparity, the foundation of our proposition is based on the results of Chapter 4. Just as separation, diversity as disparity negatively affects decision outcomes. Disparity implies that disproportionate shares of power, prestige or status lead to dominant hierarchical positions that

dominate the decision-making process, which may hamper the quality of decisions (Boone & Hendriks, 2009; Brodbeck et al., 2007; Bunderson, 2003). We maintain this argumentation within the supra-team context to assume a negative relationship between diversity as disparity and strategic decision-making quality. The supra-team context can however lead to additional dimensions of disparity within the teams. The ownership-based disparity form, used in Chapter 4, is also applicable within supra-teams. The ownership-based hierarchies can even become more disproportionate within supra-teams (Harrison & Klein, 2007). On the one side, in supra-teams where disparity might have been low since TMT members in general did not hold any or an equal proportion of shares, the board shareholders now have to be taken into consideration such that ownership-based hierarchies are created. In some supra-teams of our research sample, 10 to 20 percent of the supra-team consisted of external board shareholders. In these cases, the level of disparity is most likely to increase when taking into consideration the supra-team instead of the TMT. Overall, the asymmetric distribution of shares within the supra-teams may be stimulated since the inequality between owners versus non-owners can increase through the mix of TMT and board members. Reason is that each member of the two governance mechanisms belongs to either the owners or the non-owners.

Additional sources of disparity can mainly be allocated to status hierarchies within the supra-team. Status differences can cause disparity through status hierarchies that have a negative impact on strategic decision-making quality (Phillips & Zuckerman, 2001). Two important categories of status differences within the supra-teams are: family versus nonfamily members and TMT versus board members. The status hierarchies that are created through the presence of

these different 'groups' can lead to alliance behavior where the dominant group controls or even withholds essential information which in turn hampers effective decision-making (Bunderson & Reagans, 2011; Eisenhardt & Bourgeois, 1988; Harrison & Klein, 2007; Keltner et al., 2003). The potential for such status hierarchies is vivid as some preliminary results of our research sample reveal that there is a disproportionate equilibrium within both status categories. First, on average about 35 percent family members versus 65 percent nonfamily members in a supra-team. Second, about 37 percent of board members (not belonging to the TMT through overlap) versus 63 percent of TMT members in a supra-team. To examine these disparity effects in future research, it is also important to get a clear view on the responsibilities of each status group within the supra-team. To summarize, different sources of disparity can hamper the strategic decision-making outcomes of supra-teams. Therefore, we propose:

> ***Proposition 3 (P3):*** *Diversity as disparity is higher in supra-teams than in TMTs through additional sources of disparity such that potential pitfalls in strategic decision-making are better explained by supra-team diversity as disparity.*

6.3. Supra-teams in strategic decision-making processes of private family firms: The importance of behavioral integration

Supra-teams appear to be an important source of diversity as variety but at the same time also of diversity as separation and disparity. Therefore, we argue that integration between both governance structures is an essential building block for the creation of synergy between both governance structures, which in turn results in improved decision-making. Organization structure theorists like Lawrence and Lorsch (1967) and Galbraith (1973) argue that the more

organizations operate with differentiated subunits, the more integration mechanisms they need to coordinate action. The general idea behind integration is that the board and TMT have to act as a real team instead of a loosely coupled, fragmented collection of executives. Hambrick (1994) has coined the level of 'teamness' as teams that are 'behaviorally integrated'. The concept behavioral integration has been established as the key concept in TMT literature to measure the 'teamness' of a TMT. Hambrick introduced the concept of "behavioral integration" when he realized that many TMTs have few "team" properties (Hambrick, 1994, 1995). Behavioral integration is a familiar concept in TMT literature, but has not been used in research when two teams collide. We posit that behavioral integration is a central team process that helps to explain when and how diversity within the supra-teams affects strategic decision-making quality.

The importance of behavioral integration within a supra-team is twofold. First, behavioral integration captures the degree to which a team engages in mutual and collective interaction. Behaviorally integrated teams share information, resources, and decisions in a way that they are able to integrate diverging opinions into balanced strategic decisions (Carmeli & Halevi, 2009; Carmeli & Schaubroeck, 2006; Lubatkin et al., 2006). Boone and Hendriks (2009) found in their study of IT firms that the mechanisms of behavioral integration moderated the relation between TMT functional diversity and firm performance. Functionally diverse teams performed better when they collaborated, shared accurate information, and when decision-making was decentralized. In line with this study, we assume that higher levels of behavioral integration within a supra-team context will strengthen the positive impact of

diversity as variety on strategic decision-making quality. As a result, we propose:

> ***Proposition 4a (P4a):*** *Behavioral integration moderates the relationship between diversity as variety and strategic decision-making quality in a way that the positive effect of variety is accentuated when behavioral integration is higher.*

Second, behavioral integration can not only be considered as an essential process to determine when diversity as variety has an enhancing effect on strategic decision-making quality. In Chapter 5, we used behavioral integration as an intermediate team process that explained how SEW separation negatively affects decision-making quality. Within our conceptual model of supra-teams, we continue the use of the arguments that diversity as separation and as disparity can prevent supra-teams from working together effectively (e.g. Bell, 2007; Jehn et al., 1999; van Knippenberg & Schippers, 2007). Through separation and disparity, fragmentation can occur within the supra-team, which implies that the team is actually not a team at all, but rather a mere constellation of senior executives pursuing their own agendas, with a minimum of collaboration or exchange among them (Hambrick, 1995). Jehn and Bezrukova (2010) show that teams with high fragmentation have high levels of group conflict, and lower levels of both satisfaction and group performance. Furthermore, lower levels of communication, cohesion and trust may also arise within the group (Li & Hambrick, 2005; Pearsall, Ellis, & Evans, 2008). Therefore, we use the concept of behavioral integration as explanatory factor of how diversity as separation and disparity negatively affect the quality of strategic decisions by proposing:

Proposition 4b (P4b): *The relationship between diversity as separation and strategic decision-making quality is mediated by behavioral integration*

Proposition 4c (P4c): *The relationship between diversity as disparity and strategic decision-making quality is mediated by behavioral integration*

6.4. The level of behavioral integration within family firm supra-teams: The importance of intergroup leadership

A final issue that is taken into consideration in our conceptual model of the impact of supra-teams, is the role of the intergroup leader. When two distinct groups collaborate, intergroup leadership is an essential requirement to manage the supra-team setting and to make sure that both teams work together in a positive way (Hogg et al., 2012; Pittinsky & Simon, 2007). More concrete, Hogg et al. (2012) argue that effective intergroup leadership is an essential requirement to realize the benefits of intergroup collaboration (cf. behavioral integration). As such, we integrate this important function into our conceptual model as determinant of the creation of a behaviorally integrated supra-team. The influence of the intergroup leader on behavioral integration is derived from research on the effect of CEO characteristics on TMT behavioral integration (e.g. Buyl et al., 2011; Carmeli et al., 2011; Srivastava, Bartol, & Locke, 2006; Stewart, 2006). In this section, we highlight two important conditions with regard to the intergroup leader that can enhance the level of behavioral integration in the supra-team

Inspired by Buyl et al. (2011), we argue that the status of the intergroup leader (CEO, chairman of the board, CEO duality, external member, …) can

determine the level of behavioral integration. The best choice in selecting an intergroup leader is dependent on the level of differences between the two groups. When the two groups show lots of dissimilarities, their intergroup leader should best be part of both groups (Hogg et al., 2012). This leader can use his experiences with both groups to create a synergy between them. The goal is to create a shared, intergroup identity and to achieve common goals, instead of emphasizing the distinct group identities too much (Ashforth & Mael, 1989; Hogg & Terry, 2000; Hogg et al., 2012; Pittinsky & Simon, 2007). In case of a supra-team formed by the TMT and the board, the person that holds the dual position of both CEO and chairman of the board (cf. CEO duality) would be the best choice. When the collaborating teams however show great levels of similarities, the unique identity of the supra-team should be emphasized, which is more likely when the intergroup leader is not active in both teams (Ashforth & Mael, 1989; Hogg & Terry, 2000; Hogg et al., 2012; Pittinsky & Simon, 2007). In our supra-teams, any option except for CEO duality (CEO, chairman of the board, other team member or external person, …) would be the best solution. Preliminary results of our research sample indicate that there are two types of intergroup leaders that in most cases take the lead. In fourteen cases, the intergroup leader has the dual position of both CEO and chairman of the board (cf. CEO duality). Interestingly, in thirteen other firms, the chairman of the board leads the collective meetings while four firms have chosen for the CEO to be the intergroup leader in strategic decision-making.

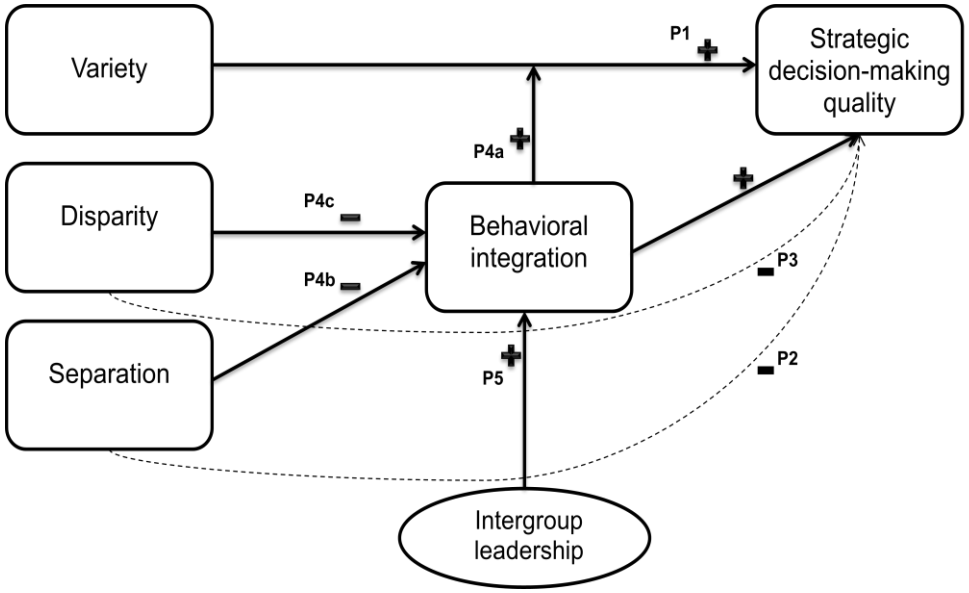
Finally, Carmeli et al. (2011) and Srivastava et al. (2006) argued that empowering leadership, where the leader encourages team members to exercise control over decision processes and facilitates their doing so (Carmeli et al., 2011), enhances the team's behavioral integration. In line with these studies,

we argue that a relational leadership style of the intergroup leader is an important determinant of high levels of behavioral integration within the supra-team. Intergroup leaders that expose relational leadership will stimulate collaboration and communication while also promoting sincere team behavior (Carmeli et al., 2009), which is beneficial for behavioral integration. We integrate the two highlighted characteristics of the intergroup leader into one argument in which the profile of the intergroup leader is considered to be a determinant of behaviorally integrated teams by proposing:

> ***Proposition 5 (P5):*** *Several important elements of the intergroup leader's profile have a positive effect on the level of behavioral integration within the supra-teams.*

Drawing on all the previous propositions, our conceptual model, depicted in Figure 10, reflects the organization and impact of supra-teams on strategic decision outcomes within the context of private family firms in order to provide a deeper understanding of joint influence of the TMT and the board in strategic decision processes (e.g. Anderson et al., 2007; Castro et al., 2009; Hendry & Kiel, 2004; Kim et al., 2009).

Figure 10 Conceptual model



6.5. Conclusions

In this conceptual paper, we propose a framework that captures the active involvement of both the TMT and the board of directors in strategic decision-making processes of private family firms. The goal of our conceptual model is to examine how and when a partnership between both interdependent governance mechanisms has an impact on team outcomes (Bammens et al., 2011; Siggelkow & Rivkin, 2009). More specific, we analyzed a superior governance mechanism containing all TMT and board members, namely the so-called supra-teams (Finkelstein et al., 2009; Knockaert, Bjornali, & Erikson, 2015; Zhang, Baden-Fuller, & Pool, 2011). The main contribution of our conceptual model is related to the fact that it provides future researchers with theoretical arguments that can be empirically investigated to further join the lively debate on the formed collective between the TMT and the board in the development of an

organizational strategy (e.g. Anderson et al., 2007; Castro et al., 2009; Hendry & Kiel, 2004; Kim et al., 2009). In general, empirical evidence of our propositions would unravel the complexity of strategic decisions (van Ees, Gabrielsson, & Huse, 2009) with an additional focus on important processes (cf. behavioral integration) in these governance mechanisms (Machold, Huse, Minichilli, & Nordqvist, 2011). It would also provide us with a more clear understanding of decision-making processes and behaviors in private family firms with a broader picture of the influence of board members in business matters through collaborating with TMT members (Bammens et al., 2011).

This study is subject with some limitations that in the same time provide opportunities for future research. First, empirical support of our propositions are lacking since the questionnaires were filled in by the whole TMT but not by board members that are not present in the TMT (see Chapter 3). Input of each (outside) board member, in addition to the existing input, can lead to a more profound investigation of the supra-team approach of Finkelstein et al. (2009). Second, additional dimensions of the diversity forms of Harrison and Klein (2007), except for those discusses in section 6.2, as well as other team processes and determinants of these processes could further provide foundation to the framework of supra-teams within strategic decision-making processes. Therefore, future research should elaborate more on each of these crucial aspects of the organization and the overall impact of supra-teams.

7. Conclusions

7.1. Outline

The purpose of this research dissertation is to gain more insights in the decision-making processes of family firm TMTs through a diversity perspective. Based on four independent studies, this dissertation sheds light on both daily, operational TMT decisions as well as the long-term oriented strategic decisions. These insights into current academic literature fill gaps in several literature streams. This final chapter summarizes the empirical findings of each independent study and discusses the main theoretical and practical contributions. Finally, some important suggestions for future research are outlined.

7.2. Empirical findings

Findings Chapter 2. The goal of this chapter was to explore when effectiveness arguments related to organizational needs trigger the increase of diversity as variety, captured by the integration of nonfamily managers. We argued that three important organizational characteristics (firm innovativeness, firm internationalization and firm size) represent organizational needs that may stimulate the rational decision to hire a nonfamily manager due to the need to expand the expertise pool of family firm TMTs. However, this stimulation can be hindered by the preservation of socioemotional wealth (hereafter SEW). SEW refers to the non-financial aspects of the firm that meet the family's affective needs (Gómez-Mejía et al., 2007). Our findings confirm that family firms that have to deal with firm innovativeness, firm internationalization or increasing firm size are more likely to include nonfamily members in the TMT. Furthermore, we found that high values of SEW outweigh rational considerations in organizational decision-making processes. In this scenario, family firms are reluctant to hire

nonfamily managers, even though the need for their unique knowledge and expertise is vivid. This implies that at high levels of SEW, emotions within the decision-making processes of family firms may shift the attention away from which is rationally considered to be the best option. Overall, this chapter provides evidence that the creation of diversity as variety within family firm TMTs may be influenced by the fact that decisions are less receptive to effectiveness arguments, due to the dominance of the eagerness to preserve SEW within the family firm TMT.

Findings Chapter 4. This chapter focuses on how and when the presence of both family and nonfamily managers in a family firm TMT affects TMT decision-making quality. We argued that the presence of nonfamily managers in the TMT affects decision-making quality through the creation of ownership disparity. Furthermore, we focus on when the effect of the presence of both family and nonfamily managers in a family firm TMT prevails by highlighting both a reinforcing and a mitigating factor of the relationship between ownership disparity and TMT decision-making quality. We argue that the negative disparity effect may increase when there is higher value-based separation in the TMT while the negative disparity effect may be mitigated by knowledge variety in the TMT. Our results confirm that ownership differences are created by the presence of both family and nonfamily managers. In turn, these ownership differences within the TMT lead to a lower level of TMT decision-making quality. In addition, our results show that the negative effect of ownership disparity on TMT decision-making quality increases when value-based separation is high, while the negative impact of ownership disparity is mitigated by teams with greater knowledge variety. Overall, this chapter unraveled the impact of TMT diversity on family firm decision-making processes by providing evidence that different

forms of diversity might occur simultaneously in an interactive way within family firm TMTs.

Findings Chapter 5. The objective of this chapter was to examine how and when socioemotional wealth separation within family firm top management teams (TMT) affects decision-making quality. We argue that this deep-level type of the diversity construct of Harrison and Klein (2007) negatively affects TMT decision-making quality through behavioral integration. Furthermore, we integrate a contextual factor that can mitigate negative effects of diversity as separation. More concrete, we state that the negative separation effect can be mitigated by a team climate where it is safe for team members to freely express their feelings and beliefs. Our results confirm that working together as a team is hindered by the presence of deep-level value differences between team members. In turn, this lower level of overall 'teamness' with the TMT leads to a lower level of TMT decision-making quality. In addition, our results reveal that the negative effect of SEW separation can be tackled by the creation of a psychologically safe team climate. Even more remarkable is that our results reveal that a 'very psychologically safe' team climate can even turn the impact of value differences into a positive one. This implies that people can be different, based on their values, as long as the right team climate within the TMT is created such that qualitative decisions can be made. Overall, the findings in this chapter reveal that negative sources of diversity can be managed through the creation of the right team context such that the negative impact on TMT outcomes can be mitigated and even can become positive.

Findings Chapter 6. In Chapter 6, the goal was to develop a conceptual model that sets the stage for future research on how and when diversity within a unique team setting within family firms, namely supra-teams, affects strategic

decision-making quality. Strategic decision-making processes of family firms are unique in a way that both TMT and board of directors are active within these processes. Often, this joint influence of TMT and board is translated by a superior governance mechanism containing all TMT and board members, the so-called supra-team (Finkelstein et al., 2009). Since strategic decisions are crucial for organizational success, it is of great importance to examine the impact of diversity effects on strategic decision outcomes within this unique team setting. In the conceptual model, we argue that diversity as variety, separation and disparity within supra-teams is a better predictor of supra-team outcomes, such as strategic decision outcomes through the additional sources of each diversity form within these teams. Furthermore, we stress the importance of behavioral integration when two teams collide through propositions related to the relationship of the diversity forms and behavioral integration. Finally, we emphasize the role of the supra-team leader within the creation of high levels of behavioral integration. Overall, this chapter creates opportunities to extend the diversity perspective in a new and unique team setting within family firm strategic decision-making such that high quality strategic decisions can be made.

7.3. Theoretical implications

In this section, the main theoretical contributions of this research dissertation are summarized. In general, this dissertation mainly contributes to both TMT and family firm literature. The overlap between TMT and family firm literature is a rather unexplored research topic in comparison with for example the intermingling between board and family firm literature (Nordqvist et al., 2014).

The specific aim of this dissertation is to enhance the understanding of the relative young and unexplored research topic of TMT diversity within family firms.

Ling & Kellermanns (2010) were one of the first to open the interesting debate about TMT diversity within family firms. We further contribute to the intersection of the upper echelon theory of Hambrick and Mason (1984) and family firm literature by gaining more insights into diversity issues in family firm TMTs. Generally, diversity studies that apply the overarching construct of diversity are often confronted with a mismatch between diversity measures and its theoretical conceptualization. Therefore, TMT diversity research results often present contradictory findings (e.g. Bell et al., 2011; Certo et al., 2006; Nielsen, 2010). To dig deeper into the diversity concept, we followed the recommendations of Harrison and Klein (2007) to consider diversity as a diverse construct. Consequently, we unraveled and refined the construct by using the three diversity elements (variety, separation and disparity) as a framework for our diversity argumentations in a family firm context. Consequently, we provide a clearer, more cumulative understanding of Hambrick and Mason's (1984) upper echelon theory.

Two recent developments in family firm literature are integrated as building blocks for our diversity argumentations. First, the use of the popular socioemotional wealth (hereafter SEW) perspective provides family firm literature with interesting research angles related to these non-financial needs within a family firm (Gómez-Mejía et al., 2007). We took both average and unequal levels of SEW within a family firm TMT into account. Related to the former, we answered the research call to consider emotions when investigating organizational processes of family firms (e.g. Berrone et al., 2012; Goel et al.,

2013; Sharma & Manikutty, 2005; Stanley, 2010). Since emotions are an important dimension of SEW (Berrone et al., 2012), more insights into the SEW construct in family firms helped to explain the importance of emotions within family firm decision-making processes. Additionally, results reveal ranges within the average SEW values per family firm which implicates that preservation of SEW is not for all family firms an equally important goal. Hence, it indicates that there are different levels of emotional attachment in family firms (Berrone et al., 2012). With regard to the latter, we took inequalities between TMT members into account by considering another important dimension of SEW, namely family firm-specific values. As such, we step away from surface-level inequalities, such as differences in the number of family members and the generations active in the firm (e.g. Ling & Kellermanns, 2010; Sciascia et al., 2013b), and capture the important effect of deep-level dissimilarities (Boone & Hendriks, 2009; Guillaume et al., 2012; Klein et al., 2011; Liang et al., 2012; Woehr et al., 2013). This approach underscored some interesting aspects of the theoretical perspective of SEW. The debate about heterogeneity of SEW is vivid in family firm literature nowadays (Berrone et al., 2012; Gómez-Mejia et al., 2011; Kellermanns et al., 2012; Miller & Le Breton-Miller, 2014) but empirically, the construct is usually considered as having a homogeneous level among key decision makers in family firms. The results of our study provide empirical evidence on the heterogeneity of the SEW construct among family as well as nonfamily TMT members in family firms. Hence, these results emphasize the need to take into consideration differences between family members in terms of SEW preservation. Even more notable is the occurrence of a broad range of SEW values held by nonfamily managers. This implies that SEW should not be considered as a family-specific, homogeneous construct such that it should be

expanded to all TMT members within a family firm. Furthermore, our (preliminary) results indicate that SEW can be cultivated in a way that nonfamily members' preservation of SEW increases as their TMT tenure increases. This finding adds to the theoretical discussion on the preservation of SEW in family firms, as it shows that the preservation of SEW can be managed by the firm, which can stimulate family firms to be more open to include nonfamily members in the TMT.

Second, the determinants and impact of the presence of nonfamily managers in family firm TMTs contribute to the professionalization debate in a family firm setting as the integration of nonfamily managers is considered to be an important professionalization dimension within the family firm context (Dekker, Lybaert, Steijvers, Depaire, & Mercken, 2012; Stewart & Hitt, 2012). We reveal both the positive and negative aspects of this professionalization dimension by applying the diversity types of Harrison and Klein (2007). On the one hand, nonfamily managers can expand the knowledge and expertise pool such that variety is created (e.g. Stewart & Hitt, 2012; Vandekerkhof et al., 2015; Zhang & Ma, 2009), which in turn benefits decision-making outcomes. On the other hand, decision outcomes may be harmed as the joint presence of family and nonfamily managers can create ownership-based disparity because family members are not eager to share ownership power (Patel & Cooper, 2014). As a result the professionalization debate is enriched by emphasizing that the impact of an important professionalization dimension, namely nonfamily managers' presence in family firm TMTs, on organizational outcomes appears to be dependent on the dominance of specific diversity effects that occur.

Next, we further unravel the black box of TMT diversity research by stressing the importance of contextual factors to comprehend the influence of

TMT diversity on family firm's team outcomes (e.g. Buyl et al., 2011; Hambrick et al., 2005; Wei & Wu, 2013). We provided evidence that an appropriate team climate, such as psychological safety as well as the creation of a knowledge-based team setting (cf. variety), can tackle the negative impact of in turn separation and disparity within family firm TMTs. On the contrary, a team setting with clear presence of value dissimilarities can further stress the dark side of ownership-based disparity. Overall, this dissertation reveals that diversity effects can be managed such that both team and organizational outcomes improve, while the choice of measures depends on the dominant type of diversity within the TMT.

Furthermore, the effect of the different diversity dynamics within family firm TMTs on TMT decision-making quality also contributes to the family firm performance debate on whether family firms perform better than nonfamily firms. The contradictory relation between family firm character and firm performance (e.g. Gedajlovic, Carney, Chrisman, & Kellermanns, 2012; Le Breton-Miller et al., 2011; Miller, Le Breton-Miller, & Lester, 2011) might be clarified by taking TMT performance into consideration. The TMT is in control for the daily, operational decisions of a firm such that the quality of TMT decisions is crucial for the overall performance (Carpenter, 2011; Finkelstein et al., 2009). As such, the effects of both the bright (cf. variety) and the dark (cf. separation and disparity) side of TMT diversity in family firms that are exposed in this dissertation can create a clearer understanding of the family firm performance debate.

A final building block of our theoretical contributions relates to strategic decision-making processes within family firms. Research on strategic decision-making within family firms is important as it involves not only the influence of

the TMT but also the board of directors. Boards in family firms are considered to be actively involved in strategic decision-making (e.g. Bammens et al., 2011; Brunninge et al., 2007; Pugliese et al., 2009; Rindova, 1999; van den Heuvel et al., 2006). The two governance mechanisms may set up a partnership in which a superior governance mechanism, namely a supra-team, is formed (Finkelstein et al., 2009). Little is known about such interdependence between TMT and board within strategic decision-making processes of family firms (Bammens et al., 2011; Siggelkow & Rivkin, 2009). Hence, our conceptual framework opens up the unexplored supra-team debate in a family firm context to gain more insights into the strategic decision-making processes of family firms.

7.4. Practical implications

This dissertation has several practical implications for family firms and their TMT members. The main focus of these implications is related to handling the diversity issues that might occur within family firm TMTs. Within our dissertation, we focused on differences in SEW of each team member to express potential value dissimilarities. Our results show that these dissimilarities can cause frictions in the TMT that are detrimental for team outcomes. Hence, a key to managerial success can be to search for (new) TMT members that match with the values of existing TMT members when (re)composing the team such that the pitfalls, that might occur through SEW differences, can be avoided. Consequently, the selection procedure in which a value-based fit with other TMT members is emphasized, is likely to lead to success within family firm TMTs compared to a selection procedure that is solely based on the functional qualities of new TMT members.

However, it is also important for family firm TMTs that already face the problems related to SEW differences within their current composition to know how to cope with these issues. The most drastic way to cope with value-based differences is to fire those TMT members that differ clearly from other team members. This is a very drastic action that can be very costly such that this should only be taken into consideration when other actions are not effective. Hence, in order to avoid such drastic measures, actions that might manage the existing value-based differences in family firm TMTs are exposed in this research. Reducing the disrupting forces of value differences can be successfully done by the creation of the right team context. In this dissertation, we used psychological safety in the TMT as a mechanism to downsize the negative effect of value dissimilarities. This sense of psychological safety can be enhanced by two sets of actions. First, a set of team structural features can improve the level of psychological safety. Too large team sizes might make it more difficult to create a sense of psychological safety such that family firms should be aware not to increase the size of their TMTs too much. Furthermore, setting clear team goals and providing team members with adequate resources, information and rewards would enhance the level of psychological safety in the TMT. Clear goals, sufficient access to resources and information, and sufficient levels of rewards reduce insecurity and defensiveness in the TMT (Edmondson, 1999; Edmondson & Lei, 2014). Second, a leader that focuses on aspects like coaching and interpersonal relationships among team members is particularly salient. If the team leader is supportive and coach-oriented, TMT members are more likely to perceive the team as psychologically safe (Edmondson, 1999; Edmondson & Lei, 2014). Therefore, CEOs should pay special attention to their supportive and

coach-oriented capabilities and might even follow specific trainings to learn or to improve these leadership capabilities.

Practitioners should also be aware that emotions can limit the firm in its ability to adapt to certain business demands. Family firms should find the right balance between emphasizing emotions, through for example SEW preservation, and rational business needs. The difficult balance can be reached by several measures. A board of directors with external board members can prevent TMTs for being more led by emotions rather than ratio. A board with external influence can created the much needed legitimacy to the firm's management (Gómez-Mejia et al., 2011). Also family governance practices such as a family charter or forum can reach the same goal. These practices can create clear formulation of the role of the family and their attitude towards nonfamily members in the family firm. As such, the fear of losing control might disappear such that preservation of SEW might be less dominant in rational decision-making processes.

Although we mainly focus on tackling the diversity problems related to separation within the TMT, we also want to mention a rather drastic measure to avoid the ownership-based dissimilarities within family firm TMTs. The negative influence on the quality of decisions through ownership-based dissimilarities can be avoided by giving nonfamily managers a certain level of shareholding within the firm. Since family firms are often reluctant to take this action (Fiegener, 2010), it is easier for practitioners to tackle (ownership) power differences by knowledge variety. Given a value-based fit between team members in family firm TMTs, family firms should look for (new) TMT members that hold unique knowledge and expertise such that knowledge diversity can be increased.

7.5. Suggestions for future research

To finalize this dissertation, we want to point out some interesting pathways for future research. The independent studies within this dissertation provide insights that can be used in future studies which investigate family firm TMTs and their outcomes. With regard to the outcome variables used in this dissertation, the main focus was set on TMT decision-making quality as a team outcome. Future research could use comprehensive, objective performance measures to examine the possibility that the findings may change (Ling & Kellermanns, 2010; Minichilli et al., 2010). The goal is to verify if other dynamics, related to the diversity effects of Harrison and Klein (2007), occur when considering objective performance measures.

Next, we focused on psychological safety as a team contextual factor to tackle the negative impact of value-based dissimilarities. Future studies should expand the work of Edmondson (1999), who already discussed some determinants of this important team context. The more psychological safety can be created, the less dangerous value differences are within TMTs. Especially the role of the CEO as determinant of psychological safety should be further investigated. The effect of the relational leadership capabilities of the CEO can be very important for family firm TMT literature (Edmondson, 1999; Uhl-Bien, 2006). Furthermore, the role of the CEO is also important to create high levels of behavioral integration within the (supra-) team. Therefore, further research on the impact of CEO demographic characteristics such as functional background and tenure (Buyl et al., 2011), CEO leadership style such as empowering leadership (Carmeli et al., 2011), and CEO values and personality (Chin,

Hambrick, & Treviño, 2013) on behavioral integration is an interesting trajectory for future research.

The emphasis of value-based dissimilarities within this research dissertation related to SEW differences within family firm TMTs. However, other deep-level dissimilarities within the family firm context can be considered such as differences in personality (Boone & Hendriks, 2009) or other family firm-specific or moral values like entrenchment and altruism (Lubatkin et al., 2007). Furthermore, research on family firm TMTs can also benefit from a focus on average effects (Hambrick & Mason, 1984). The impact of average levels of team characteristics is related to expectations about specific attributes at the individual level. We already provided such an approach based on SEW. Chapter 2 provides evidence that decision-making processes within family firms with high levels of SEW preservation within the TMT will be more driven by emotions than family firms with low levels of SEW preservation within the TMT. This approach should be further applied on other deep-level traits, such as values and personality, but also on ownership shares in the TMT or knowledge-related aspects, such as functional background and tenure.

Finally, the conceptual model of diversity effects in supra-teams within the context of strategic decision-making processes of family firms opens up some interesting research opportunities. The use of the diversity types proposed by Harrison and Klein (2007) in supra-teams and their impact on strategic decision-making offers a trajectory of research with much potential. For instance, the structural and personality characteristics of the intergroup leader to create synergy and reduce tensions between TMT and board in the supra-team, is an interesting research trajectory (Hogg et al., 2012).

8. Appendices

8.1. Questionnaire 2002-2003

Management in Vlaamse (familie)bedrijven.

(De door u verstrekte informatie zal strikt vertrouwelijk behandeld worden.)

1. Algemene ondernemingsgegevens

1.1 In welk jaar werd de onderneming opgericht? .....

1.2 Hoeveel werknemers (in voltijdse equivalenten) telt het bedrijf momenteel?.....

1.3 Hoeveel % van de huidige omzet wordt gerealiseerd in buitenlandse markten?

□ 0% □ 1-25% □ 26-50% □ 51-75% □ 76-99% □ 100%

1.4 In welke ontwikkelingsfase is het bedrijf te situeren:

□ startfase □ groeifase □ maturiteitsfase □ consolidatiefase

2. Vragen betreffende het management van de onderneming

2.1 Hoeveel leden telt het management? .....

2.2 Indien de onderneming een familiale onderneming is, hoeveel familieleden maken deel uit van het managementteam? .....

2.3 Gelieve in de volgende tabel aan te geven hoe de samenstelling van het **managementteam** gewijzigd is gedurende de afgelopen drie jaren.

	Toegevoegd aantal **familiale** leden	**Toegevoegd** aantal **niet-familiale** leden	**Vertrokken** aantal **familiale** leden	**Vertrokken** aantal **niet-familiale** leden	Korte reden voor wijziging
2002					
2001					
2000					

3. Vragen betreffende de gedelegeerd bestuurder/algemeen directeur[5] van de onderneming

3.1 De bedrijfsleider is

□ eerste generatie ondernemer
□ familiaal opvolger (2de generatie of meer)
□ manager van buiten de familie

[5] Deze vragen hebben betrekking op de persoon die verantwoordelijk is voor het leiden van de onderneming, verder aangeduid met de term **bedrijfsleider**.

3.2 Geslacht: □ man □ vrouw

3.3 Leeftijd: ……..

3.4 Hoogst behaalde diploma:
□ lager of middelbaar onderwijs
□ hoger onderwijs buiten de universiteit korte type
□ hoger onderwijs buiten de universiteit lange type
□ universitair onderwijs

3.5 Type diploma: □ economisch □ technisch □ ander:……

3.6 Aantal jaren actief in deze functie: ……
Aantal jaren actief in deze onderneming: ……..
Aantal jaren actief in deze industrie: ……

3.7 Functionele ervaring opgedaan in het huidige bedrijf of andere bedrijven, voorafgaand aan deze functie en aantal jaren:
□ marketing of verkoop (……. jaren)
□ financiën (…….. jaren)
□ onderzoek en ontwikkeling (……. jaren)
□ juridisch (…….. jaren)
□ productie (…….. jaren)
□ administratief (…….. jaren)
□ aankoop/logistiek (…… jaren)

3.8 In hoeverre is de bedrijfsleider actief in Raden van Bestuur? *(meerdere antwoorden mogelijk)*
□ niet actief in Raden van Bestuur
□ actief in de Raad van Bestuur van deze onderneming
□ actief in ……. (aantal) Raden van Bestuur van andere ondernemingen

4. Samenstelling van de Raad van Bestuur.

4.1 Hoeveel leden telt de Raad van Bestuur?……

4.2 Indeling Raad van Bestuur volgens relatie met de onderneming:

	Man	Vrouw
• *Hoeveel leden zijn "**interne bestuurders**" (=managers van de onderneming zonder familieband)?*		
• *Hoeveel leden zijn "**familiale tewerkgestelde bestuurders**" (= familieleden van de bedrijfsleider tewerkgesteld binnen de onderneming)?*		
• *Hoeveel leden zijn "**familiale niet-tewerkgestelde bestuurders**" (= familieleden van de bedrijfsleider niet tewerkgesteld binnen de onderneming)?*		
• *Hoeveel leden zijn "**geaffilieerde bestuurders**" (= bestuurders die een vertrouwensrelatie hebben met de onderneming zoals bankiers, advocaten en accountants)?*		
• *Hoeveel leden zijn externe bestuurders met een aandeel in het kapitaal?*		
• *Hoeveel leden zijn externe bestuurders zonder aandeel in het kapitaal?*		

4.3 Is de bedrijfsleider tevens voorzitter van de Raad van Bestuur?
□ ja □ nee

4.4 Indien de Raad van Bestuur externe bestuurders telt:
Wat is hun eigenlijke beroepsactiviteit? .....
.....
Vanaf welk jaartal zetelen externe bestuurders in de Raad van Bestuur? .....
Voor welke termijn zetelen externe bestuurders in de Raad van Bestuur? .....

4.5 Hoeveel leden van de raad van bestuur zijn vertegenwoordigers van investeringsmaatschappijen/venture capitalists? .....

4.6 Welke managementfuncties zijn vertegenwoordigd in de Raad van Bestuur *(aankruisen a.u.b.)*:

Algemeen manager	
Financieel manager	
Marketing of sales manager	
Productie of operationeel manager	
Onderzoek & Ontwikkeling manager	
Andere:	

4.7 Gelieve in de volgende tabel aan te geven hoe de samenstelling van de **Raad van Bestuur** gewijzigd is gedurende de afgelopen drie jaren.

	Toegevoegd aantal **familiale** leden	**Toegevoegd** aantal **niet-familiale** leden	**Vertrokken** aantal **familiale** leden	**Vertrokken** aantal **niet-familiale** leden	Korte reden voor wijziging
2002					
2001					
2000					

4.8 Wordt er in de onderneming gebruik gemaakt van een **adviesraad**? □ ja □ nee
Wordt er in de onderneming gebruik gemaakt van **comités** binnen de Raad van Bestuur?
□ ja □ nee Indien ja, welke?.....

5. Taken van de Raad van Bestuur

5.1 In kolom 1 van de volgende tabel worden een aantal mogelijk taken vermeld voor de Raad van Bestuur. Geef in de tweede kolom aan in welke mate u deze taken belangrijk vindt voor een Raad van Bestuur. Duidt vervolgens in de laatste kolom aan in welke mate de Raad van Bestuur in uw onderneming deze taken reeds vervult.

Taak/Rol	*Mate van belang* 1 = niet belangrijk, 5 = zeer belangrijk	Score eigen Raad van Bestuur 1 = slecht, weinig aandacht 5 = zeer goede score, voldoende aandacht
	1 — 2 — 3 — 4 — 5	**1 — 2 — 3 — 4 — 5**
Opbouw ondernemingsreputatie	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Adviseren van het management	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Zorgen voor toegang tot extra middelen	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Regelen opvolgingsproblematiek	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Formuleren/Goedkeuren ondernemingsstrategie	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Maximaliseren aandeelhouderswaarde	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Evalueren/Controleren van managementprestaties	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Lonen/compensaties van het management bepalen	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Selecteren van nieuwe managers	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Verantwoordelijkheden management bepalen	□ — □ — □ — □ — □	□ — □ — □ — □ — □
Netwerken en onderhouden van relaties	□ — □ — □ — □ — □	□ — □ — □ — □ — □

5.2 Hoeveel percent van hun tijd besteden bestuurders gemiddeld aan de in volgende tabel beschreven taken (bij benadering)?

	Gemiddeld % van bestede tijd *(totaal 100%)*
Luisteren naar rapporteringen en controleren van beslissingen.	
Bediscussiëren en goedkeuren van beslissingen	
Adviseren met betrekking tot cruciale punten	
Lezen van documenten	
Netwerken en relatiemanagement	

5.3 Hoe wordt de tijd verdeeld bij de activiteit '**Luisteren naar rapporteringen en controleren van beslissingen**' (bij benadering)?

Luisteren naar rapporteringen en controleren:	**Gemiddeld % van bestede tijd** *(totaal 100%)*
Omtrent recente financiële resultaten	
Van de algemeen directeur/bedrijfsleider	
Van andere belangrijke bedrijfsmanagers	
Van andere belangrijke familieleden	

5.4 Hoe wordt de tijd verdeeld bij de activiteit '**Bediscussiëren en goedkeuren van beslissingen**'?

Bediscussiëren en goedkeuren van beslissingen	*Gemiddeld % (totaal 100%)*
Formele beslissingen (lonen, dividenden)	
Omtrent ondernemingsstrategie	
Omtrent relatie familie-eigenaars en bedrijf	

5.5 Hoe wordt de tijd verdeeld bij de activiteit '**Adviseren omtrent cruciale punten**'?

Adviseren omtrent cruciale punten:	***Gemiddeld % (totaal 100%)***
Toekomstige markten, producten en investeringen	
Bedrijfsorganisatie	
Opvolgingskwestie	
Kwesties betreffende familiale leden	
Overige: ……	

5.6 Hoe wordt de tijd verdeeld bij de activiteit '**Netwerken en relatiemanagement**?

Netwerken en relatiemanagement	***Gemiddeld % (totaal 100%)***
Binnen Raad van Bestuur	
Met bedrijfsmanagement	
Met familie	
Met werknemers en vakbonden	
Met aandeelhouders en stakeholders	
Met andere ondernemers, belangenorganisaties	
Met banken en andere kapitaalverstrekkers	

6. Processen binnen de Raad van Bestuur

6.1. Ten opzichte van wie dient de Raad van Bestuur zich te verantwoorden?
(1 = weinig belangrijke groep, 5 = zeer belangrijke groep)

	1 ---- 2 ---- 3 ---- 4 ---- 5
Familie	□ ---- □ ---- □ ---- □ ---- □
Eigenaars	□ ---- □ ---- □ ---- □ ---- □
Werknemers	□ ---- □ ---- □ ---- □ ---- □
Aandeelhouders	□ ---- □ ---- □ ---- □ ---- □
Klanten/Leveranciers	□ ---- □ ---- □ ---- □ ---- □
Vakbonden	□ ---- □ ---- □ ---- □ ---- □
Milieuorganisaties	□ ---- □ ---- □ ---- □ ---- □
Leefgemeenschap	□ ---- □ ---- □ ---- □ ---- □

6.2 Hoe frequent vergadert de Raad van Bestuur:
Formeel overleg: gemiddeld ……../ jaar; duur/meeting gemiddeld ……uren
Informeel overleg: gemiddeld ……

6.3 Wie bepaalt de agenda? ……

6.4. Wie draagt de verantwoordelijkheid voor de selectie van een nieuw bestuurslid?
□ de voltallige Raad van Bestuur
□ een beperkt comité samengesteld uit leden van de Raad van Bestuur
□ de voorzitter van de Raad van Bestuur
□ de eigenaar (meerderheidsaandeelhouder)

6.5 Hoe belangrijk zijn volgende criteria bij de keuze van een nieuwe bestuurder?
(1 = onbelangrijk criterium, 5 = zeer belangrijk criterium)

	1 ---- 2 ---- 3 ---- 4 ---- 5
kennis/ervaring in de sector/industrie	□ ---- □ ---- □ ---- □ ---- □
intelligentie	□ ---- □ ---- □ ---- □ ---- □
reputatie	□ ---- □ ---- □ ---- □ ---- □
kennis/ervaring in strategisch denken	□ ---- □ ---- □ ---- □ ---- □
reeds eerder succesvol als ondernemer	□ ---- □ ---- □ ---- □ ---- □
integriteit	□ ---- □ ---- □ ---- □ ---- □
diploma's	□ ---- □ ---- □ ---- □ ---- □
relatienetwerk	□ ---- □ ---- □ ---- □ ---- □
toegang tot nieuwe middelen (kapitaal, kennis, …)	□ ---- □ ---- □ ---- □ ---- □
onafhankelijkheid	□ ---- □ ---- □ ---- □ ---- □
functie ('s) in andere raden van bestuur	□ ---- □ ---- □ ---- □ ---- □

6.6 Hoe worden geschikte kandidaten geïdentificeerd?
□ via het persoonlijke netwerk van de leden van de Raad van Bestuur
□ via selectiebureaus (headhunters)
□ door het consulteren van bestaande databanken
□ andere: ……..

6.7 Hoeveel bedraagt de vergoeding van een externe bestuurder gemiddeld?
…….. euro per vergadering of …….. euro op jaarbasis

6.8 Hoe wordt de werking van de Raad van Bestuur geëvalueerd?
□ Formeel (schriftelijk)
□ Informeel/Ad Hoc
□ Geen evaluaties

6.9 Hoe frequent gebeurt de evaluatie van de bestuurders? ……

6.10 Wie evalueert de werking van de bestuurders?
□ de voorzitter van de Raad van Bestuur
□ een beperkt comité bestaande uit leden van de Raad van Bestuur
□ de volledige Raad van Bestuur
□ het managementteam
□ de aandeelhouders

6.11 Hoe belangrijk zijn volgende criteria bij een (eventuele) evaluatie van de individuele bestuurders?
(1 = weinig belangrijk criterium, 5 = zeer belangrijk criterium)

	1 ---- 2 ---- 3 ---- 4 ---- 5
Mate van dossierkennis (industrie, sector, product)	□ ---- □ ---- □ ---- □ ---- □
Specifieke expertise	□ ---- □ ---- □ ---- □ ---- □
Aanwezigheid tijdens vergaderingen	□ ---- □ ---- □ ---- □ ---- □
	1 ---- 2 ---- 3 ---- 4 ---- 5
Betrokkenheid	□ ---- □ ---- □ ---- □ ---- □
Alertheid bestuurder	□ ---- □ ---- □ ---- □ ---- □
Verantwoordelijkheidszin	□ ---- □ ---- □ ---- □ ---- □

6.12 Hoe vaak worden de volgende redenen aangewend om het beheersmandaat van een lid van de Raad van Bestuur te beëindigen?
(1 = nooit, 5 zeer regelmatig)

	1 ---- 2 ---- 3 ---- 4 ---- 5
Einde van een aanstellingstermijn	□ ---- □ ---- □ ---- □ ---- □
Onvoldoende aanwezigheid	□ ---- □ ---- □ ---- □ ---- □
Leeftijdslimiet	□ ---- □ ---- □ ---- □ ---- □
Onvoldoende resultaten/inbreng	□ ---- □ ---- □ ---- □ ---- □
Wijziging in arbeidssituatie	□ ---- □ ---- □ ---- □ ---- □

6.13 Hoe evalueert U globaal (taken en processen) de werking van de Raad van Bestuur van dit bedrijf?

1 ---- 2 ---- 3 ---- 4 ---- 5

Niet erg nuttig/tijdsverspilling □ ---- □ ---- □ ---- □ ---- □ Extreem nuttig

7. De familie en het familieforum

7.1 Indien de onderneming een familiale onderneming is, welke (familie)generatie maakt momenteel het bestuur van de onderneming uit?

□ eerste
□ tweede
□ derde
□ andere: .....
□ niet van toepassing (geen familiebedrijf) ⟶ ga naar vragenreeks 10

7.2 Hoeveel familieleden (grootouders, ouders, broers, zussen, dochters, zonen, neven en nichten) werken er in het bedrijf?.....

7.3 Hoeveel familieleden delen momenteel de controle (=aandelenbezit) over de onderneming? .....
Hoeveel van de familieleden die controle hebben over de onderneming zijn tewerkgesteld binnen de onderneming? .....
Hoeveel van deze controlerende familieleden zijn manager in het bedrijf?.....

7.4 Heeft de familie een **familieforum**[6] ingesteld?

□ ja
□ neen ⟶ ga naar vraag 7.9

7.5 Wie maakt er deel uit van dit familieforum?

□ alle familieleden, ook diegenen die niet in het bedrijf tewerkgesteld zijn of over geen aandelen beschikken
□ enkel die familieleden die in het bedrijf tewerkgesteld zijn en over aandelen beschikken
□ enkel die familieleden die aandelen hebben in de onderneming

7.6 Wie is de voorzitter van het familieforum?

□ familielid (eventueel functie in de onderneming?.....)
□ extern iemand (eventueel functie in de onderneming?.....)

7.7 Hoe vaak komt het familieforum samen? ...../jaar

[6] Ook genoemd familieraad of familiale vergadering.

7.8 Wat zijn de bevoegdheden van het familieforum?
(1 = geen bevoegdheid, 5 = zeer belangrijke bevoegdheid)

	1 ---- 2 ---- 3 ---- 4 ---- 5
Bepalen van de familiale waarden	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Bepalen van een familiale missie	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Organiseren van de familie	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Onderhouden van familiale relaties	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Regelen van eigendomskwesties	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Oplossen van familiale conflicten	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Bewaken relatie familie - familiebedrijf	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Opleiding/training voor familieleden organiseren	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Organiseren sociale activiteiten voor familie	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻
Opstellen van een familiaal charter	◻ ---- ◻ ---- ◻ ---- ◻ ---- ◻

7.9 Heeft de familie een familiaal charter opgesteld?
◻ ja
◻ neen ⟶ ga naar vragenreeks 8

7.10 Wat wordt er in het familiaal charter geregeld?
◻ Waarden van familie en familiebedrijf
◻ Doelstellingen van de familie wat het familiebedrijf betreft
◻ Eigendom van het familiebedrijf
◻ Carrières in het familiebedrijf
◻ Vergoedingen (zowel familieleden als niet familieleden)
◻ Governance van het familiebedrijf en van de familie
◻ De leiding van het familiebedrijf
◻ De rol van niet-familieleden in het familiebedrijf
◻ Communicatie
◻ Familiale harmonie en conflict
◻ Andere elementen : .....

7.11 Met welke meerderheid kan het charter gewijzigd worden? .....% van de aandelen.

8. Communicatie tussen familie, management en raad van bestuur

8.1 Op welke wijze verloopt de communicatie tussen de **familie** en het **management** van de onderneming?
◻ Informeel
◻ Formeel: enkel schriftelijk
◻ Formeel: gezamenlijke vergaderingen
◻ Waarnemers familie in het management
◻ Speciale overlegcomités

8.2 Hoe frequent vindt er communicatie plaats tussen de **familie** en het **management**?
◻ Jaarlijks
◻ Halfjaarlijks
◻ Trimestrieel
◻ Maandelijks
◻ Wekelijks
◻ Dagelijks

8.3 Wie communiceert? Zijn hierbij eventuele tussenpersonen betrokken?
.....

8.4 Welke zijn de belangrijkste topics die besproken worden bij overleg tussen de familie en het management?

.....

.....

8.5 Op welke wijze verloopt de communicatie tussen de **Raad van Bestuur** en de **familie**?

- ☐ Informeel
- ☐ Formeel: enkel schriftelijk
- ☐ Formeel: gezamenlijke vergaderingen
- ☐ Waarnemers familie in de Raad van Bestuur
- ☐ Speciale overlegcomités

8.6 Hoe frequent vindt er communicatie plaats tussen de **Raad van Bestuur** en de **familie**?

- ☐ Jaarlijks
- ☐ Halfjaarlijks
- ☐ Trimestrieel
- ☐ Maandelijks
- ☐ Wekelijks

8.7 Wie communiceert? Zijn hierbij eventuele tussenpersonen betrokken?

.....

8.8 Welke zijn de belangrijkste topics die besproken worden bij overleg tussen de familie en de Raad van Bestuur?

.....

.....

9. Opvolgingsproblematiek.

9.1 Is uw onderneming reeds bezig met de planning van de opvolging in het bedrijf?

- ☐ ja
- ☐ nee ga naar vragenreeks 10

9.2 Hoe zal de opvolging verlopen?

- ☐ Nog niet beslist.
- ☐ Familiale opvolging (eigen kinderen).
- ☐ Verkoop van het bedrijf aan een ander familielid.
- ☐ Verkoop van het bedrijf aan derden.
- ☐ Verkoop van het bedrijf aan het management (management buy–out).
- ☐ Behoud familiale controle doch met een professioneel manager aan het hoofd.
- ☐ Behoud familiale controle doch met een interim manager aan het hoofd.
- ☐ Beursintroductie

9.3 In welk jaar zal vermoedelijk de opvolging plaatsgrijpen? .....

10. De bedrijfsomgeving

Duidt op de volgende vijfpuntenschaal aan in welke mate U akkoord bent met volgende uitspraken: (1)Totaal niet akkoord – (5) Volledig akkoord

		1 ------ 2 ----- 3 ---- 4 ----- 5
10.1.	Binnen mijn industrietak:	
	a. Moet mijn bedrijf *zelden* de marketingactiviteiten aanpassen om bij te blijven met de markt en de concurrenten.	□-------□-----□-----□-----□
	b. Is de snelheid waarmee producten verouderen *zeer laag* (bv. basismetalen).	□-------□-----□-----□-----□
	c. Zijn acties van concurrenten *zeer goed voorspelbaar*.	□-------□-----□-----□-----□
	d. Zijn de vraag naar het product en de consumentenvoorkeuren *zeer goed voorspelbaar*. (bv. bij melkproducten)	□-------□-----□-----□-----□
	e. Is de productie- en dienstentechnologie *goed ontwikkeld* en wijzigt deze zeer weinig. (bv. voor staalproducten)	□-------□-----□-----□-----□
10.2.	Hoe zou U uw bedrijfsomgeving omschrijven?	
	a. Zeer veilig, *weinig dreiging* voor mijn bedrijf om te kunnen overleven.	□-------□-----□-----□-----□
	b. *Gunstig* investeringsklimaat en veel markt-opportuniteiten.	□-------□-----□-----□-----□
	c. Omgeving is *controleerbaar* en manipuleerbaar in de richting van een eigen voordeel, net zoals een dominant bedrijf dit kan in een industrietak met weinig competitie.	□-------□-----□-----□-----□
	d. Een omgeving met *weinig eisen* wat betreft technologische complexiteit.	□-------□-----□-----□-----□
10.3.	Hoeveel onderzoek- en ontwikkelingsactiviteiten (R&D) worden er ondernomen in uw voornaamste industrietak?	
	Bijna geen onderzoek- en ontwikkelingsactiviteiten in mijn industrietak. (bv. bakker)	□-------□-----□-----□-----□
10.4.	Binnen mijn industrie ….	
	a. Mijn onderneming kan succesvol zijn door de verkoop en dienstverlening te focussen op de regio waar ze gevestigd is.	□-------□-----□-----□-----□
	b. Onze onderneming kan succesvol zijn door enkel actief te zijn in België.	□-------□-----□-----□-----□

10.5 Andere kenmerken van de belangrijkste industrietak waarin de onderneming actief is:

	1 ------ 2 ----- 3 ---- 4 ----- 5
a. De gemiddelde winstgevendheid binnen de industrie is *zeer laag*.	□-------□-----□-----□-----□
b. De verwachte lange-termijn winstgevendheid (vijf jaar of meer) in de industrie is *erg laag*.	□-------□-----□-----□-----□
c. De marktgroei in onze industrie was gedurende de laatste drie jaar *erg laag*.	□-------□-----□-----□-----□
d. De verwachte lange-termijn marktgroei (vijf jaar of meer) in de industrie is *erg laag*.	□-------□-----□-----□-----□
e. In onze industrietak is de competitie tussen de collega´s-concurrenten *minimaal*.	□-------□-----□-----□-----□

11. De ondernemingsstrategie

11.1 Duidt op de volgende vijfpuntenschaal aan in welke mate U akkoord bent met volgende uitspraken:
(1) Totaal niet akkoord – (5) Volledig akkoord

	1 ----- 2 ----- 3 ----- 4 ----- 5
a) Het is meestal uw bedrijf dat nieuwe acties initieert, de concurrenten hebben eerder een volgstrategie; zij reageren op uw acties.	□-------□-----□-----□-----□
b) Ten opzichte van uw concurrenten, is uw bedrijf vaak het eerste om nieuwe producten of diensten, administratieve technieken of operationele technologieën te introduceren.	□-------□-----□-----□-----□
c) Meestal hebben de topmanagers van uw bedrijf de neiging om concurrenten voor te zijn wat betreft de ontwikkeling van nieuwe ideeën of producten.	□-------□-----□-----□-----□
d) De topmanagers van dit bedrijf leggen veel nadruk op R&D, technologisch leiderschap en innovatie.	□-------□-----□-----□-----□
e) Uw bedrijf heeft de laatste vijf jaar veel nieuwe producten of diensten op de markt gebracht .	□-------□-----□-----□-----□
f) De wijzigingen aangebracht aan de producten of diensten waren steeds vrij drastisch.	□-------□-----□-----□-----□
g) Uw bedrijf en het management neigen naar hoge risico projecten, met de kans op hoge opbrengsten:	□-------□-----□-----□-----□
h) Gezien de aard van de bedrijfsomgeving zijn krachtige, wijd reikende aanpakken nodig om de bedrijfsdoelen te bereiken.	□-------□-----□-----□-----□
i) Wanneer mijn bedrijf geconfronteerd wordt met een onzekere situatie, tracht mijn bedrijf een stevige positie in te nemen om de kans te vergroten dat nieuwe opportuniteiten kunnen worden uitgebuit.	□-------□-----□-----□-----□
j) Mijn bedrijf heeft een typische 'versla de concurrent' mentaliteit.	□-------□-----□-----□-----□
k) Mijn bedrijf is erg agressief in de concurrentiële omgeving.	□-------□-----□-----□-----□

11.2 Duidt op de volgende vijfpuntenschaal aan hoe belangrijk volgende objectieven zijn voor uw onderneming:(1) Totaal onbelangrijk– (5) Zeer belangrijk

	1 ------ 2 ----- 3 ----- 4 -----5
Groei van de onderneming	□-------□-----□-----□-----□
Onafhankelijkheid in eigendom	□-------□-----□-----□-----□
Innovatief zijn	□-------□-----□-----□-----□
Produceren tegen de laagste kostprijs	□-------□-----□-----□-----□
Detecteren van nieuwe markten	□-------□-----□-----□-----□
Continuïteit in het familiaal karakter	□-------□-----□-----□-----□
Tewerkstelling creëren/behouden voor de familie	□-------□-----□-----□-----□
Onafhankelijkheid in management	□-------□-----□-----□-----□
Verbeteren van de productkwaliteit	□-------□-----□-----□-----□
Creëren van aandeelhouderswaarde	□-------□-----□-----□-----□
Hoge winstgevendheid	□-------□-----□-----□-----□
Een uniek(e) product/dienst op de markt brengen	□-------□-----□-----□-----□

12. Aandeelhoudersstructuur.

12.1 Hoeveel percent van de aandelen is in handen van (bij benadering):

Niet-familiale managers	.....%
Familiale managers	.....%
Familieleden (niet behorende tot het management)	.....%
Investeringsmaatschappijen	.....%
Werknemers	.....%
Andere:.....	.....%

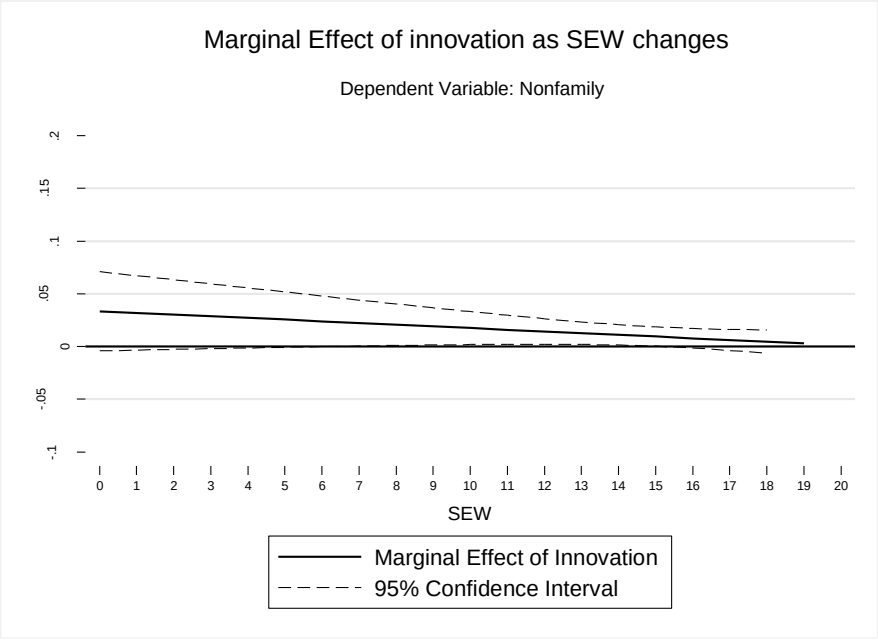
12.2 Is er één persoon die meer dan 50% van de aandelen bezit?
□ ja □ nee

12.3 Bestaan er aandeelhoudersovereenkomsten? □ ja □ nee
Indien ja, wat wordt er geregeld?
□ Voorkooprecht (de aandelen worden eerst aan de bestaande aandeelhouders aangeboden, voor ze aan derden kunnen overgedragen worden)
□ Goedkeuringsrecht (aandelen kunnen slechts overgedragen worden mits de toestemming van een bepaald orgaan)
□ Andere zaken: .....

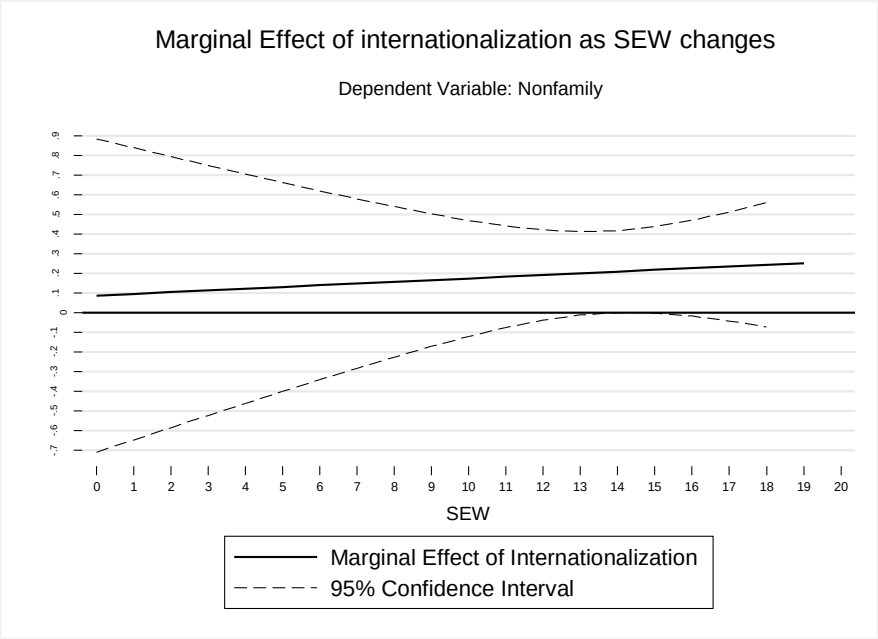
HARTELIJK DANK VOOR UW MEDEWERKING!!
U mag de vragenlijst steeds anoniem doorsturen. Indien u uw adresgegevens invult sturen we u de resultaten van de studie op.

Naam onderneming:	
Adres:	*Straat:*
	Gemeente:
Naam respondent:	
Functie:	

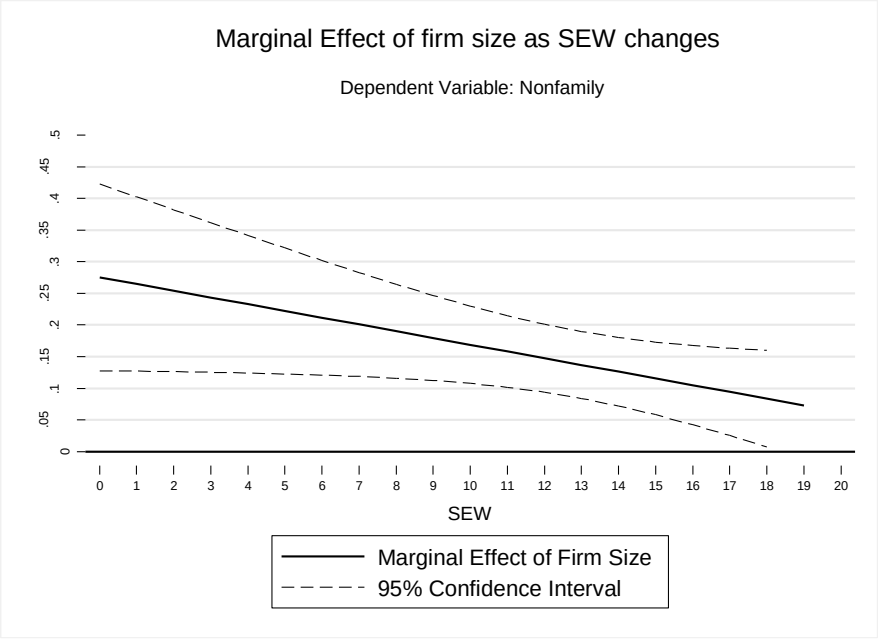
8.2. Additional figures marginal effects OLS regressions chapter 2



Marginal effect of firm innovativeness on the presence of nonfamily managers in the TMT as SEW changes



Marginal effect of firm internationalization on the presence of nonfamily managers in the TMT as SEW changes (international='1' if turnover realized in foreign countries>75%; '0' otherwise)



Marginal effect of firm size on the presence of nonfamily managers in the TMT as SEW changes

8.3. Introduction letter questionnaire 2014-2015

Geachte,

Mijn naam is Pieter Vandekerkhof en ik ben momenteel actief als doctoraatsstudent binnen het Kenniscentrum voor Ondernemerschap en Innovatie (KIZOK) van de Universiteit Hasselt onder begeleiding van professoren Tensie Steijvers, Walter Hendriks en Wim Voordeckers. Mijn onderzoeksfocus ligt op het bestuderen van het management en bestuur van Belgische familiebedrijven.

Er is in wetenschappelijk onderzoek veel aandacht voor topmanagementteams en het bestuur van bedrijven, voornamelijk wat betreft samenstellingsfactoren en hun effect op prestaties. Echter, het bestuur en management van familiebedrijven is tot dusver onderbelicht gebleven. Familiebedrijven kennen door de familiale invloed een specifieke dynamiek, en dit maakt dat de resultaten uit onderzoek naar topmanagementteams niet zondermeer kunnen worden doorgetrokken naar familiebedrijven. De beperkte aandacht voor het management en bestuur van familiebedrijven is opvallend omdat het economisch belang van familiebedrijven groot is, daar meer dan 75% van de Belgische bedrijven een familiaal karakter heeft en verantwoordelijk is voor één derde van de totale waardecreatie in ons land.

De toegevoegde waarde van dit onderzoek is gelegen in de aandacht voor het management en bestuur van de familieonderneming. Zij zijn verantwoordelijk voor de strategische keuzes van het bedrijf, en als zodanig ook in belangrijke mate bepalend voor de resultaten die de onderneming behaalt. Een goed inzicht in het functioneren van management en bestuur van familiebedrijven is dan ook van groot belang.

Voor het verzamelen van de benodigde gegevens hadden wij graag uw persoonlijke medewerking, en de medewerking van de personen die deel uitmaken van het topmanagementteam van de onderneming. Onder het topmanagementteam wordt verstaan: die personen die rechtstreeks aan u (de bedrijfsleider) rapporteren. Het gesprek dat ik graag met u had gevoerd, duurt ongeveer een half uur en bestaat voornamelijk uit het toelichten van de vragenlijst.

Bij deelname aan dit onderzoek krijgt u na afloop een benchmarkrapport. In dit rapport wordt uw onderneming vergeleken met andere familiebedrijven in België. Daarbij wordt nadrukkelijk aandacht besteed aan cruciale management- en bestuursfactoren die het succes van familiebedrijven hebben bepaald.

Wij verzekeren u dat de gegevens die u verstrekt strikt vertrouwelijk worden behandeld, en dat in het doctoraat geen namen van ondernemingen, bedrijfsleiders, en leden van het topmanagementteam zullen voorkomen.

Wij geloven dat dit project belangrijke inzichten kan verschaffen over de manier waarop uw topmanagementteam en het bestuur van uw onderneming op dit moment functioneren. Wij denken dat een duidelijk beeld over de samenhang van deze factoren een belangrijke bijdrage kan leveren tot het verbeteren van uw bedrijfsresultaten. Ik hoop dan ook dat u in de nabije toekomst enige tijd kunt vrijmaken. Ik zal deze week nog telefonisch contact met u opnemen om, indien u wenst, een afspraak te maken.

Met vriendelijke groeten,

Pieter Vandekerkhof (pieter.vandekerkhof@uhasselt.be)
prof. dr. Tensie Steijvers
prof. dr. Walter Hendriks
prof. dr. Wim Voordeckers

8.4. Questionnaire 2014-2015 part 1

Vragenlijst

Management in (familie)bedrijven

(de door u verstrekte informatie zal strikt vertrouwelijk behandeld worden)

Topmanagementteam en ondernemingskenmerken

Versie bedrijfsleider

Naam bedrijf: .....

Uw naam: .....

1.	Behoort dit bedrijf tot een groep ondernemingen?	❑	ja
		❑	nee
	- Indien nee: ga naar vraag 4.		
	- Indien ja: 2. Naam moedermaatschappij		.....
	3. Bent u bij het nemen van belangrijke beslissingen sterk afhankelijk van de moedermaatschappij?	❑	ja
		❑	nee
4.	Beschouwt u het bedrijf als een familiebedrijf?	❑	ja
		❑	nee
5.	Percentage aandelen in handen van de familie? *NB: Een familie wordt in dit onderzoek beschouwd als een groep mensen die door bloedverwantschap of huwelijk met elkaar verbonden zijn.*	....	%
6.	Aantal werknemers, inclusief managers, die tot de familie behoren	....	werknemers
	Aantal werknemers die niet tot de familie behoren	....	werknemers
7.	Hoeveel leden telt het topmanagementteam momenteel, inclusief CEO? *NB: Een topmanagementteam wordt in dit onderzoek beschouwd als zijnde de CEO en alle managers die rechtstreeks rapporteren aan de CEO.*	....	leden
7a	Uit hoeveel familieleden bestaat het topmanagementteam momenteel?	....	familieleden
7b	Uit hoeveel niet-familieleden bestaat het topmanagementteam momenteel?	....	niet-familieleden
8.	Hoeveel keer per maand vergadert het topmanagementteam formeel per maand?	....	keer per maand

9. Hieronder staan een aantal bedrijfsdoelstellingen weergegeven. Kunt u aangeven hoe belangrijk elk van deze doelstellingen voor u zijn.		1 zeer onbelangrijk	2 onbelangrijk	3 neutraal	4 belangrijk	5 zeer belangrijk
1	Winstmaximalisatie (rendabiliteit)	❑	❑	❑	❑	❑
2	Management in familiale handen houden	❑	❑	❑	❑	❑
3	Omzetmaximalisatie (groei)	❑	❑	❑	❑	❑
4	Vergroting marktaandeel	❑	❑	❑	❑	❑
5	Kostenminimalisatie (efficiëntie)	❑	❑	❑	❑	❑
6	Tewerkstelling creëren/behouden voor de familie	❑	❑	❑	❑	❑
7	Stabiliteit/continuïteit	❑	❑	❑	❑	❑
8	Eigendom in familiale handen houden	❑	❑	❑	❑	❑
9	Versterking van reputatie	❑	❑	❑	❑	❑
10	Bewaren van het familiaal karakter van het bedrijf	❑	❑	❑	❑	❑
11	Waardemaximalisatie	❑	❑	❑	❑	❑
12	Innovatie (technologisch leiderschap)	❑	❑	❑	❑	❑

10. De volgende beweringen hebben betrekking op (specifieke) leden van de bedrijfsfamilie. **Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen.** ***NB: Onder de bedrijfsfamilie worden alle familieleden gerekend die actief of passief betrokken zijn bij het bedrijf.***		**1** oneens	**2** enigszins oneens	**3** neutraal	**4** enigszins eens	**5** eens
1	Alle leden van de bedrijfsfamilie bepalen in belangrijke mate de strategische richting die het bedrijf zal uitgaan.	❑	❑	❑	❑	❑
2	Het is essentieel om familiale controle en onafhankelijkheid van het familiebedrijf te bewaren.	❑	❑	❑	❑	❑
3	Alle leden van de bedrijfsfamilie hebben een sterke verbondenheid met het bedrijf.	❑	❑	❑	❑	❑
4	Leden van de bedrijfsfamilie vertellen met trots dat ze deel uitmaken van het familiebedrijf.	❑	❑	❑	❑	❑
5	Niet-familieleden, actief in het familiebedrijf, worden behandeld als deel van de familie.	❑	❑	❑	❑	❑
6	Wederzijds vertrouwen is de basis van het zaken doen met leveranciers, klanten… in het familiebedrijf.	❑	❑	❑	❑	❑
7	Het is essentieel dat het leden van de bedrijfsfamilie goed gaat.	❑	❑	❑	❑	❑
8	De emotionele banden tussen de leden van de bedrijfsfamilie zijn zeer sterk.	❑	❑	❑	❑	❑
9	Familiale eigenaars zien hun investering in het familiebedrijf als een lange termijn investering.	❑	❑	❑	❑	❑
10	Succesvolle overdracht naar de volgende generatie is een belangrijk doel voor het familiebedrijf.	❑	❑	❑	❑	❑

11. De volgende beweringen hebben betrekking op het topmanagementteam. Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen.	1 oneens	2 enigszins oneens	3 neutraal	4 enigszins eens	5 eens
1. Bij het nemen van beslissingen komen doorgaans alle relevante aspecten aan bod.	❑	❑	❑	❑	❑
2 Dit topmanagementteam is zeer bezorgd dat het goed gaat met mij.	❑	❑	❑	❑	❑
3 In dit team is er sprake van vruchtbare samenwerking.	❑	❑	❑	❑	❑
4 Het topmanagementteam heeft soms moeite om tot beslissingen te komen waar ieder lid van het topmanagementteam achter staat.	❑	❑	❑	❑	❑
5 Dit topmanagementteam zal alles doen om mij te helpen.	❑	❑	❑	❑	❑
6 Ik heb soms het gevoel dat andere managers de informatie, die aan hen is doorgegeven, niet goed begrijpen.	❑	❑	❑	❑	❑
7 Dit topmanagementteam zal niets ondernemen om mij opzettelijk kwetsen.	❑	❑	❑	❑	❑
8 De leden van het topmanagementteam geloven dat de genomen beslissingen de best mogelijke waren.	❑	❑	❑	❑	❑
9 Ik heb soms het gevoel dat binnen het topmanagementteam niet alle relevante informatie wordt besproken.	❑	❑	❑	❑	❑
11 Voordat belangrijke beslissingen genomen worden, is er in dit topmanagementteam veel discussie.	❑	❑	❑	❑	❑
12 Ik heb soms het gevoel dat managers essentiële informatie achterhouden.	❑	❑	❑	❑	❑
13 Wanneer beslissingen genomen worden, voelt elke manager zich verantwoordelijk voor de implementatie van deze beslissingen.	❑	❑	❑	❑	❑
14 De voorkeur van de CEO is in de meeste gevallen doorslaggevend bij het nemen van beslissingen.	❑	❑	❑	❑	❑
15 Wanneer beslissingen genomen zijn, is het niet ongewoon dat één of meerdere managers ongelukkig zijn met die beslissingen.	❑	❑	❑	❑	❑
16 Bij het nemen van beslissingen wordt meestal de input van elke manager gebruikt.	❑	❑	❑	❑	❑
17 De meeste managers hebben slechts een beperkte invloed op het besluitvormingsproces.	❑	❑	❑	❑	❑

Vervolg... de volgende beweringen hebben betrekking op het topmanagementteam. Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen.	1 oneens	2 enigszins oneens	3 neutraal	4 enigszins eens	5 eens
18 Het topmanagementteam van dit bedrijf opereert als een 'echt' team.	❑	❑	❑	❑	❑
19 Dit topmanagementteam houdt rekening met mijn persoonlijke voorkeuren en wensen.	❑	❑	❑	❑	❑
20 Het is soms noodzakelijk om de juistheid van informatie, die ik heb ontvangen van andere managers, te controleren.	❑	❑	❑	❑	❑
21 Over het algemeen zijn de leden van het topmanagementteam tevreden over de kwaliteit van de beslissingen die genomen zijn.	❑	❑	❑	❑	❑
22 Dit topmanagementteam handelt niet altijd op een consistente manier.	❑	❑	❑	❑	❑
23 Ik beschouw de problemen waar dit topmanagementteam mee geconfronteerd wordt, als mijn eigen problemen.	❑	❑	❑	❑	❑
24 Dit topmanagementteam slaagt er in om de initiatieven, die het neemt, met succes af te ronden.	❑	❑	❑	❑	❑
25 Niemand in dit team zal opzettelijk proberen mijn inspanningen te ondermijnen.	❑	❑	❑	❑	❑
26 Dit topmanagementteam beschikt over de vereiste managementvaardigheden.	❑	❑	❑	❑	❑
27 Dit topmanagementteam bezit de vereiste competenties die bijdragen tot betere bedrijfsprestaties.	❑	❑	❑	❑	❑
28 Mijn unieke vaardigheden en talenten worden gewaardeerd en gebruikt in dit team.	❑	❑	❑	❑	❑
29 De beslissingen van het topmanagementteam hebben doorgaans een positief effect op het bedrijf.	❑	❑	❑	❑	❑
30 De nauwkeurigheid van de informatie die andere managers doorspelen, kan verbeterd worden.	❑	❑	❑	❑	❑
31 Ik voel me aanvaard in dit team.	❑	❑	❑	❑	❑
32 De redenering en principes die gevolgd werden bij het nemen van beslissingen worden duidelijk verwoord.	❑	❑	❑	❑	❑
33 Dit topmanagementteam heeft onderliggende waarden en normen waar ik mij in kan terugvinden.	❑	❑	❑	❑	❑

Vervolg... de volgende beweringen hebben betrekking op het topmanagementteam. Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen.		1 oneens	2 enigszins oneens	3 neutraal	4 enigszins eens	5 eens
34	Het effect van de genomen beslissingen ligt volledig in lijn met de verwachtingen.	❑	❑	❑	❑	❑
35	Dit topmanagementteam komt gemaakte afspraken altijd na.	❑	❑	❑	❑	❑
36	Als iemand in dit team een fout maakt, wordt dit hem/haar kwalijk genomen.	❑	❑	❑	❑	❑
37	De leden van het topmanagementteam hebben er veel voor over om beslissingen adequaat te implementeren.	❑	❑	❑	❑	❑
38	Sommige teamleden voelen soms weerstand van andere leden in dit team.	❑	❑	❑	❑	❑
39	Dit topmanagementteam is zeer capabel in het uitvoeren van zijn taken.	❑	❑	❑	❑	❑
40	Het is moeilijk om hulp te vragen aan andere teamleden.	❑	❑	❑	❑	❑
41	Dit topmanagementteam beschikt over de relevante kennis om zijn taken uit te voeren.	❑	❑	❑	❑	❑
42	De beslissingen motiveren en inspireren de teamleden om hard te werken.	❑	❑	❑	❑	❑
43	Ik voel me emotioneel verbonden met dit topmanagementteam.	❑	❑	❑	❑	❑
44	De leden van het topmanagementteam geloven dat de beslissingen bijdragen tot een verbetering van de bedrijfsprestaties.	❑	❑	❑	❑	❑
45	Dit topmanagementteam zal ten opzichte van iedereen op een rechtvaardige manier handelen.	❑	❑	❑	❑	❑
46	Bij het nemen van beslissingen zijn alle relevante aspecten kritisch geëvalueerd.	❑	❑	❑	❑	❑
47	Dit topmanagementteam hanteert duidelijke, deugdelijke principes waar men steeds naar handelt.	❑	❑	❑	❑	❑
48	Ik heb het gevoel bij dit team te horen.	❑	❑	❑	❑	❑
49	Managers in dit team hebben moeite om advies te vragen aan elkaar.	❑	❑	❑	❑	❑

Vervolg... de volgende beweringen hebben betrekking op het topmanagementteam. Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen.	1 oneens	2 enigszins oneens	3 neutraal	4 enigszins eens	5 eens
50 In dit team kan men gerust 'out of the box' denken.	❑	❑	❑	❑	❑
51 Dit topmanagementteam houdt zich altijd aan zijn woord.	❑	❑	❑	❑	❑
52 In dit team kunnen problemen en moeilijke kwesties worden besproken.	❑	❑	❑	❑	❑
53 De beslissingen liggen volledig in lijn met de gestelde prioriteiten en belangen van de individuele teamleden.	❑	❑	❑	❑	❑
54 Dit topmanagementteam is zeer gekwalificeerd.	❑	❑	❑	❑	❑
55 De leden van het topmanagementteam zijn in het algemeen tevreden dat specifieke beslissingen verkozen werden boven andere beschikbare alternatieven.	❑	❑	❑	❑	❑
56 Ik heb soms moeite om de informatie, die ik van andere managers ontvang, te begrijpen.	❑	❑	❑	❑	❑
57 Dit topmanagementteam legt de focus op zaken waar ik belang aan hecht.	❑	❑	❑	❑	❑

12. De volgende beweringen zijn van toepassing op u als CEO van dit bedrijf. Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen.		**1** oneens	**2** enigszins oneens	**3** neutraal	**4** enigszins eens	**5** eens
1	Ik stimuleer samenwerking tussen managers in dit topmanagementteam.	❑	❑	❑	❑	❑
2	Ik stimuleer een betrouwbare, veilige werkomgeving in dit topmanagementteam.	❑	❑	❑	❑	❑
3	Ik stimuleer open communicatie tussen managers in dit topmanagementteam.	❑	❑	❑	❑	❑

13. Beoordeel de mate waarin de volgende aspecten voor u als persoon belangrijk zijn.		1 zeer onbelangrijk	2 onbelangrijk	3 neutraal	4 belangrijk	5 zeer belangrijk
1	Respect voor anderen	❑	❑	❑	❑	❑
2	Rationaliteit: het waarderen dat beslissingen en handelingen gebaseerd zijn op feiten, niet op emoties	❑	❑	❑	❑	❑
3	Veranderingen, het 'nieuwe'	❑	❑	❑	❑	❑
4	Loyaliteit en plichtsbewustheid	❑	❑	❑	❑	❑
5	Materialisme	❑	❑	❑	❑	❑
6	Invloed hebben op situaties en mensen	❑	❑	❑	❑	❑

14. Hieronder worden mogelijke bestuurstaken opgesomd. Geef in de 1e kolom aan in welke mate u deze taken *belangrijk* vindt voor de Raad van Bestuur/Advies. Duidt nadien in de 2e kolom aan in welke mate de Raad van Bestuur/Advies in uw bedrijf deze taken *uitvoert*.		1 zeer onbelangrijk	2 onbelangrijk	3 neutraal	4 belangrijk	5 zeer belangrijk	1 zeer weinig aandacht	2 weinig aandacht	3 matige aandacht	4 veel aandacht	5 zeer veel aandacht
1	Hulp en advies bieden aan het topmanagementteam bij de formulering van de bedrijfsstrategie.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
2	Dienen als klankbord voor het topmanagementteam bij strategische zaken.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
3	Adviseren en bemiddelen bij discussie omtrent strategische topics.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
4	De mening van het topmanagementteam omtrent strategische topics uitdagen.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
5	De prestaties van het topmanagementteam formeel evalueren.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
6	Het topmanagementteam kritische vragen stellen omtrent strategische beslissingen.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
7	Actief op zoek gaan naar nieuwe bedrijfsmiddelen.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
8	Netwerking en bestaande relaties onderhouden.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
9	Opvolgingsproblematiek ondersteunen.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
10	Opbouwen van bedrijfsreputatie.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
11	Rekruteren van nieuwe managers.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
12	Beloningsbeleid van het management bepalen.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
11	Maximaliseren van aandeelhouderswaarde.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑
12	Verantwoordelijkheden van managers bepalen.	❑	❑	❑	❑	❑	❑	❑	❑	❑	❑

15. **De volgende vragen toetsen de betrokkenheid van zowel topmanagementteam als Raad van Bestuur/Advies in het strategisch besluitvormingsproces van dit bedrijf.**
Zijn in dit bedrijf zowel topmanagementteam als Raad van Bestuur/Advies betrokken bij (een onderdeel van) het strategisch besluitvormingsproces?

- ❑ ja
- ❑ nee

- Indien nee:

16. Wie is dan verantwoordelijk voor het strategisch besluitvormingsproces?
(ga hierna verder naar vraag 20)

- ❑ alleen topmanagementteam
- ❑ alleen Raad van Bestuur/Advies
- ❑ andere (bijv.: CEO): .....

- Indien ja:

17. Hoe uit deze betrokkenheid van het topmanagementteam en de Raad van Bestuur/Advies inzake strategische besluitvorming zich?
NB: Eventueel mogen meerdere antwoordmogelijkheden aangeduid worden.

- ❑ gezamenlijke vergaderingen tussen het gehele topmanagementteam en de Raad van Bestuur/Advies.

  - Indien er sprake is van gezamenlijke vergaderingen tussen topmanagementteam en Raad van Bestuur/Advies, hoe frequent komen deze twee organen dan samen?

  ❑ jaarlijks ❑ halfjaarlijks ❑ trimestrieel ❑ maandelijks ❑ wekelijks ❑ dagelijks

  - Indien er sprake is van gezamenlijke vergaderingen tussen topmanagementteam en Raad van Bestuur/Advies, wie zit dan deze vergaderingen voor?

  ❑ CEO ❑ voorzitter Raad van Bestuur/Advies ❑ manager ❑ bestuurslid ❑ externe

  ❑ andere: .....

- ❑ hoge mate van vertegenwoordiging van leden van het topmanagementteam in de Raad van Bestuur/Advies.
- ❑ topmanagementteam en Raad van Bestuur/Advies zijn elk verantwoordelijk voor bepaalde aspecten in het strategisch besluitvormingsproces, waarbij interactie tussen beide organen de basis vormt.
- ❑ andere: .....

	18. Hoe vaak werken topmanagementteam en Raad van Bestuur/Advies samen (volgens één van de opties aangeduid in vraag 17) rond de volgende strategische aspecten.	1 bijna nooit	2 zelden	3 soms	4 vaak	5 heel dikwijls
1	De beoogde bedrijfsdoelstellingen identificeren en het vaststellen van strategische knelpunten.	❑	❑	❑	❑	❑
2	Het genereren van mogelijke oplossingen voor strategische knelpunten.	❑	❑	❑	❑	❑
3	Het evalueren van mogelijke oplossingen voor strategische knelpunten.	❑	❑	❑	❑	❑
4	Het uitwerken van de voorgestelde oplossingen voor strategische knelpunten.	❑	❑	❑	❑	❑
5	Het implementeren van de geformuleerde oplossing voor het strategische knelpunt.	❑	❑	❑	❑	❑
6	Het controleren van de doorgevoerde strategische beslissingen.	❑	❑	❑	❑	❑
	19. In deze vraag vormen topmanagementteam en Raad van Bestuur/Advies, door hun betrokkenheid in het strategisch besluitvormingsproces (volgens de gekozen optie(s) in vraag 17), samen "het team". Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen over dit team.	1 oneens	2 enigszins oneens	3 neutraal	4 enigszins eens	5 eens
1	De beslissingen van het team hebben doorgaans een positief effect op het bedrijf.	❑	❑	❑	❑	❑
2	Leden in dit team hebben moeite om advies te vragen aan elkaar.	❑	❑	❑	❑	❑
3	Bij het nemen van beslissingen wordt meestal de input van elk teamlid gebruikt.	❑	❑	❑	❑	❑
4	De voorkeur van de persoon die dit team leidt, is in de meeste gevallen doorslaggevend bij het nemen van beslissingen.	❑	❑	❑	❑	❑
5	Voordat belangrijke beslissingen genomen worden, is er in dit team veel discussie.	❑	❑	❑	❑	❑
6	Ik heb soms moeite om de informatie, die ik van andere teamleden ontvang, te begrijpen.	❑	❑	❑	❑	❑
7	De betrokken leden van beide organen hebben er veel voor over om de beslissingen adequaat te implementeren.	❑	❑	❑	❑	❑

	Vervolg… in deze vraag vormen topmanagementteam en Raad van Bestuur/Advies, door hun betrokkenheid in Het strategisch besluitvormingsproces (volgens de gekozen optie(s) in vraag 17), samen "het team". Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen over dit team.	1 oneens	2 enigszins oneens	3 neutraal	4 enigszins eens	5 eens
8	Ik heb soms het gevoel dat teamleden essentiële informatie achterhouden.	❑	❑	❑	❑	❑
9	De beslissingen, genomen door dit team, motiveren en inspireren de betrokken leden van beide organen om hard te werken.	❑	❑	❑	❑	❑
10	De betrokken leden van beide organen zijn in het algemeen tevreden dat specifieke beslissingen verkozen werden boven andere beschikbare alternatieven.	❑	❑	❑	❑	❑
11	De nauwkeurigheid van de informatie die andere teamleden doorspelen, kan verbeterd worden.	❑	❑	❑	❑	❑
12	Dit team heeft soms moeite om tot beslissingen te komen waar ieder teamlid achter staat.	❑	❑	❑	❑	❑
13	Het effect van de genomen beslissingen ligt volledig in lijn met de verwachtingen.	❑	❑	❑	❑	❑
14	Dit team opereert als een 'echt' team.	❑	❑	❑	❑	❑
15	De betrokken leden van beide organen geloven dat de door hen genomen beslissingen bijdragen tot een verbetering van de bedrijfsprestaties.	❑	❑	❑	❑	❑
16	Wanneer beslissingen genomen worden, voelt elk teamlid zich verantwoordelijk voor de implementatie van deze beslissingen.	❑	❑	❑	❑	❑
17	In dit team is er sprake van vruchtbare samenwerking.	❑	❑	❑	❑	❑
18	Over het algemeen zijn de betrokken leden van beide organen tevreden over de kwaliteit van de beslissingen die genomen zijn.	❑	❑	❑	❑	❑
19	De meeste teamleden hebben slechts een beperkte invloed op het besluitvormingsproces.	❑	❑	❑	❑	❑
20	Bij het nemen van beslissingen zijn doorgaans alle relevante aspecten aan bod gekomen.	❑	❑	❑	❑	❑
21	De betrokken leden van beide organen geloven dat de genomen beslissingen de best mogelijke waren.	❑	❑	❑	❑	❑
22	Ik heb soms het gevoel dat andere teamleden de informatie, die aan hen is doorgegeven, niet goed begrijpen.	❑	❑	❑	❑	❑

	Vervolg... in deze vraag vormen topmanagementteam en Raad van Bestuur/Advies, door hun betrokkenheid in het strategisch besluitvormingsproces (volgens de gekozen optie(s) in vraag 17), samen "het team". Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate u het al dan niet eens bent met de volgende beweringen over dit team.	1 oneens	2 enigszins oneens	3 neutraal	4 enigszins eens	5 eens
23	Bij het nemen van beslissingen zijn alle relevante aspecten kritisch geëvalueerd.	❑	❑	❑	❑	❑
24	De redenering en principes die gevolgd werden bij het nemen van beslissingen worden duidelijk verwoord.	❑	❑	❑	❑	❑
25	Ik heb soms het gevoel dat binnen het team niet alle relevante informatie wordt besproken.	❑	❑	❑	❑	❑
26	Het is soms noodzakelijk om de juistheid van informatie, die ik heb ontvangen van andere teamleden, te controleren.	❑	❑	❑	❑	❑
27	De beslissingen liggen volledig in lijn met de gestelde individuele prioriteiten en belangen van elk betrokken lid van beide organen.	❑	❑	❑	❑	❑
28	Wanneer beslissingen genomen zijn, is het niet ongewoon dat één of meerdere teamleden ongelukkig zijn met die beslissingen.	❑	❑	❑	❑	❑

20. Heeft de familie een familieforum ingesteld?
NB:het familieforum is een formeel forum waarbij de bedrijfsfamilie zowel bedrijfs- als familiegerelateerde topics op regelmatige basis bespreekt.

❑ ja
❑ nee

- Indien nee: ga verder naar vraag 23.

- indien ja:
21. Hoeveel keer per jaar komt dit forum samen? .... per jaar

	22. Hieronder staan een reeks mogelijke bevoegdheden van het familieforum opgelijst. Gelieve aan te duiden (door een kruisje te plaatsen) in welke mate volgende topics in het familieforum aan bod komen.	1 zeer weinig	2 weinig	3 neutraal	4 veel	5 zeer veel
1	Bepalen van de familiale waarden.	❑	❑	❑	❑	❑
2	Bepalen van een familiale missie.	❑	❑	❑	❑	❑
3	Organiseren van de familie.	❑	❑	❑	❑	❑
4	Onderhouden van familiale relaties.	❑	❑	❑	❑	❑
5	Regelen van eigendomskwesties.	❑	❑	❑	❑	❑
6	Oplossen van familiale conflicten.	❑	❑	❑	❑	❑
7	Bewaken van relatie familie – familiebedrijf.	❑	❑	❑	❑	❑
8	Opleiding/training voor familieleden organiseren.	❑	❑	❑	❑	❑
9	Organiseren van sociale activiteiten voor familie.	❑	❑	❑	❑	❑
10	Opstellen van een familiaal charter.	❑	❑	❑	❑	❑

23.	Heeft de familie een familiaal charter opgesteld? *NB:het familiaal charter is een formeel charter waarin kritieke elementen zoals bijv. familiale waarden en normen, doelstellingen, carrièrepaden, eigendomsreglementeringen, communicatiemethodes, … in worden vervat.* **- Indien nee: ga verder naar vraag 25.** **- Indien ja:** 24. Wat wordt er in het familiaal charter geregeld? *NB: meerdere antwoordmogelijkheden mogen aangeduid worden.*	❑ ja ❑ nee ❑ waarden van familie en familiebedrijf ❑ doelstellingen van de familie wat het familiebedrijf betreft ❑ eigendom van het familiebedrijf ❑ carrières in het familiebedrijf ❑ vergoedingen (zowel familieleden als niet-familieleden) ❑ governance van het familiebedrijf en van de familie ❑ de leiding van het familiebedrijf ❑ de rol van niet-familieleden in het familiebedrijf ❑ communicatie ❑ familiale harmonie en conflictoplossing ❑ andere elementen: .....

	25. Hieronder staan een aantal prestatiemaatstaven weergegeven. Kunt u aangeven hoe de prestaties van uw onderneming zich verhouden tot uw belangrijkste concurrenten. Gelieve voor de volgende acht criteria in te schatten tot welke van de volgende categorieën uw onderneming op dit moment behoort.	1 laagste 20%	2 tweede laagste 20%	3 middelste 20%	4 tweede hoogste 20%	5 top 20%
1	Omzetgroei	❑	❑	❑	❑	❑
2	Groei in bedrijfswinst	❑	❑	❑	❑	❑
3	Rendabiliteit op eigen vermogen	❑	❑	❑	❑	❑
4	Rendabiliteit op totale activa	❑	❑	❑	❑	❑
5	Groei in marktaandeel	❑	❑	❑	❑	❑
6	Groei in personeelsbestand	❑	❑	❑	❑	❑
7	Winstmarge op verkopen	❑	❑	❑	❑	❑
8	Mogelijkheid om groei te financieren met bedrijfswinst	❑	❑	❑	❑	❑

8.5. Questionnaire 2014-2015 part 2

Vragenlijst

Management in (familie)bedrijven

(de door u verstrekte informatie zal strikt vertrouwelijk behandeld worden)

Samenstellingskenmerken topmanagementteam en Raad van Bestuur/Advies

Versie bedrijfsleider

1. Schets het profiel van alle managers (inclusief uzelf als CEO) in het topmanagementteam (TMT). U dient slechts het aantal kolommen in te vullen overeenkomstig met het juiste aantal leden van het team in dit bedrijf:

	CEO	Manager 1	Manager 2	Manager 3	Manager 4	Manager 5	Manager 6
Geslacht	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw
Leeftijd	………………. jaar	………………. jaar	………………. jaar	………………. jaar	………………. jaar	………………. jaar	………………. jaar
Generatie familie	□ geen familie □ oprichter □ 1^{e} generatie □ 2^{e} generatie □ 3^{e} generatie of verder	□ geen familie □ 1^{e} generatie □ 2^{e} generatie □ 3^{e} generatie of verder	□ geen familie □ 1^{e} generatie □ 2^{e} generatie □ 3^{e} generatie of verder	□ geen familie □ 1^{e} generatie □ 2^{e} generatie □ 3^{e} generatie of verder	□ geen familie □ 1^{e} generatie □ 2^{e} generatie □ 3^{e} generatie of verder	□ geen familie □ 1^{e} generatie □ 2^{e} generatie □ 3^{e} generatie of verder	□ geen familie □ 1^{e} generatie □ 2^{e} generatie □ 3^{e} generatie of verder
Aantal maanden actief in het TMT	…………. maanden	…………. maanden	…………. maanden	…………. maanden	…………. maanden	…………. maanden	…………. maanden
Rekrutering	□ uit de familie gerekruteerd □ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand □ vacature □ headhunting □ interne promotie □ andere, nl.: …………………	□ uit de familie gerekruteerd □ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand □ vacature □ headhunting □ interne promotie □ andere, nl.: …………………	□ uit de familie gerekruteerd □ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand □ vacature □ headhunting □ interne promotie □ andere, nl.: …………………	□ uit de familie gerekruteerd □ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand □ vacature □ headhunting □ interne promotie □ andere, nl.: …………………	□ uit de familie gerekruteerd □ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand □ vacature □ headhunting □ interne promotie □ andere, nl.: …………………	□ uit de familie gerekruteerd □ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand □ vacature □ headhunting □ interne promotie □ andere, nl.: …………………	□ uit de familie gerekruteerd □ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand □ vacature □ headhunting □ interne promotie □ andere, nl.: …………………
Aantal jaren actief in het bedrijf	…………. jaren	…………. jaren	…………. jaren	…………. jaren	…………. jaren	…………. jaren	…………. jaren
Vroeger werkzaam in een ander bedrijf	□ ja □ nee	□ ja □ nee	□ ja □ nee	□ ja □ nee	□ ja □ nee	□ ja □ nee	□ ja □ nee

	CEO	Manager 1	Manager 2	Manager 3	Manager 4	Manager 5	Manager 6
Functionele ervaring in uw loopbaan + aantal jaren *(meerdere antwoorden mogelijk)*	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren
Lid van de Raad van Bestuur/Advies	□ ja □ nee	□ ja □ nee	□ ja □ nee	□ ja □ nee	□ ja □ nee	□ ja □ nee	□ ja □ nee
Lid van andere Raden van Bestuur	□ ja aantal: .... □ nee	□ ja aantal: .... □ nee	□ ja aantal: .... □ nee	□ ja aantal: .... □ nee	□ ja aantal: .... □ nee	□ ja aantal: .... □ nee	□ ja aantal: .... □ nee
Aandeelhouder in dit familiebedrijf	□ ja, voor......% □ nee	□ ja, voor......% □ nee	□ ja, voor......% □ nee	□ ja, voor......% □ nee	□ ja, voor......% □ nee	□ ja, voor......% □ nee	□ ja, voor......% □ nee

2.	Hoeveel leden telt de Raad van Bestuur/Advies momenteel?	....	leden
2a	Uit hoeveel **bestuurders die tevens deel uitmaken van het topmanagementteam** én tot de familie behoren ***(= uitvoerende familiale bestuurders)*** bestaat de Raad van Bestuur/Advies momenteel?	....	uitvoerende familiale bestuurders
2b	Uit hoeveel **bestuurders die tevens deel uitmaken van het topmanagementteam** maar niet tot de familie behoren ***(= uitvoerende niet-familiale bestuurders)*** bestaat de Raad van Bestuur/Advies momenteel?	....	uitvoerende niet-familiale bestuurders
2c	Uit hoeveel **bestuurders die geen deel uitmaken van het topmanagementteam** maar wel tot de familie behoren ***(= niet-uitvoerende familiale bestuurders)*** bestaat de Raad van Bestuur/Advies momenteel?	....	niet-uitvoerende familiale bestuurders
2d	Uit hoeveel **bestuurders die geen deel uitmaken van het topmanagementteam** en niet tot de familie behoren, maar wel een vertrouwensrelatie hebben met het bedrijf zoals juristen, bankiers, en accountants ***(= geaffilieerde bestuurders)*** bestaat de Raad van Bestuur/Advies momenteel?	....	geaffilieerde bestuurders
2e	Uit hoeveel **bestuurders die geen deel uitmaken van het topmanagementteam** tot geen van voorgaande categorieën behoren, maar wel in het bezit zijn van aandelen van het bedrijf ***(= externe bestuurders met een aandeel in het kapitaal)*** bestaat de Raad van Bestuur/Advies momenteel?	....	externe bestuurders met een aandeel in het kapitaal
2f	Uit hoeveel **bestuurders die geen deel uitmaken van het topmanagementteam** tot geen van voorgaande categorieën behoren, en niet in het bezit zijn van aandelen van het bedrijf ***(= externe bestuurders zonder aandeel in het kapitaal)*** bestaat de Raad van Bestuur/Advies momenteel?	....	externe bestuurders zonder aandeel in het kapitaal
3.	Is de bedrijfsleider eveneens voorzitter van de Raad van Bestuur/Advies?	❑	ja
		❑	nee
4.	Hoeveel keer per jaar komt de Raad van Bestuur/Advies officieel samen?	....	keer per jaar

5. Schets het profiel van de bestuurders in de Raad van Bestuur/Advies. U dient slechts profiel te schetsen voor de bestuurders die <u>niet in topmanagementteam zetelen</u>, daar u deze profielen al in vraag 1 hebt ingevuld. Dus ook als de CEO tevens voorzitter van de Raad van Bestuur/Advies is, dient de kolom van voorzitter niet ingevuld te worden.

	Voorzitter	**Bestuurder 1**	**Bestuurder 2**	**Bestuurder 3**	**Bestuurder 4**	**Bestuurder 5**	**Bestuurder 6**
Geslacht	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw	□ man □ vrouw
Leeftijd	………………….jaar	………………….jaar	………………….jaar	………………….jaar	………………….jaar	………………….jaar	………………….jaar
Generatie familie	□ geen familie □ 1e generatie □ 2e generatie □ 3e generatie of verder	□ geen familie □ 1e generatie □ 2e generatie □ 3e generatie of verder	□ geen familie □ 1e generatie □ 2e generatie □ 3e generatie of verder	□ geen familie □ 1e generatie □ 2e generatie □ 3e generatie of verder	□ geen familie □ 1e generatie □ 2e generatie □ 3e generatie of verder	□ geen familie □ 1e generatie □ 2e generatie □ 3e generatie of verder	□ geen familie □ 1e generatie □ 2e generatie □ 3e generatie of verder
Aantal maanden actief in de RvB	………… maanden	………… maanden	………… maanden	………… maanden	………… maanden	………… maanden	………… maanden
Rekrutering <u>niet-familiale</u> bestuurders ***(indien familiale bestuurder dus niet invullen)***	□ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand anders □ opdracht assessmentbureau □ andere, nl.: …………………	□ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand anders □ opdracht assessmentbureau □ andere, nl.: …………………	□ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand anders □ opdracht assessmentbureau □ andere, nl.: …………………	□ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand anders □ opdracht assessmentbureau □ andere, nl.: …………………	□ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand anders □ opdracht assessmentbureau □ andere, nl.: …………………	□ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand anders □ opdracht assessmentbureau □ andere, nl.: …………………	□ via netwerk van de bedrijfsfamilie □ aanbevolen door iemand anders □ opdracht assessmentbureau □ andere, nl.: …………………
Achtergrond bestuurder	□ Intern (huidige en vroegere managers van het bedrijf) □ bedrijfsexpert (CEO/managers **andere** bedrijven, bestuursleden andere bedrijven) □ Functionele expert (advocaten, bankiers,	□ Intern (huidige en vroegere managers van het bedrijf) □ bedrijfsexpert (CEO/managers **andere** bedrijven, bestuursleden andere bedrijven) □ Functionele expert (advocaten, bankiers,	□ Intern (huidige en vroegere managers van het bedrijf) □ bedrijfsexpert (CEO/managers **andere** bedrijven, bestuursleden andere bedrijven) □ Functionele expert (advocaten, bankiers,	□ Intern (huidige en vroegere managers van het bedrijf) □ bedrijfsexpert (CEO/managers **andere** bedrijven, bestuursleden andere bedrijven) □ Functionele expert (advocaten, bankiers,	□ Intern (huidige en vroegere managers van het bedrijf) □ bedrijfsexpert (CEO/managers **andere** bedrijven, bestuursleden andere bedrijven) □ Functionele expert (advocaten, bankiers,	□ Intern (huidige en vroegere managers van het bedrijf) □ bedrijfsexpert (CEO/managers **andere** bedrijven, bestuursleden andere bedrijven) □ Functionele expert (advocaten, bankiers,	□ Intern (huidige en vroegere managers van het bedrijf) □ bedrijfsexpert (CEO/managers **andere** bedrijven, bestuursleden andere bedrijven) □ Functionele expert (advocaten, bankiers,

	verzekeraars, ...) □ Maatschappelijke expert (politiek figuur, academici, voorzitter werkgeversorganisatie of andere maatschappelijke organisatie, ...)	verzekeraars, ...) □ Maatschappelijke expert (politiek figuur, academici, voorzitter werkgeversorganisatie of andere maatschappelijke organisatie, ...)	verzekeraars, ...) □ Maatschappelijke expert (politiek figuur, academici, voorzitter werkgeversorganisatie of andere maatschappelijke organisatie, ...)	verzekeraars, ...) □ Maatschappelijke expert (politiek figuur, academici, voorzitter werkgeversorganisatie of andere maatschappelijke organisatie, ...)	verzekeraars, ...) □ Maatschappelijke expert (politiek figuur, academici, voorzitter werkgeversorganisatie of andere maatschappelijke organisatie, ...)	verzekeraars, ...) □ Maatschappelijke expert (politiek figuur, academici, voorzitter werkgeversorganisatie of andere maatschappelijke organisatie, ...)	verzekeraars, ...) □ Maatschappelijke expert (politiek figuur, academici, voorzitter werkgeversorganisatie of andere maatschappelijke organisatie, ...)
Functionele ervaring gedurende loopbaan + aantal jaren *(meerdere antwoorden mogelijk)*	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren	□ marketing of verkoop ....jaren □ financiën ....jaren □ onderzoek en ontwikkeling ....jaren □ juridisch ....jaren □ productie ....jaren □ human resource management ....jaren □ aankoop/logistiek .... jaren □ ICT ....jaren

8.6. Factor loadings for Oblimin rotated 1 factor model of decision-making quality

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5,535	46,127	46,127	5,535	46,127	46,127
2	,917	7,640	53,767			
3	,752	6,266	60,033			
4	,742	6,182	66,215			
5	,636	5,300	71,515			
6	,618	5,147	76,662			
7	,586	4,879	81,541			
8	,531	4,428	85,969			
9	,474	3,954	89,923			
10	,447	3,727	93,650			
11	,386	3,213	96,863			
12	,376	3,137	100,000			

Component Matrix[a]

	Component
	1
dmq1	,622
dmq2	,683
dmq3	,713
dmq4	,747
dmq5	,592
dmq6	,585
dmq7	,664
dmq8	,709
dmq9	,754
dmq10	,697
dmq11	,669
dmq12	,691

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

8.7. Factor loadings for Oblimin rotated 1 factor model of SEW

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,201	44,020	44,020	2,201	44,020	44,020
2	,896	17,921	61,941			
3	,719	14,382	76,323			
4	,609	12,170	88,493			
5	,575	11,507	100,000			

Component Matrix[a]

	Component
	1
SEW1	,729
SEW2	,712
SEW3	,637
SEW4	,677
SEW5	,547

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

8.8. OLS regression results of the direct effect of NFM ratio on knowledge variety

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,547[a]	,299	,255	,09770

a. Predictors: (Constant), NFM ratio, lnsize, TMT size

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,195	3	,065	6,822	**,001[b]**
	Residual	,458	48	,010		
	Total	,653	51			

a. Dependent Variable: knowledge variety
b. Predictors: (Constant), NFM ratio, lnsize, TMT size

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,214	,059		3,638	,001
	TMT size	,029	,008	,501	3,479	,001
	lnsize	,005	,012	,060	,432	,667
	NFM ratio	,017	,063	,036	,267	**,790**

a. Dependent Variable: knowledge variety

8.9. OLS regression results of the direct effect of NFM ratio on SEW separation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,182[a]	,033	-,027	,21336

a. Predictors: (Constant), NFM ratio, lnsize, TMT size

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,075	3	,025	,548	**,652[b]**
	Residual	2,185	48	,046		
	Total	2,260	51			

a. Dependent Variable: SEW separation
b. Predictors: (Constant), NFM ratio, lnsize, TMT size

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,533	,128		4,161	,000
	TMT size	,019	,018	,174	1,029	,309
	lnsize	-,029	,026	-,178	-1,099	,277
	NFM ratio	-,002	,137	-,003	-,017	**,987**

a. Dependent Variable: SEW separation

8.10. Factor loadings for Oblimin rotated 1 factor model of decision-making quality

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5,564	46,370	46,370	5,564	46,370	46,370
2	,891	7,424	53,794			
3	,761	6,344	60,138			
4	,739	6,158	66,295			
5	,645	5,377	71,672			
6	,606	5,051	76,724			
7	,591	4,926	81,650			
8	,523	4,356	86,006			
9	,477	3,974	89,981			
10	,444	3,698	93,679			
11	,392	3,265	96,943			
12	,367	3,057	100,000			

Component Matrix[a]

	Component
	1
dmq1	,641
dmq2	,689
dmq3	,717
dmq4	,754
dmq5	,574
dmq6	,675
dmq7	,572
dmq8	,717
dmq9	,759
dmq10	,683
dmq11	,670
dmq12	,691

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

8.11. Factor loadings for Oblimin rotated 1 factor model of SEW

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,387	47,735	47,735	2,387	47,735	47,735
2	,822	16,450	64,185			
3	,677	13,538	77,723			
4	,578	11,562	89,285			
5	,536	10,715	100,000			

Component Matrix[a]

	Component
	1
SEW1	,733
SEW2	,741
SEW3	,663
SEW4	,702
SEW5	,607

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

8.12. Factor loadings for Oblimin rotated 1 factor model of psychological safety

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,801	39,878	39,878	2,801	39,878	39,878
2	,905	12,935	52,813			
3	,860	12,290	65,104			
4	,747	10,672	75,776			
5	,614	8,771	84,546			
6	,592	8,455	93,001			
7	,490	6,999	100,000			

Component Matrix[a]

	Component
	1
Psysaf1	,600
Psysaf2	,679
Psysaf3	,701
Psysaf4	,761
Psysaf5	,497
Psysaf6	,667
Psysaf7	,454

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

8.13. Factor loadings for Oblimin rotated 1 factor model of behavioral integration

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3,388	48,396	48,396	3,388	48,396	48,396
2	,939	13,420	61,816			
3	,780	11,148	72,965			
4	,639	9,136	82,100			
5	,502	7,166	89,267			
6	,425	6,072	95,339			
7	,326	4,661	100,000			

Component Matrix[a]

	Component
	1
BI1	,688
BI2	,693
BI3	,761
BI4	,809
BI5	,691
BI6	,650
BI7	,546

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

8.14. Preliminary results determinants of psychological safety

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,636[a]	,404	,343	,30735

a. Predictors: (Constant), ceorl, ceodominance, tmttendiff, TMTsize, lnsize

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3,140	5	,628	6,649	**,000[b]**
	Residual	4,629	49	,094		
	Total	7,769	54			

a. Dependent Variable: psychsaf
b. Predictors: (Constant), ceorl, ceodominance, tmttendiff, TMTsize, lnsize

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2,274	,645		3,528	,001
	lnsize	,040	,038	,133	1,031	,308
	TMT size	-,256	,137	-,235	-1,871	**,067**
	TMT tenure diff	-,002	,001	-,196	-1,741	**,088**
	CEO dominance	-,121	,067	-,203	-1,805	**,077**
	ceorl	,560	,132	,485	4,251	**,000**

a. Dependent Variable: psychsaf

9. References

Ai, C., & Norton, E. C. (2003). Interaction terms in logit and probit models, *Economics Letters,* 80(1): 123-129.

Anderson, D. W., Melanson, S. J., & Maly, J. (2007). The Evolution of Corporate Governance: power redistribution brings boards to life, *Corporate Governance: An International Review,* 15(5): 780-797.

Anderson, N. R., & West, M. A. (1998). Meauring climate for work group innovation: Development and validation of the team climate inventory, *Journal of Organizational Behavior,* 19(3): 235.

Anderson, R. C., & Reeb, D. M. (2004). Board composition: balancing family influence in S&P 500 firms, *Administrative Science Quarterly,* 49(2): 209-237.

Ashforth, B. E., & Mael, F. (1989). Social Identity Theory and the Organization, *Academy of Management Review,* 14(1): 20-39.

Attneave, F. (1959). Applications of information theory to psychology: A summary of basic concepts, methods, and results.

Austin, J. R. (2003). Transactive Memory in Organizational Groups: The Effects of Content, Consensus, Specialization, and Accuracy on Group Performance, *Journal of Applied Psychology,* 88(5): 866.

Bamberger, I. (1994). *Product/market strategies of small and medium-sized enterprises*. England: Avebury.

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

Bammens, Y., Voordeckers, W., & Van Gils, A. (2011). Boards of Directors in Family Businesses: A Literature Review and Research Agenda, *International Journal of Management Reviews,* 13(2): 134-152.

Bantel, K. A., & Jackson, S. E. (1989). Top management and innovations in banking: Does the composition of the top team make a difference?, *Strategic Management Journal,* 10: 107-124.

Bardi, A., & Schwartz, S. H. (2003). Values and behavior: Strength and structure of relations, *Personality and social psychology bulletin,* 29(10): 1207-1220.

Barkema, H. G., & Shvyrkov, O. (2007). Does top management team diversity promote or hamper foreign expansion?, *Strategic Management Journal,* 28(7): 663-680.

Baron, R. A. (2008). The Role Of Affect In The Entrepreneurial Process *Academy of Management Review,* 33(2): 328-340.

Barsade, S. G., Ward, A. J., Turner, J. D. R., & Sonnenfeld, J. A. (2000). To Your Heart's Content: A Model of Affective Diversity in Top Management Teams, *Administrative Science Quarterly,* 45(4): 802-836.

Basco, R., & Pérez-Rodriguez, M. J. (2009). Studying the Family Enterprise Holistically, *Family Business Review,* 22(1): 82-95.

Beck, L., Janssens, W., Debruyne, M., & Lommelen, T. (2011). A Study of the Relationships Between Generation, Market Orientation, and Innovation in Family Firms, *Family Business Review,* 24(3): 252-272.

Bell, S. T. (2007). Deep-Level Composition Variables as Predictors of Team Performance: A Meta-Analysis, *Journal of Applied Psychology,* 92(3): 595-615.

Bell, S. T., Villado, A. J., Lukasik, M. A., Belau, L., & Briggs, A. L. (2011). Getting Specific about Demographic Diversity Variable and Team Performance Relationships: A Meta-Analysis, *Journal of Management,* 37(3): 709-743.

Bennedsen, M., Nielsen, K. M., Perez-Gonzalez, F., & Wolfenzon, D. (2007). Inside the family firm: the role of families in succession decisions and performance, *Quarterly Journal of Economics,* 122(2): 647-691.

Berenbeim, R. E. (1990). How Business Families Manage the Transition from Owner to Professional Management, *Family Business Review,* 3(1): 69-110.

Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional Wealth in Family Firms: Theoretical Dimensions, Assessment Approaches, and Agenda for Future Research, *Family Business Review,* 25(3): 258-279.

Berrone, P., Cruz, C., Gomez-Mejia, L. R., & Larraza-Kintana, M. (2010). Socioemotional wealth and corporate responses to institutional pressures: do family-controlled firms pollute less?, *Administrative Science Quarterly,* 55(1): 82-113.

Berry, W. D., DeMeritt, J. H. R., & Esarey, J. (2010). Testing for Interaction in Binary Logit and Probit Models: Is a Product Term Essential, *American Journal of Political Science,* 54(1): 248-266.

Bettinelli, C. (2011). Boards of Directors in Family Firms: An Exploratory Study of Structure and Group Process, *Family Business Review,* 24(2): 151-169.

Biernacki, P., & Waldorf, D. (1981). Snowball sampling: Problems and techniques of chain referral sampling, *Sociological methods & research,* 10(2): 141-163.

Björnberg, Å., & Nicholson, N. (2012). Emotional Ownership: The Next Generation's Relationship With the Family Firm, *Family Business Review,* 25(4): 374-390.

Bliese, P. D. (2000). Within-group agreement, non-independence, and reliability: Implications for data aggregation and analysis.

Block, J. (2011). How to Pay Nonfamily Managers in Large Family Firms: A Principal—Agent Model, *Family Business Review,* 24(1): 9-27.

Bloom, N., Sadun, R., & Van Reenen, J. (2012). Management as a Technology, *London School of Economics Mimeo*.

Bloom, N., & Van Reenen, J. (2007). Measuring and explaining management practices across firms and countries, *Quarterly Journal of Economics,* 122(4): 1351-1408.

Blumentritt, T., Keyt, A., & Astrachan, J. (2007). Creating an environment for successful nonfamily CEOs: an exploratory study of good principals, *Family Business Review,* 20(4): 321-335.

Boeker, W. (1997). Strategic Change: The Influence Of Managerial Characteristics And Organizational Growth, *Academy of Management Journal,* 40(1): 152-170.

Boeker, W., & Wiltbank, R. (2005). New Venture Evolution and Managerial Capabilities, *Organization Science,* 16(2): 123-133.

Boone, C., & Hendriks, W. (2009). Top Management Team Diversity and Firm Performance: Moderators of Functional-Background and Locus-of-Control Diversity, *Management Science,* 55(2): 165-180.

Boone, C., Van Olffen, W., Van Witteloostuijn, A., & De Brabander, B. (2004). The Genesis Of Top Management Team Diversity: Selective Turnover Among Top Management Teams in Dutch Newspaper Publishing, 1970-94, *Academy of Management Journal,* 47(5): 633-656.

Boulton, W. R. (1978). The Evolving Board: A Look at the Board's Changing Roles and Information Needs, *Academy of Management Review,* 3(4): 827-836.

Brambor, T., Clark, W. R., & Golder, M. (2006). Understanding Interaction Models: Improving Empirical Analyses, *Political Analysis,* 14(1): 63-82.

Brodbeck, F. C., Kerschreiter, R., Mojzisch, A., & Schulz-Hardt, S. (2007). Group Decision Making Under Conditions of Distributed Knowledge: The Information Asymmetries Model *Academy of Management Review,* 32(2): 459-479.

Brunninge, O., Nordqvist, M., & Wiklund, J. (2007). Corporate Governance and Strategic Change in SMEs: The Effects of Ownership, Board Composition and Top Management Teams, *Small Business Economics,* 29(3): 295-308.

Buckley, W. F. (1968). *Modern systems research for the behavioral scientist: A sourcebook*: Aldine.

Bunderson, J. S. (2003). Team Member Functional Background and Involvement in Management Teams: Direct Effects and the Moderating Role of Power Centralization, *Academy of Management Journal,* 46(4): 458-474.

Bunderson, J. S., & Reagans, R. E. (2011). Power, Status, and Learning in Organizations, *Organization Science,* 22(5): 1182-1194.

Bunderson, J. S., & Sutcliffe, K. M. (2002). Comparing Alternative Conceptualizations Of Functional Diversity In Management Teams: Process And Performance Effects *Academy of Management Journal,* 45(5): 875-893.

Burkart, M., Panunzi, F., & Shleifer, A. (2003). Family firms, *Journal of Finance,* 58(5): 2167-2202.

Buyl, T., Boone, C., Hendriks, W., & Matthyssens, P. (2011). Top Management Team Functional Diversity and Firm Performance: The Moderating Role of CEO Characteristics, *Journal of Management Studies,* 48(1): 151-177.

Byrne, D. (1971). *The attraction paradigm*. New York: Academic press.

Cannella, A. A., & Holcomb, T. R. (2005). A multi-level analysis of the upper-echelons model, *Research in multi-level issues,* 4: 197-237.

Cannella Jr, A. A., Park, J.-H., & Lee, H.-U. (2008). Top Management Team Functional Background Diversity and Firm Performance: Examining The Roles of Team Member Colocation and Environmental Uncertainty *Academy of Management Journal,* 51(4): 768-784.

Carmeli, A., Ben-Hador, B., Waldman, D. A., & Rupp, D. E. (2009). How Leaders Cultivate Social Capital and Nurture Employee Vigor: Implications for Job Performance, *Journal of Applied Psychology,* 94(6): 1553-1561.

Carmeli, A., & Gittell, J. H. (2009). High-quality relationships, psychological safety, and learning from failures in work organizations, *Journal of Organizational Behavior,* 30(6): 709-729.

Carmeli, A., & Halevi, M. Y. (2009). How top management team behavioral integration and behavioral complexity enable organizational ambidexterity: The moderating role of contextual ambidexterity, *Leadership Quarterly,* 20(2): 207-218.

Carmeli, A., & Schaubroeck, J. (2006). Top management team behavioral integration, decision quality, and organizational decline, *Leadership Quarterly,* 17(5): 441-453.

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

Carney, M. (2005). Corporate Governance and Competitive Advantage in Family-Controlled Firms, *Entrepreneurship: Theory & Practice,* 29(3): 249-265.

Carpenter, M. A. (2011). *The handbook of research on top management teams*: Edward Elgar Publishing.

Carpenter, M. M. A. C., Geletkanycz, M. M. A. G., & Sanders, W. W. G. S. (2004). Upper Echelons Research Revisited: Antecedents, Elements, and Consequences of Top Management Team Composition, *Journal of Management,* 30(6): 749-778.

Carrigan, M., & Buckley, J. (2008). 'What's so special about family business?' An exploratory study of UK and Irish consumer experiences of family businesses, *International Journal of Consumer Studies,* 32(6): 656-666.

Carton, A. M., & Cummings, J. N. (2012). A Theory of Subgroups in Work Teams, *Academy of Management Review,* 37(3): 441-470.

Casillas, J. C., & Moreno, A. M. (2010). The relationship between entrepreneurial orientation and growth: The moderating role of family involvement, *Entrepreneurship & Regional Development,* 22(3/4): 265-291.

Castro, C. B., De La Concha, M. D., Gravel, J. V., & Periñan, M. M. V. (2009). Does the Team Leverage the Board's Decisions?, *Corporate Governance: An International Review,* 17(6): 744-761.

Cerrato, D., & Piva, M. (2012). The internationalization of small and medium-sized enterprises: the effect of family management, human capital and foreign ownership, *Journal of Management & Governance,* 16(4): 617-644.

Certo, S. T., Lester, R. H., Dalton, C. M., & Dalton, D. R. (2006). Top Management Teams, Strategy and Financial Performance: A Meta-Analytic Examination, *Journal of Management Studies,* 43(4): 813-839.

Chang, S.-C., Wu, W.-Y., & Wong, Y.-J. (2010). Family Control and Stock Market Reactions to Innovation Announcements, *British Journal of Management,* 21(1): 152-170.

Chatman, J. A., & Flynn, F. J. (2001). The influence of demographic heterogeneity on the emergence and consequences of cooperative norms in work teams, *Academy of Management Journal,* 44(5): 956-974.

Chen, H.-L. (2011). Does Board Independence Influence the Top Management Team? Evidence from Strategic Decisions toward Internationalization, *Corporate Governance: An International Review,* 19(4): 334-350.

Chin, M. K., Hambrick, D. C., & Treviño, L. K. (2013). Political Ideologies of CEOs: The Influence of Executives' Values on Corporate Social Responsibility, *Administrative Science Quarterly,* 58(2): 197-232.

Chirico, F. (2008). Knowledge Accumulation in Family Firms, *Acumulación de conocimientos en las empresas familiares.,* 26(4): 433-462.

Chrisman, J. J., Memili, E., & Misra, K. (2014). Nonfamily Managers, Family Firms, and the Winner's Curse: The Influence of Noneconomic Goals and Bounded Rationality, *Entrepreneurship: Theory & Practice,* 38(5): 1103-1127.

Chua, J. H., Chrisman, J. J., & Bergiel, E. B. (2009). An agency theoretic analysis of the professionalized family firm, *Entrepreneurship: Theory & Practice,* 33(2): 355-372.

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

Claessens, S., Djankov, S., Fan, J. P. H., & Lang, L. H. P. (2002). Disentangling the Incentive and Entrenchment Effects of Large Shareholdings, *Journal of Finance,* 57(6): 2741-2771.

Claver, E., Rienda, L., & Quer, D. (2009). Family Firms' International Commitment, *Family Business Review,* 22(2): 125-135.

Cruz, C., Justo, R., & De Castro, J. O. (2010). Does family employment enhance MSEs performance? Integrating socioemotional wealth and family embeddedness perspectives, *Journal of Business Venturing,* In Press, Corrected Proof.

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

Cummings, J. N. (2004). Work Groups, Structural Diversity, and Knowledge Sharing in a Global Organization, *Management Science,* 50(3): 352-364.

Cyert, R. M., & March, J. G. (1963). *A Behavioral Theory of the Firm*. Englewood Cliffs, NJ: Prentice Hall.

Dahlin, K. B., Weingart, L. R., & Hinds, P. J. (2005). Team Diversity and Information Use, *Academy of Management Journal,* 48(6): 1107-1123.

Daily, C. M., & Dalton, D. R. (1992). Financial performance of founder-managed versus professionally managed small corporations, *Journal of Small Business Management,* 30(2): 25-34.

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

de Kok, J. M. P., Uhlaner, L. M., & Thurik, A. R. (2006). Professional HRM Practices in Family Owned-Managed Enterprises, *Journal of Small Business Management,* 44(3): 441-460.

de Vries, M. F. R. K. (1993). The Dynamics of Family Controlled Firms: The Good and the Bad News, *Organizational Dynamics,* 21(3): 59-71.

Deephouse, D. L., & Jaskiewicz, P. (2013). Do Family Firms Have Better Reputations Than Non-Family Firms? An Integration of Socioemotional Wealth and Social Identity Theories, *Journal of Management Studies,* 50(3): 337-360.

Dekker, J. C., Lybaert, N., Steijvers, T., Depaire, B., & Mercken, R. (2012). Family Firm Types Based on the Professionalization Construct: Exploratory Research, *Family Business Review*.

Dickson, P. H., & Weaver, K. M. (1997). Environmental Determinants and Individual-Level Moderators of Alliance Use *Academy of Management Journal,* 40(2): 404-425.

Distelberg, B., & Sorenson, R. (2009). Updating Systems Concepts in Family Businesses, *Family Business Review,* 22(1): 65-81.

Dyer, W. G. (1989). Integrating professional management into a family owned business, *Family Business Review,* 2(3): 221-235.

Eddleston, K. A., & Kellermanns, F. W. (2007). Destructive and productive family relationships: A stewardship theory perspective, *Journal of Business Venturing,* 22(4): 545-565.

Edmondson, A. (1999). Psychological Safety and Learning Behavior in Work Teams, *Administrative Science Quarterly,* 44(2): 350-383.

Edmondson, A. C., & Lei, Z. (2014). Psychological safety: The history, renaissance, and future of an interpersonal construct, *Annu. Rev. Organ. Psychol. Organ. Behav.,* 1(1): 23-43.

Eisenhardt, K. M., & Bourgeois, L. J. (1988). Politics of Strategic Decision Making in High-Velocity Environments: Toward a Midrange Theory, *Academy of Management Journal,* 31(4): 737-770.

Ellis, A. P. J., Mai, K. M., & Christian, J. S. (2013). Examining the Asymmetrical Effects of Goal Faultlines in Groups: A Categorization-Elaboration Approach, *Journal of Applied Psychology,* 98(6): 948-961.

Ensley, M. D., Pearson, A. W., & Sardeshmukh, S. R. (2007). The negative consequences of pay dispersion in family and non-family top management teams: an exploratory analysis of new venture, high-growth firms, *Journal of Business Research,* 60(10): 1039-1047.

Escribá-Esteve, A., Sánchez-Peinado, L., & Sánchez-Peinado, E. (2009). The Influence of Top Management Teams in the Strategic Orientation and Performance of Small and Medium-sized Enterprises, *British Journal of Management,* 20(4): 581-597.

Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control *Journal of Law & Economics,* 26(2): 301-326.

Farrington, S. M., Venter, E., & Boshoff, C. (2012). The Role of Selected Team Design Elements in Successful Sibling Teams, *Family Business Review,* 25(2): 191-205.

Fernández, Z., & Nieto, M. J. (2005). Internationalization Strategy of Small and Medium-Sized Family Businesses: Some Influential Factors, *Family Business Review,* 18(1): 77-89.

Fiegener, M. K. (2010). Locus of Ownership and Family Involvement in Small Private Firms, *Journal of Management Studies,* 47(2): 296-321.

Fiegener, M. K., Brown, B. M., Prince, R. A., & File, K. M. (1996). Passing on strategic vision: Favored modes of successor preparation by CEOs of family and nonfamily firms, *Journal of Small Business Management,* 34(3): 15.

Finkelstein, S. (1992). Power in Top Management Teams: Dimensions, Measurement, and Validation *Academy of Management Journal,* 35(3): 505-538.

Finkelstein, S., Hambrick, D. C., & Cannella, A. A. (2009). *Strategic leadership: theory and research on executives, top management teams and boards*. Minneapolis Oxford University Press.

Flamholtz, E. G., & Randle, Y. (2007). *Growing pains: transitioning from an entrpreneurship to a professionally managed firm* (4th ed. ed.). San Francisco: Jossey-Bass.

Ford, R. H. (1988). Outside Directors and the Privately-Owned Firm: Are They Necessary?, *Entrepreneurship: Theory & Practice,* 13(1): 49-57.

Gabrielsson, J. (2007). Correlates of board empowerment in small companies, *Entrepreneurship: Theory & Practice,* 31(5): 687-711.

Galbraith, J. R. (1973). *Designing Complex Organizations*. Boston, MA: Addison-Wesley Longman Publishing Co.

Gedajlovic, E., Carney, M., Chrisman, J. J., & Kellermanns, F. W. (2012). The adolescence of family firm research taking stock and planning for the future, *Journal of Management,* 38(4): 1010-1037.

Gersick, K. F., Hampton, M. M., Lansberg, I., & Davis, J. A. (1997). *Generation to generation: life cycles of the family business.* Boston: Harvard Business School Press.

Gibson, C., & Vermeulen, F. (2003). A Healthy Divide: Subgroups as a Stimulus for Team Learning Behavior, *Administrative Science Quarterly,* 48(2): 202-239.

Gibson, C. B., & Gibbs, J. L. (2006). Unpacking the Concept of Virtuality: The Effects of Geographic Dispersion, Electronic Dependence, Dynamic Structure, and National Diversity on Team Innovation, *Administrative Science Quarterly,* 51(3): 451-495.

Goel, S., Jussila, I., & Ikäheimonen, T. (2014). Governance in family firms: A review and research agenda, *The SAGE handbook of family business*: 226-248.

Goel, S., Voordeckers, W., van Gils, A., & van den Heuvel, J. (2013). CEO's empathy and salience of socioemotional wealth in family SMEs – The moderating role of external directors, *Entrepreneurship & Regional Development,* 25(3/4): 111-134.

Gómez-Mejia, L. R., Cruz, C., Berrone, P., & De Castro, J. O. (2011). The Bind that Ties: Socioemotional Wealth Preservation in Family Firms, *The Academy of Management Annals,* 5(1): 653-707.

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

Gomez-Mejia, L. R., Makri, M., & Kintana, M. L. (2010). Diversification decisions in family-controlled firms, *Journal of Management Studies,* 47(2): 223-252.

Gomez-Mejia, L. R., Nuñez-Nickel, M., & Gutierrez, I. (2001). The role of family ties in agency contracts *Academy of Management Journal,* 44(1): 81-95.

González-Romá, V., Fortes-Ferreira, L., & Peiró, J. M. (2009). Team climate, climate strength and team performance. A longitudinal study, *Journal of Occupational & Organizational Psychology,* 82(3): 511-536.

Graves, C., & Thomas, i. (2006). Internationalization of Australian Family Businesses: A Managerial Capabilities Perspective, *Family Business Review,* 19(3): 207-224.

Greve, H. R., & Mitsuhashi, H. (2007). Power and Glory: Concentrated Power in Top Management Teams, *Organization Studies (01708406),* 28(8): 1197-1221.

Guillaume, Y. R. F., Brodbeck, F. C., & Riketta, M. (2012). Surface- and deep-level dissimilarity effects on social integration and individual effectiveness related outcomes in work groups: A meta-analytic integration, *Journal of Occupational & Organizational Psychology,* 85(1): 80-115.

Gujarati, D. N. (1995). *Basic Econometrics* (3 ed.). New York: McGraw-Hill.

Habbershon, T. G., Williams, M., & MacMillan, I. C. (2003). A unified systems perspective of family firm performance, *Journal of Business Venturing,* 18(4): 451-465.

Hall, A., & Nordqvist, M. (2008). Professional management in family businesses: toward an extended understanding, *Family Business Review,* 21(1): 51-69.

Hambrick, D. C. (1994). Top Management Groups: A Conceptual Integration and Reconsideration of the "Team" Label, *Research in Organizational Behavior,* 16: 171.

Hambrick, D. C. (1995). Fragmentation and the Other Problems CEOs Have with Their Top Management Teams, *California Management Review,* 37(3): 110-127.

Hambrick, D. C. (2007). Upper Echelons Theory: An Update, *Academy of Management Review,* 32(2): 334-343.

Hambrick, D. C., Cho, T. S., & Ming-Jer, C. (1996). The Influence of Top Management Team Heterogeneity on Firms' Competitive Moves, *Administrative Science Quarterly,* 41(4): 659-684.

Hambrick, D. C., Finkelstein, S., & Mooney, A. C. (2005). Executive Job Demands: New Insights For Explaining Strategic Decisions and Leader Behaviors, *Academy of Management Review,* 30(3): 472-491.

Hambrick, D. C., & Mason, P. A. (1984). Upper Echelons: The Organization as a Reflection of Its Top Managers, *Academy of Management Review,* 9(2): 193-206.

Harrison, D. A., & Klein, K. J. (2007). What's The Difference? Diversity Constructs as Separation, Variety, or Disparity in Organizations *Academy of Management Review,* 32(4): 1199-1228.

Harrison, D. A., Price, K. H., & Bell, M. P. (1998). Beyond Relational Demography: Time And The Effects Of Surface- And Deep-Level Diversity On Work Group Cohesion *Academy of Management Journal,* 41(1): 96-107.

Harrison, D. A., Price, K. H., Gavin, J. H., & Florey, A. T. (2002). Time, Teams, And Task Performance: Changing Effects Of Surface - And Deep-Level Diversity On Group Functioning, *Academy of Management Journal,* 45(5): 1029-1045.

Hayes, A. F. (2013). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*: Guilford Press.

Hendry, K., & Kiel, G. C. (2004). The Role of the Board in Firm Strategy: integrating agency and organizational control perspectives, *Corporate Governance: An International Review,* 12(4): 500-520.

Hillman, A. J., Cannella, J. A. A., & Paetzold, R. L. (2000). The Resource Dependence Role of Corporate Directors: Strategic Adaptation of Board Composition in Response to Environmental Change *Journal of Management Studies,* 37(2): 235-255.

Hitt, M. A., Hoskisson, R. E., & Kim, H. (1997). International diversification: effects on innovation and firm performance in product-diversified firms *Academy of Management Journal,* 40(4): 767-798.

Hoffman, L. R. (1959). Homogeneity of member personality and its effect on group problem-solving, *The Journal of Abnormal and Social Psychology;The Journal of Abnormal and Social Psychology,* 58(1): 27-32.

Hoffman, L. R., & Maier, N. R. F. (1961). Quality and acceptance of problem solutions by members of homogeneous and heterogeneous groups, *The Journal of Abnormal and Social Psychology,* 62(2): 401-407.

Hogg, M. A., & Terry, D. J. (2000). Social Identity and Self-Categorization Processes In Organizational Contexts, *Academy of Management Review,* 25(1): 121-140.

Hogg, M. A., Terry, D. J., & White, K. M. (1995). A Tale of Two Theories: A Critical Comparison of Identity Theory With Social Identity Theory, *Social Psychology Quarterly,* 58(4): 255-269.

Hogg, M. A., Van Knippenberg, D., & Rast, I. D. E. (2012). Intergroup Leadership in Organizations: Leading Across Group and Organizational Boundaries, *Academy of Management Review,* 37(2): 232-255.

Houchin, K., & MacLean, D. (2005). Complexity Theory and Strategic Change: an Empirically Informed Critique *, *British Journal of Management,* 16(2): 149-166.

Hoy, F., & Sharma, P. (2010). *Entrepreneurial family firms*. New York, NY: Prentice Hall.

James, L. R., Demaree, R. G., & Wolf, G. (1993). An Assessment of Within-Group Interrater Agreement, *Journal of Applied Psychology,* 78(2): 306-309.

Jehn, K. A., & Bezrukova, K. (2010). The faultline activation process and the effects of activated faultlines on coalition formation, conflict, and group outcomes, *Organizational Behavior & Human Decision Processes,* 112(1): 24-42.

Jehn, K. A., & Mannix, E. A. (2001). The Dynamic Nature of Conflict: A Longitudinal Study of Intragroup Conflict and Group Performance, *Academy of Management Journal,* 44(2): 238-251.

Jehn, K. A., Northcraft, G. B., & Neale, M. A. (1999). Why Differences Make a Difference: A Field Study of Diversity, Conflict, and Performance in Workgroups, *Administrative Science Quarterly,* 44(4): 741-763.

Jensen, M. C. (1993). The Modern Industrial Revolution, Exit, and the Failure of Internal Control Systems, *Journal of Finance,* 48(3): 831-880.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: managerial behavior, agency costs and ownership structure *Journal of Financial Economics,* 3(4): 305-360.

Jones, C. D., Makri, M., & Gomez-Mejia, L. R. (2008). Affiliate Directors and Perceived Risk Bearing in Publicly Traded, Family-Controlled Firms: The Case of Diversification, *Entrepreneurship: Theory & Practice,* 32(6): 1007-1026.

Joshi, A., & Roh, H. (2009). The Role of Context in Work Team Diversity Research: A Meta-Analytic Review, *Academy of Management Journal,* 52(3): 599-627.

Judge, W. Q., & Zeithaml, C. P. (1992). Institutional and Strategic Choice Perspectives on Board Involvement in the Strategic Decision Process, *Academy of Management Journal,* 35(4): 766-794.

Kahn, W. A. (1990). Psychological Conditions of Personal Engagement and Disengagement At Work, *Academy of Management Journal,* 33(4): 692-724.

Kam, C. D., & Franzese, R. J. (2007). *Modeling and interpreting interactive hypotheses in regression analysis*. Ann Arbor: University of Michigan Press.

Kearney, E., & Gebert, D. (2009). Managing Diversity and Enhancing Team Outcomes: The Promise of Transformational Leadership, *Journal of Applied Psychology,* 94(1): 77-89.

Kearney, E., Gebert, D., & Voelpel, S. C. (2009). When And How Diversity Benefits Teams: The Importance Of Team Members' Need For Cognition *Academy of Management Journal,* 52(3): 581-598.

Kellermanns, F. W., Eddleston, K. A., & Zellweger, T. M. (2012). Extending the Socioemotional Wealth Perspective: A Look at the Dark Side, *Entrepreneurship: Theory & Practice,* 36(6): 1175-1182.

Keltner, D., Gruenfeld, D. H., & Anderson, C. (2003). Power, Approach, and Inhibition, *Psychological Review,* 110(2): 265.

Kessel, M., Kratzer, J., & Schultz, C. (2012). Psychological Safety, Knowledge Sharing, and Creative Performance in Healthcare Teams, *Creativity & Innovation Management,* 21(2): 147-157.

Kim, B., Burns, M. L., & Prescott, J. E. (2009). The Strategic Role of the Board: The Impact of Board Structure on Top Management Team Strategic Action Capability, *Corporate Governance: An International Review,* 17(6): 728-743.

Kim, Y., & Cannella, A. A. (2008). Toward a social capital theory of director selection, *Corporate Governance: An International Review,* 16(4): 282-293.

Klein, K. J., Conn, A. B., Smith, D. B., & Sorra, J. S. (2001). Is everyone in agreement? An exploration of within-group agreement in employee perceptions of the work environment, *Journal of Applied Psychology,* 86(1): 3.

Klein, K. J., Knight, A. P., Ziegert, J. C., Lim, B. C., & Saltz, J. L. (2011). When team members' values differ: The moderating role of team leadership, *Organizational Behavior & Human Decision Processes,* 114(1): 25-36.

Klein, S. (2000). Family Businesses in Germany: Significance and Structure, *Family Business Review,* 13(3): 157-181.

Klein, S., & Bell, F. (2007). Non-family executives in family businesses- a literature review, *Electronic Journal of Family Business Studies,* 1(1): 19-37.

Klimoski, R. J., & Koles, K. L. K. (2001). The chief executive officer and top management team interface, *The nature of organizational leadership: Understand the performance imperatives confronting today's leaders*: 219-269.

Knockaert, M., Bjornali, E. S., & Erikson, T. (2015). Joining forces: Top management team and board chair characteristics as antecedents of board service involvement, *Journal of Business Venturing,* 30(3): 420-435.

Konrad, A. M. (2003). Special Issue Introduction: DEFINING THE DOMAIN OF WORKPLACE DIVERSITY SCHOLARSHIP, *Group & Organization Management,* 28(1): 4-17.

La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (1999). Corporate Ownership Around the World, *Journal of Finance,* 54(2): 471-517.

Lau, D. C., & Murnighan, J. K. (2005). Interactions Within Groups and Subgroups: The Effects Of Demographic Faultlines, *Academy of Management Journal,* 48(4): 645-659.

Lawrence, P., & Lorsch, J. (1967). *Organization and Environment* Cambridge, MA: Harvard University Press.

Le Breton-Miller, I., Miller, D., & Lester, R. H. (2011). Stewardship or Agency: A Social Embeddedness Reconciliation of Conduct and Performance in Public Family Businesses, *Organization Science,* 22(3): 704-721.

Lee, R. M. (1993). *Doing research on sensitive topics*: Sage.

Li, H., & Zhang, Y. (2002). *Founding team comprehension and behavioral integration: Evidence from new technology ventures in China.* Paper presented at the Academy of management best paper proceedings.

Li, J., & Hambrick, D. C. (2005). Factional groups: a New Vantage on Demographic Faultlines, Conflict, and Disintegration in Work Teams, *Academy of Management Journal,* 48(5): 794-813.

Liang, T.-P., Wu, J. C.-H., Jiang, J. J., & Klein, G. (2012). The impact of value diversity on information system development projects, *International Journal of Project Management,* 30(6): 731-739.

Ling, Y., & Kellermanns, F. W. (2010). The Effects of Family Firm Specific Sources of TMT Diversity: The Moderating Role of Information Exchange Frequency, *Journal of Management Studies,* 47(2): 322-344.

Ling, Y., Simsek, Z., Lubatkin, M. H., & Veiga, J. F. (2008). Transformational Leadership's Role in Promoting Corporate Entrepreneurship: Examining The CEO-TMT Interface *Academy of Management Journal,* 51(3): 557-576.

Lubatkin, M. H., Durand, R., & Ling, Y. (2007). The missing lens in family firm governance theory: A self-other typology of parental altruism, *Journal of Business Research,* 60(10): 1022-1029.

Lubatkin, M. H., Simsek, Z., Yan, L., & Veiga, J. F. (2006). Ambidexterity and Performance in Small- to Medium-Sized Firms: The Pivotal Role of Top Management Team Behavioral Integration, *Journal of Management,* 32(5): 646-672.

Mace, M. (1971). *Directors: Myth and Reality* Cambridge, MA: Harvard Business School Press.

Machold, S., Huse, M., Minichilli, A., & Nordqvist, M. (2011). Board Leadership and Strategy Involvement in Small Firms: A Team Production Approach, *Corporate Governance: An International Review,* 19(4): 368-383.

Mansfield, E. R., & Helms, B. P. (1982). Detecting multicollinearity, *American Statistician,* 36(3): 158.

Marks, M. A., Mathieu, J. E., & Zaccaro, S. J. (2001). A Temporally Based Framework and Taxonomy of Team Processes *Academy of Management Review,* 26(3): 356-376.

Martins, L. L., Schilpzand, M. C., Kirkman, B. L., Ivanaj, S., & Ivanaj, V. (2012). A contingency view of the effects of cognitive diversity on team performance: The moderating roles of team psychological safety and relationship conflict, *Small Group Research*: 1046496412466921.

McNulty, T., & Pettigrew, A. (1999). Strategists on the Board, *Organization Studies (Walter de Gruyter GmbH & Co. KG.),* 20(1): 47-74.

Meglino, B. M., & Ravlin, E. C. (1998). Individual Values in Organizations: Concepts, Controversies, and Research, *Journal of Management,* 24(3): 351-389.

Melin, L., & Nordqvist, M. (2007). The reflexive dynamics of institutionalization: the case of the family business, *Strategic Organization,* 5(3): 321-333.

Menz, M. (2012). Functional Top Management Team Members: A Review, Synthesis, and Research Agenda, *Journal of Management,* 38(1): 45-80.

Miller, C. C., Burke, L. M., & Glick, W. H. (1998). Cognitive diversity among upper-echelon executives: Implications for strategic decision processes, *Strategic Management Journal,* 19(1): 39-58.

Miller, D., & Breton-Miller, I. L. (2006). Family Governance and Firm Performance: Agency, Stewardship, and Capabilities, *Family Business Review,* 19(1): 73-87.

Miller, D., & Le Breton-Miller, I. (2014). Deconstructing Socioemotional Wealth, Editorial, *Entrepreneurship: Theory & Practice,* pp. 713-720.

Miller, D., Le Breton-Miller, I., & Lester, R. H. (2010). Family ownership and acquisition behavior in publicly-traded companies, *Strategic Management Journal,* 31(2): 201-223.

Miller, D., Le Breton-Miller, I., & Lester, R. H. (2011). Family and Lone Founder Ownership and Strategic Behaviour: Social Context, Identity, and Institutional Logics, *Journal of Management Studies,* 48(1): 1-25.

Miller, D., Le Breton-Miller, I., & Scholnick, B. (2008). Stewardship vs. Stagnation: An Empirical Comparison of Small Family and Non-Family Businesses, *Journal of Management Studies,* 45(1): 51-78.

Miller, D., Minichilli, A., & Corbetta, G. (2013). Is family leadership always beneficial?, *Strategic Management Journal,* 34(5): 553-571.

Minichilli, A., Corbetta, G., & MacMillan, I. C. (2010). Top management teams in family-controlled companies: 'familiness', 'faultlines', and their impact on financial performance, *Journal of Management Studies,* 47(2): 205-222.

Mohammed, S., & Angell, L. C. (2004). Surface- and deep-level diversity in workgroups: examining the moderating effects of team orientation and team process on relationship conflict, *Journal of Organizational Behavior,* 25(8): 1015-1039.

Mustakallio, M., Autio, E., & Zahra, S. (2002). Relational and Contractual Governance in Family Firms: Effects on Strategic Decision Making, *Family Business Review,* 15(3): 205-222.

Nielsen, S. (2010). Top Management Team Diversity: A Review of Theories and Methodologies, *International Journal of Management Reviews,* 12(3): 301-316.

Nordqvist, M., Sharma, P., & Chirico, F. (2014). Family Firm Heterogeneity and Governance: A Configuration Approach, *Journal of Small Business Management,* 52(2): 192-209.

Norton, E. C., Wang, H., & Ai, C. (2004). Computing interaction effects and standard errors in logit and probit models, *Stata Journal,* 4(2): 13.

Nutt, P. C. (1999). Surprising but true: Half the decisions in organizations fail, *Academy of Management Executive,* 13(4): 75-90.

O'Reilly, C. A., & Roberts, K. H. (1976). Relationships Among Components of Credibility and Communication Behaviors in Work Units, *Journal of Applied Psychology,* 61(1): 99-102.

Oakes, P., & Turner, J. C. (1986). Distinctiveness and the salience of social category memberships: Is there an automatic perceptual bias towards novelty?, *European Journal of Social Psychology,* 16(4): 325-344.

Olson, B. J., Parayitam, S., & Bao, Y. (2007). Strategic decision making: The effects of cognitive diversity, conflict, and trust on decision outcomes, *Journal of Management,* 33(2): 196-222.

Patel, P. C., & Cooper, D. (2014). Structural Power Equality Between Family and Non-Family TMT Members and The Performance of Family Firms, *Academy of Management Journal,* 57(6): 1624-1649.

Pearsall, M. J., Ellis, A. P. J., & Evans, J. M. (2008). Unlocking the Effects of Gender Faultlines on Team Creativity: Is Activation the Key?, *Journal of Applied Psychology,* 93(1): 225-234.

Pelled, L. H., Eisenhardt, K. M., & Xin, K. R. (1999). Exploring the Black Box: An Analysis of Work Group Diversity, Conflict, and Performance, *Administrative Science Quarterly,* 44(1): 1-28.

Peterson, R. S., Martorana, P. V., Smith, D. B., & Owens, P. D. (2003). The Impact of Chief Executive Officer Personality on Top Management Team Dynamics: One Mechanism by Which Leadership Affects Organizational Performance, *Journal of Applied Psychology,* 88(5): 795.

Pettigrew, A. M. (1992). The Character and Significance of Strategy Process Research *Strategic Management Journal,* 13: 5-16.

Pfeffer, J. (1981). *Power in Organizations*. Marshfield, MA: Pitman.

Pfeffer, J., & Davis-Blake, A. (1990). Determinants of salary dispersion in organizations, *Industrial Relations: A Journal of Economy and Society,* 29(1): 38-57.

Pfeffer, J., & Salancik, G. K. (1978). *The External Control of Organization: A Resource Dependence Perspective* New York: Harper and Row.

Phillips, D. J., & Zuckerman, E. W. (2001). Middle-Status Conformity: Theoretical Restatement and Empirical Demonstration in Two Markets1, *American Journal of Sociology,* 107(2): 379-429.

Pitcher, P., & Smith, A. D. (2001). Top Management Team Heterogeneity: Personality, Power, and Proxies, *Organization Science,* 12(1): 1-18.

Pittinsky, T. L., & Simon, S. (2007). Intergroup leadership, *Leadership Quarterly,* 18(6): 586-605.

Pugliese, A., Bezemer, P.-J., Zattoni, A., Huse, M., Van den Bosch, F. A. J., & Volberda, H. W. (2009). Boards of Directors' Contribution to Strategy: A Literature Review and Research Agenda, *Corporate Governance: An International Review,* 17(3): 292-306.

Ravasi, D., & Zattoni, A. (2006). Exploring the Political Side of Board Involvement in Strategy: A Study of Mixed-Ownership Institutions, *Journal of Management Studies,* 43(8): 1671-1702.

Rindova, V. P. (1999). What Corporate Boards Have To Do With Strategy: A Cognitive Përspective *Journal of Management Studies,* 36(7): 953-975.

Roberge, M.-É., & van Dick, R. (2010). Recognizing the benefits of diversity: When and how does diversity increase group performance?, *Human Resource Management Review,* 20(4): 295-308.

Royer, S., Simons, R., Boyd, B., & Rafferty, A. (2008). Promoting Family: A Contingency Model of Family Business Succession, *Family Business Review,* 21(1): 15-30.

Salvato, C., Minichilli, A., & Piccarreta, R. (2012). Faster Route to the CEO Suite: Nepotism or Managerial Proficiency?, *Family Business Review,* 25(2): 206-224.

Sanders, W. M. G., & Carpenter, M. A. (1998). Internationalization and Firm Governance: The Roles of CEO Compensation, Top Team Composition, and Board Structure *Academy of Management Journal,* 41(2): 158-178.

Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research methods for business students*: Pearson Education UK.

Schulze, W. S., Lubatkin, M. H., & Dino, R. N. (2003a). Exploring the agency consequences of ownership dispersion among the directors of private family firms *Academy of Management Journal,* 46(2): 179-194.

Schulze, W. S., Lubatkin, M. H., & Dino, R. N. (2003b). Toward a theory of agency and altruism in family firms, *Journal of Business Venturing,* 18(4): 473.

Schulze, W. S., Lubatkin, M. H., Dino, R. N., & Buchholtz, A. K. (2001). Agency Relationships in Family Firms: Theory and Evidence, *Organization Science,* 12(2): 99-116.

Sciascia, S., Mazzola, P., & Chirico, F. (2013a). Generational Involvement in the Top Management Team of Family Firms: Exploring Nonlinear Effects on Entrepreneurial Orientation, *Entrepreneurship: Theory & Practice,* 37(1): 69-85.

Sciascia, S., Mazzola, P., & Chirico, F. (2013b). Generational Involvement in the Top Management Team of Family Firms: Exploring Nonlinear Effects on Entrepreneurial Orientation, *Entrepreneurship Theory and Practice,* 37(1): 69-85.

Segaro, E. (2012). Internationalization of family SMEs: the impact of ownership, governance, and top management team, *Journal of Management and Governance,* 16(1): 147-169.

Sharma, P., & Manikutty, S. (2005). Strategic Divestments in Family Firms: Role of Family Structure and Community Culture, *Entrepreneurship: Theory & Practice,* 29(3): 293-311.

Siggelkow, N., & Rivkin, J. W. (2009). Hiding the Evidence of Valid Theories: How Coupled Search Processes Obscure Performance Differences among Organizations, *Administrative Science Quarterly,* 54(4): 602-634.

Simons, T., Pelled, L. H., & Smith, K. A. (1999). Making Use of Difference: Diversity, Debate, and Decision Comprehensiveness In Top Management Teams *Academy of Management Journal,* 42(6): 662-673.

Simsek, Z., Jansen, J. J. P., Minichilli, A., & Escriba-Esteve, A. (2015). Strategic Leadership and Leaders in Entrepreneurial Contexts: A Nexus for Innovation and Impact Missed?, Editorial, *Journal of Management Studies,* pp. 463-478.

Simsek, Z., Veiga, J. F., Lubatkin, M. H., & Dino, R. N. (2005). Modeling The Multilevel Determinants Of Top Management Team Behavioral Integration *Academy of Management Journal,* 48(1): 69-84.

Singh, B., Winkel, D. E., & Selvarajan, T. T. (2013). Managing diversity at work: Does psychological safety hold the key to racial differences in employee performance?, *Journal of Occupational & Organizational Psychology,* 86(2): 242-263.

Sirmon, D. G., & Hitt, M. A. (2003). Managing Resources: Linking Unique Resources, Management, and Wealth Creation in Family Firms, *Entrepreneurship: Theory & Practice,* 27(4): 339-358.

Smith, A., Houghton, S. M., Hood, J. N., & Ryman, J. A. (2006). Power relationships among top managers: Does top management team power distribution matter for organizational performance?, *Journal of Business Research,* 59(5): 622-629.

Smith, K. G., Smith, K. A., Sims Jr, H. P., O'Bannon, D. P., Scully, J. A., & Olian, J. D. (1994). Top Management Team Demography and Process: The Role of Social Integration and Communication, *Administrative Science Quarterly,* 39(3): 412-438.

Sonfield, M., & Lussier, R. (2009a). Non-family-members in the family business management team: a multinational investigation, *The International Entrepreneurship and Management Journal,* 5(4): 395-415.

Sonfield, M. C., & Lussier, R. N. (2009b). Family-Member and non-family member managers in family businesses, *Journal of Small Business and Enterprise Development,* 16(2): 196-209.

Srivastava, A., Bartol, K. M., & Locke, E. A. (2006). Empowering leadership in management teams: Effects on knowledge sharing, efficacy, and performance, *Academy of Management Journal,* 49(6): 1239-1251.

Stafford, K., Duncan, K., Dane, S., & Winter, M. (1999). A Research Model of Sustainable Family Businesses, *Family Business Review,* 12(3): 197-208.

Stanley, L. J. (2010). Emotions and Family Business Creation: An Extension and Implications, *Entrepreneurship: Theory & Practice,* 34(6): 1085-1092.

Stewart, A., & Hitt, M. A. (2012). Why Can't a Family Business Be More Like a Nonfamily Business?: Modes of Professionalization in Family Firms, *Family Business Review,* 25(1): 58-86.

Stewart, G. L. (2006). A meta-analytic review of relationships between team design features and team performance, *Journal of Management,* 32(1): 29-55.

Sundaramurthy, C., & Kreiner, G. E. (2008). Governing by Managing Identity Boundaries: The Case of Family Businesses, *Entrepreneurship: Theory & Practice,* 32(3): 415-436.

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

Tagiuri, R., & Davis, J. A. (1992). On the Goals of Successful Family Companies, *Family Business Review,* 5(1): 43-62.

Tajfel, H., & Turner, J. C. (1979). An integrative theory of intergroup conflict, *The social psychology of intergroup relations,* 33: 47.

Talke, K., Salomo, S., & Kock, A. (2011). Top Management Team Diversity and Strategic Innovation Orientation: The Relationship and Consequences for Innovativeness and Performance, *Journal of Product Innovation Management,* 28(6): 819-832.

Thompson, V. A. (1965). Bureaucracy and Innovation, *Administrative Science Quarterly,* 10(1): 1-20.

Tsui, A. S., Egan, T. D., & O'Reilly Iii, C. A. (1992). Being Different: Relational Demography and Organizational Attachment, *Administrative Science Quarterly,* 37(4): 549-579.

Turner, J. C. (1985). Social categorization and the self-concept: A social cognitive theory of group behavior, *Advances in group processes: Theory and research,* 2: 77-122.

Tushman, M. L., & Rosenkopf, L. (1996). Executive Succession, Strategic Reorientation and Performance Growth: A Longitudinal Study in the U.S. Cement Industry, *Management Science,* 42(7): 939-953.

Tushman, M. L., & Scanlan, T. J. (1981). Characteristics and External Orientations of Boundary Spanning Individuals, *Academy of Management Journal,* 24(1): 83-98.

Tyran, K. L., & Gibson, C. B. (2008). Is What You See, What You Get?: The Relationship Among Surface- and Deep-Level Heterogeneity Characteristics, Group Efficacy, and Team Reputation, *Group & Organization Management,* 33(1): 46-76.

Uhl-Bien, M. (2006). Relational Leadership Theory: Exploring the social processes of leadership and organizing, *Leadership Quarterly,* 17(6): 654-676.

Uhlaner, L. M., Matser, I. A., Berent-Braun, M. M., & Flören, R. H. (2015). Linking Bonding and Bridging Ownership Social Capital in Private Firms Moderating Effects of Ownership-Management Overlap and Family Firm Identity, *Family Business Review,* 28(3): 260-277.

van den Heuvel, J., Van Gils, A., & Voordeckers, W. (2006). Board Roles in Small and Medium-Sized Family Businesses: performance and importance, *Corporate Governance: An International Review,* 14(5): 467-485.

Van der Merwe, S. P. (2007). An exploratory study of some of the determinants of harmonious family relationships in small and medium-sized family businesses, *Management Dynamics: Journal of the Southern African Institute for Management Scientists,* 16(4): 24-35.

Van der Vegt, G. S., de Jong, S. B., Bunderson, J. S., & Molleman, E. (2010). Power Asymmetry and Learning in Teams: The Moderating Role of Performance Feedback, *Organization Science,* 21(2): 347-361.

van Ees, H., Gabrielsson, J., & Huse, M. (2009). Toward a Behavioral Theory of Boards and Corporate Governance, *Corporate Governance: An International Review,* 17(3): 307-319.

van Knippenberg, D., De Dreu, C. K. W., & Homan, A. C. (2004). Work Group Diversity and Group Performance: An Integrative Model and Research Agenda, *Journal of Applied Psychology,* 89(6): 1008-1022.

van Knippenberg, D., & Schippers, M. C. (2007). Work Group Diversity, *Annual Review of Psychology,* 58(1): 515-541.

Vandekerkhof, P., Steijvers, T., Hendriks, W., & Voordeckers, W. (2015). The Effect of Organizational Characteristics on the Appointment of Nonfamily Managers in Private Family Firms: The Moderating Role of Socioemotional Wealth, *Family Business Review,* 28(2): 104-122.

Venter, E., Boshoff, C., & Maas, G. (2003). The influence of relational factors on successful succession in family businesses: A comparative study of owner-managers and successors, *South African Journal of Business Management,* 34(4): 1-13.

Volpin, P. F. (2002). Governance with poor investor protection: Evidence from top executive turnover in Italy, *Journal of Financial Economics,* 64(1): 61-90.

Voordeckers, W., Van Gils, A., & Van den Heuvel, J. (2007). Board composition in small and medium-sized family firms, *Journal of Small Business Management,* 45(1): 137-156.

Wagner, W. G., Pfeffer, J., & O'Reilly III, C. A. (1984). Organizational demography and turnover in top-management group, *Administrative Science Quarterly*: 74-92.

Wei, L.-Q., & Lau, C.-M. (2012). Effective teamwork at the top: the evidence from China, *International Journal of Human Resource Management,* 23(9): 1853-1870.

Wei, L.-Q., & Wu, L. (2013). What a Diverse Top Management Team Means: Testing an Integrated Model, *Journal of Management Studies,* 50(3): 389-412.

West, M. A., & Anderson, N. R. (1996). Innovation in top management teams, *Journal of Applied Psychology,* 81(6): 680.

Westhead, P., & Cowling, M. (1998). Family Firm Research: The Need for a Methodological Rethink, *Entrepreneurship: Theory & Practice,* 23(1): 31-56.

Wiersema, M. F., & Bantel, K. A. (1992). Top Management Team Demography and Corporate Strategic Change *Academy of Management Journal,* 35(1): 91-121.

Williams, K. Y., & O'Reilly, C. A. (1998). Demography and Diversity in Organizations: A Review of 40 Years of Research *Research in Organizational Behavior,* 20: 77.

Williams, M. (2001). In Whom We Trust: Group Membership As An Affective Context For Trust Development, *Academy of Management Review,* 26(3): 377-396.

Woehr, D., Arciniega, L., & Poling, T. (2013). Exploring the Effects of Value Diversity on Team Effectiveness, *Journal of Business & Psychology,* 28(1): 107-121.

Yetton, P. W., & Bottger, P. C. (1982). Individual Versus Group Problem Solving: An Empirical Test of a Best-Member Strategy, *Organizational Behavior & Human Performance,* 29(3): 307-321.

Yildirim-Öktem, Ö., & Üsdiken, B. (2010). Contingencies versus external pressure: professionalization in boards of firms affiliated to family business groups in late-industrializing countries, *British Journal of Management,* 21(1): 115-130.

Zahra, S. A., Filatotchev, I., & Wright, M. (2009). How do threshold firms sustain corporate entrepreneurship? The role of boards and absorptive capacity, *Journal of Business Venturing,* 24(3): 248-260.

Zahra, S. A., Hayton, J. C., & Salvato, C. (2004). Entrepreneurship in Family vs. Non-Family Firms: A Resource-Based Analysis of the Effect of Organizational Culture, *Entrepreneurship: Theory & Practice,* 28(4): 363-381.

Zhang, J., & Ma, H. (2009). Adoption of professional management in Chinese family business: a multilevel analysis of impetuses and impediments, *Asia Pacific Journal of Management,* 26(1): 119-139.

Zhang, J. J., Baden-Fuller, C., & Pool, J. K. (2011). Resolving the Tensions between Monitoring, Resourcing and Strategizing: Structures and Processes in High Technology Venture Boards, *Long Range Planning,* 44(2): 95-117.