2012 | Faculteit Bedrijfseconomische Wetenschappen

DOCTORAATSPROEFSCHRIFT

‘Mine’ or ‘ours’? Perspectives on psychological ownership in family firms

Proefschrift voorgelegd tot het behalen van de graad van doctor in de toegepaste economische wetenschappen te verdedigen door:

Bart Henssen

Promotoren: prof. dr. Wim Voordeckers (UHasselt)
prof. dr. Matti Koiranen (University of Jyväskylä)
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Acknowledgments

That's been one of my mantras - focus and simplicity. Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move mountains (Steve Jobs).

Trying to explain what writing a PhD thesis involves, I would answer ‘a process and a product of that process – the PhD thesis itself.’ Writing the PhD thesis enriched me with knowledge, insights, self-reflection, and joy. It also gave me frustration, challenge, and conflict.
But in the end it was all worth it, especially because it brought me into contact with some amazing, inspiring, wise people who were willing to guide me along my path. For that I’m very grateful.

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I would like to thank my academic colleagues, many of them who became my friends. Special thanks go out to my Finnish 'extended family': Annika, Reija, Rolex, Laura, you are all in my heart. We brought into practice Annika's wisdom that 'in order to contribute to life, you need a life'.

My deepest thanks go out to my son, Tijmen, and his mother, Ellen. You have always believed in me and have been supportive all the way. Tijmen, you give me pride and joy as a father, and you are the best thing that ever happened to me in my life. Finally, my gratefulness also goes out to my mother. Without her emotional and financial support I would not have been able to do this. Thanks!

Antwerp, Belgium, October 20, 2012
Bart Henssen

Dankwoord

Dat is altijd één van mijn motto's geweest – focus en eenvoud. Eenvoudig kan moeilijker zijn dan complex. Je moet hard werken om je denkwerk uit te zuiveren om het simpel te maken. Maar uiteindelijk is het dat waard, want eens je dit bereikt, kan je bergen verzetten (Steve Jobs).

Als iemand me zou vragen wat het schrijven van een doctoraatsthesis inhoudt, dan zou ik antwoorden 'een proces en de uitkomst van dat proces – de thesis zelf'. Het schrijven van deze doctoraatsthesis heeft me verrijkt met kennis, inzichten, zelfreflectie en vreugde. Het heeft me ook frustratie gegeven, uitdaging en conflict.
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het delen van je wijsheid. Ik zal altijd onze nieuw ontwikkelde theorie van optimaliteit en dualiteit onthouden.

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Antwerpen, België, 20 oktober 2012
Bart Henssen

Samenvatting (summary)

Familiebedrijven zijn bij de meest voorkomende bedrijven wereldwijd en ze dragen significant bij tot wereldwijde economische productie en ontwikkeling, tewerkstelling en meerwaardecreatie. Nochtans is over de dynamiek van familiebedrijven nog weinig bekend. De laatste jaren is de interesse in familiebedrijven dan ook toegenomen, mede omdat ze met hun langetermijnvisie en zorg voor hun personeel de crisis blijkbaar vrij goed weten te doorstaan.

Eén van de meest karakteristieke kenmerken van familiebedrijven is het feit dat de aandelen of een deel ervan in handen zijn van een familie. Familiaal eigenaarschap is één van de onderwerpen die uitgebreid aandacht krijgt in de huidige literatuur. Echter, eigenaarschap van een familiebedrijf houdt meer in dan de legale/economische component ervan. Onderzoek toont aan dat eigenaarschap een multidimensionaal concept is, waarvan de psychologische component een belangrijk onderdeel uitmaakt. De kern van zogenaamd 'psychologisch eigenaarschap' is het gevoel van eigenaarschap dat iets van 'mij' of van 'ons' is. Toegepast op het familiebedrijf is het een gevoel dat leeft bij stakeholders in het familiebedrijf dat het bedrijf van 'mij' of van 'ons' is. Kenmerkend is dat psychologisch eigenaarschap niet noodzakelijk hoeft samen te gaan met legaal eigenaarschap. In familiebedrijven is dit gevoel potentieel sterk aanwezig onder familieleden, vanwege hun emotionele en financiële investeringen in het bedrijf dat ze dikwijls zelf hebben opgestart, maar ook bij niet-familieleden die zich erdoor verbonden voelen met het familiebedrijf.

De literatuur rond psychologisch eigenaarschap – die zich voornamelijk in de organisatiepsychologie situeert – suggereert dat psychologisch eigenaarschap belangrijke consequenties zou kunnen hebben op emotioneel en psychologisch vlak, maar ook voor het gedrag van stakeholders in het familiebedrijf en uiteindelijk op de performantie van het bedrijf zelf. Er is echter weinig empirische kennis voorhanden omtrent de effecten van psychologisch eigenaarschap voor het familiebedrijf. In dit proefschrift wordt daarom onderzocht wat de rol is van (individueel of 'van mij' en collectief of 'van ons')

psychologisch eigenaarschap in familiebedrijven en hoe het bijdraagt tot het verhogen van waardecreërend, pro-organisationeel gedrag bij familiale en niet familiale CEO’s en werknemers.

De hoofdstukken in deze doctoraatsthesis hebben drie zaken gemeenschappelijk: familiebedrijven, individueel en collectief psychologisch eigenaarschap en (CEO’s) pro-organisationele attitudes en gedrag.
Na de introductie zoomt dit doctoraatsonderzoek in hoofdstuk 2 in op de relatie tussen het geven van autonomie aan de CEO en het effect op zogenaamd stewardship-gedrag, oftewel, gedrag dat positief bijdraagt aan de organisatiedoelen. Immers, de literatuur doet vermoeden dat er een relatie tussen CEO’s autonomie en zijn/haar stewardship gedrag bestaat, maar die relatie werd nog niet getest in de context van familiebedrijven. Nochtans staan familiebedrijven ervoor bekend om hun CEO’s veel vrijheid van handelen en beslissen te geven. Daarenboven is niet bekend welke invloed hun gevoel van eigenaarschap heeft op de genoemde relatie. Onze resultaten toonden aan dat CEO’s met een hoog niveau van autonomie in hun job inderdaad zich meer als stewards gedragen. Onze resultaten tonen aan dat individueel psychologisch eigenaarschap een belangrijke mediërende rol speelt. De autonomie die de CEO krijgt draagt dus bij tot zijn/haar individueel gevoel van psychologisch eigenaarschap (‘dit is mijn familiebedrijf’) en dat laatste bepaalt in belangrijke mate zijn/haar stewardship gedrag. In het geven van autonomie aan familiale – en in extensie ook niet-familiale CEO’s – zal dus moeten worden nagegaan wat het effect ervan is op hun individueel psychologisch eigenaarschap voordat kan worden bepaald of de effecten voor de organisatie positief danwel negatief kunnen uitdraaien.

Hoofdstuk 3 brengt CEO’s identificatie met het familiebedrijf in relatie met pro-organisationele attitudes en gedrag zoals stewardship gedrag, het plezier in het werk dat door de CEO wordt ervaren en affectief commitment. Ook hier werd de rol van individueel en collectief psychologisch eigenaarschap onderzocht.
We vonden dat CEO’s identificatie positief gelinkt is aan hun individueel en collectief psychologisch eigenaarschap. CEO’s met een hoge mate van organisationele identificatie zullen het familiebedrijf dus meer als van ‘hen’ of

van ‘ons’ beschouwen. Hun identificatie heeft ook een positief effect op hun stewardship gedrag, affectief commitment en het plezier dat ze beleven in het werk. Met een aantal uitzonderingen, worden de genoemde relaties gemedieerd door individueel en collectief psychologisch eigenaarschap wat betekent dat deze een belangrijke rol spelen in het linken van CEO’s identificatie met het familiebedrijf en hun waardecreëerende, pro-organisationele attitudes en gedrag. Sommige veronderstelde verbanden werden niet ondersteund door de data. Bijvoorbeeld, we vonden dat collectief psychologisch eigenaarschap geen mediërende rol speelde in de relatie tussen identificatie en affectief commitment. Een verklaring kan gevonden worden in het feit dat in deze relatie identificatie de belangrijkste variabele is en niet de mate van collectief psychologisch eigenaarschap. Tevens vonden we geen ondersteuning voor een mediërende rol van individueel psychologisch eigenaarschap in de relatie identificatie – plezier in het werk. Plezier in het werk heeft waarschijnlijk meer te maken met een gevoel van verbondenheid, dat dan kan leiden tot een gevoel van ‘ons’ (d.i. collectief psychologisch eigenaarschap).

In hoofdstuk 4 wordt een antwoord gegeven op de vraag ‘Hoe kan psychologisch eigenaarschap bij niet-familiale werknemers worden gepromoot?’ Hoofdstuk 4 geeft door middel van kwalitatieve data (o.a. interviews) inzicht in de processen die achter de formatie van psychologisch eigenaarschap liggen in een familiebedrijf. Onze resultaten toonden aan dat de kwaliteit van de organisationele relaties, het gevoel van ‘community’ en de aard van leiderschap een belangrijke rol spelen. Kwaliteitsvolle relaties dragen ertoe bij dat niet-familiale werknemers zich ‘part-of-the-club’ voelen en dat sterke organisationele gemeenschappen kunnen ontstaan die bijdragen tot psychologisch eigenaarschap t.a.v. het familiebedrijf. Een leiderschapsstijl die het beste bijdraagt tot het ontstaan van psychologisch eigenaarschap is transformationeel leiderschap en zogenaamd ‘dienend leiderschap’.

In het afsluitend hoofdstuk worden de consequenties van onze bevindingen besproken voor de discussies die heden ten dage worden gevoerd in de academische literatuur omtrent familiebedrijven. Tevens worden belangrijke consequentie voor de praktijk besproken.

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List of abbreviations

CEO	Chief executive officer
CPO	Collective psychological ownership
IPSO	Individual psychological ownership
PSO	Psychological ownership (both individual and collective)
RBV	Resource based view
SEW	Socioemotional wealth

Chapter 1: Introduction

1.1. Background & objective of the dissertation

I think that the strength of a family business lies in the fact that employees know who they are working for. They work for family entrepreneurs and these family entrepreneurs strive for continuity of their business (…). Also one of the strengths of a family business is to encourage and promote psychological ownership in the business. This is closely linked to a family who is legal and psychological owner of the business. I definitely believe this [promotion of psychological ownership] to be an asset [for a family business] (Family CEO shoe sales chain – brackets added).

Family firms are among the most common businesses in countries around the world (Astrachan & Shanker, 2003; Faccio & Lang 2002; IFERA, 2003; Shanker & Astrachan, 1996). They contribute significantly to worldwide economic production and development, employment and wealth creation (Craig & Salvato, 2012; La Porta et al., 1999). This finding stands in contrast to the underrepresentation of family businesses in organizational and managerial research (Dyer, 2003). Consequently, family businesses are among the most diverse and least understood types of organization (Cummings & Worley, 2005). Given the significant role family firms play in the global economy, gaining a better understanding of their specific nature is particularly important (Chrisman et al., 2006).

One of the most apparent differentiating characteristics of family businesses is family ownership. Ownership lies at the very heart of the family business research field, as a family firm is often defined as a firm owned by a family. As a result, in family business literature family ownership has been a well-documented phenomenon (e.g., Chrisman, Chua, & Litz, 2004; Corbetta & Salvato, 2004; Gómez-Mejía, Nuñez-Nickel, & Gutierrez, 2001; Schulze et al., 2001).

Defining a family firm solely by its legal ownership, however, is not without discussion.

First, family firms are not a homogeneous group and treating family firms as such disregards their specific characteristics in terms of continuity (i.e. farsighted goals, investments and executive tenures vs. short term perspective), community (i.e., unusual care for employees, a rich corporate culture), connection (i.e., open, and enduring partnerships and relationships) and command (executive's freedom to make quick and bold decisions; Miller & Le Breton-Miller, 2005). 'In the best family firms, these Cs are used selectively, tailored, and blended in unique ways to support different business strategies such as quality, cost, brand, or innovation leadership.' (Moores, 2009: 278).

Second, research on ownership shows, ownership is a multidimensional concept. The basic ownership model consists of an owner (the subject), an 'ownable target' (the object), and the relationship and interplay between them (Ikävalko et al., 2006). This implicates a relational aspect of ownership, besides the legal dimension. In this perspective, Koiranen (2007b) mentions four conceptions of ownership: Ownership as a position or status (i.e., being an owner which provides the owner with a role and an identity); as a task (i.e., a behavioral aspect of ownership, for example, the responsibility that comes with ownership); as a relationship (i.e., the interactive relationship between an owner as a subject and the owned target as the object and where the subject has an impact on the object and vice versa); and as a structure (i.e., legal property rights, for example, the percentage of ownership). Other conceptions of ownership involve emotional aspects (e.g., emotional ownership; Zellweger & Astrachan, 2008; Björnberg & Nicholson, 2012), a social dimension (e.g., socio-symbolic ownership; Nordqvist, 2005), and an action or influence side (e.g., Mattila & Ikävalko, 2003). Based on literature on the psychology of ownership of over a century (e.g., Dittmar, 1992; Furby, 1978a; 1978b; Litwinski, 1947), Pierce, Kostova, & Dirks (1991) conceptualized the construct of psychological ownership (PSO). PSO differentiates itself from the above mentioned conceptions of ownership by an emphasis on the *feeling of possession*, which is not necessarily bound to legal ownership (Pierce et al., 2001). The core of PSO is a feeling of possession, the feeling or experience of what is 'MINE' (i.e., individual psychological ownership or IPSO; Koiranen, 2006; Pierce et al., 2001). Moreover a collective aspect of PSO has been recognized, as what is 'OURS' (i.e., collective psychological ownership or CPO; Ikävalko, et al., 2008; Pierce & Jussila, 2010; 2011).

In family business literature we find indications that family business owners have strong feelings of PSO for their businesses (Ikävälko et al., 2008; Rantanen & Jussila, 2011) This seems especially true for first generation family owners and managers, although this may be equally the case for next generation family executives and non-family CEO's (Karra, Tracey & Philips, 2006; Sharma & Irving, 2005). PSO seems tightly linked to the very essence of what constitutes a family firm. PSO effectively captures the interplay between the family and the business, because family and non-family members often feel a strong sense of ownership towards their family firm in the presence or even absence of legal ownership (Henssen et al., 2011; Karra et al., 2006; Rantanen & Jussila, 2010). Hence, it seems particularly important to consider PSO when the family business context is applied.

Despite its recognized importance (e.g., Bernhard & O'Driscoll, 2011; Eddleston & Kellermanns, 2007; Karra et al., 2006; Sieger et al., 2011a; 2011b), PSO remains understudied in family business literature. Although on itself a lack of insight on the phenomenon of PSO does not justify an extensive research effort, organizational literature offers indications that PSO has important behavioral, emotional and psychological consequences both for the individual and the family firm (Bernhard & O'Driscoll, 2011; Rantanen & Jussila, 2011; Sieger, Bernhard & Frey, 2011a; 2011b). PSO may significantly influence pro-organizational, value creating behaviors of family firm executives and employees, both family and non-family, and may therefore be an under-recognized driving force of the family firm.

To underpin these statements, the objective of this dissertation is to offer different perspectives on PSO in family firms in order to come to a multidimensional understanding of ownership. Therefore, our overall research question is as follows: '*What is the role of individual and collective psychological* *ownership in family businesses and how do they contribute to enhancing value-creating, pro-organizational behaviors among family and non-family executives and employees in family firms?*' The next section addresses the main themes that were derived from this overall research question and that form the foundation of this thesis.

1.2. Main themes

The main chapters of this thesis have 3 aspects in common: family firms, (individual and collective) psychological ownership, and (CEO's) pro-organizational value creating attitudes and behaviors. Chapter 2 is dedicated to the relationship between family firm CEO's (job) autonomy and their stewardship behavior, taken into regard their IPSO and CPO over the family firm. The contribution of this chapter is mainly situated in the stream of literature that applies a stewardship perspective on the family firm (e.g., Davis et al., 2010; Eddleston & Kellermanns, 2007; Le-Breton Miller & Miller, 2009). Chapter 3 addresses family firm CEO's organizational identification in relation to the pro-organizational attitudes and behaviors of stewardship, joy of work, and affective commitment. The role of IPSO and CPO is investigated on the mentioned relationships. This chapter adds to literature on socio-emotional wealth preservation as well as literature on CEO's organizational identification with the family firm (e.g., Gómez-Mejía et al., 2007; Milton, 2008; Zellweger et al., 2010). Chapter 4 provides an answer to the question 'How can PSO among non-family employees be promoted?' Chapter 4 contributes to a better understanding on the processes that lie behind the formation of PSO in family firms (e.g., Bernhard & O'Driscoll, 2011; Rantanen & Jussila, 2011). While chapters 2 and 3 make use of quantitative data, chapter 4 utilizes qualitative data. Also, the focus of attention shifts from the CEO to the employee level. Based on insights gathered in the previous chapters, chapter 5 suggests implications for current debates in family business literature, and implications for practice.

In general, this thesis should enable us to:

- Generate a broader perspective on the role of PSO in family firms;
- Reach the level of statistical generalization by modeling and testing the specific role of PSO in promoting value-creating, pro-organizational behaviors among family firm CEO's;
- Reach the level of theoretical generalization by generating a model for promoting PSO among non-family employees;
- Generate practical and managerial relevant knowledge on the role of PSO in family firms.

In the next sections, we elaborate further on the objectives and contributions of the particular themes.

1.2.1. Stewardship behavior

This chapter brings together the relationships between the family firm CEO's autonomy, CEO stewardship behavior, IPSO and CPO. The objective of this chapter is to empirically test these theoretically suggested relationships and bring to the foreground two important mediators which are missing in the debate, i.e., the extent of IPSO and CPO perceived by the CEO. Hence, the research question which is addressed in this chapter is: *What is the role of IPSO and CPO in the family business CEO's autonomy – stewardship behavior relationship?*

Studying the relationship between family firm CEO's autonomy and stewardship behavior suits the purpose of this thesis, because family firm CEO's are often depicted as trustworthy, collectivists, and pro-organizational individuals who prefer the organization and its wellbeing (in terms of increasing organizational wealth) as the center of attention. It is reasoned that providing family and non-family CEO's substantial freedom in their job (i.e., CEO's level of autonomy) is beneficial for their actual stewardship behavior, because CEO's can be trusted (Davis et al., 1997; Davis, Allen & Hayes, 2010). Corporate governance structures that give high authority and discretion to the steward-CEO are regarded as positively stimulating pro-organizational behavior (Donaldson & Davis, 1991). Hence, stewardship theory suggests that in family firms there exists a positive link between offering CEO's autonomy in their jobs and their stewardship behavior (Davis et al., 1997; Davis, Allen & Hayes, 2010).

However, offering CEO's high levels of autonomy, does not *guarantee* CEO's stewardship *behavior*. The literature applying stewardship theory in family businesses has generally overlooked the mechanisms or processes that underlie the creation of CEO's stewardship behavior. This makes it difficult to appreciate why some CEO's demonstrate more pro-organizational value creating attitudes and behaviors than others.

Literature indicates the existence of an important mediator in the aforementioned relationship between CEO autonomy and CEO's stewardship behavior. It is postulated that a stewardship philosophy leads to psychological ownership (PSO) by a family over its business (Eddleston & Kellermanns, 2007; Le-Breton Miller & Miller, 2009). Eddleston & Kellermanns (2007: 549) suggest the relationship to be as follows: 'It has been proposed that the heightened involvement encouraged by the stewardship philosophy creates a sense of psychological ownership that motivates the family to behave in the best interest of the firm' (Corbetta and Salvato, 2004; Zahra, 2003).

However, to our knowledge the fragmented insights on family firm CEO's autonomy, stewardship behavior, and PSO have not been tested, nor has a distinction been made between IPSO and CPO. Nevertheless, recent literature suggests that such a distinction is important, especially in the context of family firms which are based on a collectivity called 'family' (Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011).

In this chapter we present a model that connects a family business CEO's autonomy, stewardship behavior and IPSO and CPO. We quantitatively test the supposed relationships by means of ordinary least square regression analysis and mediation analysis (Baron & Kenny, 1986). Our effort can strengthen stewardship argumentations of the family business and offer insight on how CEO autonomy facilitates stewardship behavior (Corbetta & Salvato, 2004, Davis et al., 1997; 2010; Eddleston & Kellermanns, 2007; Le-Breton Miller & Miller, 2009). We also refine the stewardship model by adding IPSO and CPO, which is a noteworthy contribution. Finally, we contribute to the PSO literature stream by examining IPSO and CPO in the context of stewardship theory, and by empirically distinguishing between two dimensions of PSO.

1.2.2. Organizational identification

The objective of this chapter is to bring together and test the relationships between family firm CEO's identification to the family firm, their stewardship behavior, joy of work, and affective commitment. We empirically bring to the foreground two important mediators missing in the theorized relationships, i.e., the extent of IPSO and CPO perceived by the CEO. The research questions addressed in this chapter are: *Can CEO's identification with the family firm be regarded as an antecedent to their stewardship behavior, affective commitment, and joy of work? If so, are there mediating factors that intervene in the relationships between CEO's identification and these value creating attitudes and behaviors?*

These research questions are relevant for the purpose of this thesis because family firm CEO's are often depicted as individuals that perceive their self-identity to a great extent as tied to the identity of the family business. CEO's organizational identification with the family business has important consequences for their pro-organizational, value-creating attitudes and behaviors (Ashforth & Mael, 1989; 1996; Gómez-Mejía et al., 2007; Mael & Ashforth, 1992; Sharma & Irving, 2005; Zellweger, Eddleston & Kellermanns, 2010). For example, family firm CEO's have been described as trustworthy, collectivists, and pro-organizational individuals who prefer the organization and its wellbeing (in terms of increasing organizational wealth) as the center of attention (i.e., they behave as stewards; Arrègle et al., 2007; Davis et al., 2010; James, 2006; Lansberg, 1999; Miller & Le Breton-Miller, 2005; Ward, 2004). They often feel affectively connected to their family firms (i.e., they feel affective commitment; Sharma & Irving, 2005) and enjoy working for it (i.e., they feel 'joy of work'; Koiranen, 2012).

Literature indicates that what binds organizational identification, affective commitment, joy of work, and stewardship behavior, is an underlying wish of family CEO's – and in extension non-family CEO's – for the preservation of their socio-emotional wealth (Berrone et al., 2012; Gómez-Mejía et al., 2007; Karra et al., 2006). 'By socioemotional wealth we refer to non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty' (Gómez-Mejía et al., 2007: 106). 'Organizational identification should be particularly salient in family firms, adding much to its socioemotional wealth' (Gómez-Mejía et al., 2007: 108).

There seems to be missing, however, empirical insight on the mechanisms that connect family firm CEO's organizational identification with the mentioned favorable work outcomes. In this chapter two such mechanisms are presented: IPSO and CPO.

In this chapter we present a model that connects family firm CEO's identification with the family firm, their stewardship behavior, joy of work, affective commitment, and IPSO and CPO. We quantitatively test the supposed relationships by means of ordinary least square regression analysis and mediation analysis (Baron & Kenny, 1986). By doing so, valuable contributions to the family business literature and to the PSO literature stream are being made. We contribute to the family business literature by means of adding insight on at least three variables which are crucial to the success and survival of the family firm; organizational identification, affective commitment and stewardship behavior. As we will show, our (empirical) introduction of joy of work in the family business context is a noteworthy contribution. Moreover, we introduce CPO and IPSO as mediating variables in the organizational identification-work outcomes relationship. With this chapter we also answer to the call of Rantanen & Jussila (2011) to provide more insight on the essential role of CPO in the family business context.

1.2.3. Promoting PSO among non-family employees

This chapter provides insight on *what* family business CEO's exactly (need to) do to enhance PSO among their non-family employees. Likewise, knowledge is generated on *how* this PSO promoting process works. This is important when family business practitioners and scholars want to understand and enhance non-family employees' value-creating attitudes and behaviors which have been related to PSO (e.g., higher in-role and extra-role behaviors; Wagner et al., 2003; Mayhew et al., 2007; Van Dyne & Pierce, 2004; higher levels of commitment; Vandewalle et al., 1995; Avey et al., 2009; organizational citizenship behavior; Vandewalle et al., 1995; O'Driscoll et al., 2006; low intention to quit; Avey et al., 2009; group learning and group effectiveness; Pierce & Jussila, 2010). This chapter suggests an answer to the question: *How can PSO among non-family employees be promoted?*

PSO has recently been identified in family business literature as a construct that can fundamentally improve family firms' management of non-family employees (Bernhard & O'Driscoll, 2011; Bernhard & Sieger, 2009; Rantanen & Jussila, 2011; Sieger, Bernhard & Frey, 2011a; 2011b). 'Managing non-family employees in family businesses and enhancing their value-creating attitudes and behaviors is an essential factor in ensuring long-term prosperity' for the family firm (Bernhard & O'Driscoll, 2011: 346; Chua, Chrisman, & Sharma, 2003; Miller, Lee, Chang, & Le Breton-Miller, 2009). 'Having a dedicated workforce of non-family employees is essential for business success in many family firms. Although key positions in family firms are frequently held by relatives, many of these businesses employ more nonfamily employees than family members (Barnett & Kellermanns, 2008; Bernhard & O'Driscoll, 2011: 346). However, knowledge is missing on the 'how' and 'what' (cf. supra). The focus of this chapter therefore fits perfectly in the main research question of this thesis. In this chapter the level of analysis is the (non-family) employees in the family firm, although the role of the (family & non-family) CEO in terms of leadership is not overlooked.

This chapter utilizes an in-depth case study approach to seek an answer to our research question. The findings in this chapter make valuable contributions to the family business literature and the organizational literature stream. We contribute to the family business literature by providing additional insight on the relational nature of family firms. We open the black box on two constructs that can improve family firms' management of non-family employees – IPSO and CPO – and provide insight on how they are promoted in family firms (Bernhard & O'Driscoll, 2011; Bernhard & Sieger, 2009; Rantanen & Jussila, 2011; Sieger, Bernhard & Frey, 2011a; 2011b). We also extend insight on the relational nature of PSO and empirically distinguish IPSO from CPO.

1.2.4. Implications, extended learning, & conclusion

This chapter provides contributions of our findings to current debates in family business literature. This is an important task because our work should offer 'significant, value-added contributions to current thinking. Modifications or extensions of current theories should alter scholars' extant views in important ways' (Whetten, 1989: 494).

Additionally, we will offer an elaboration on implications for practice, which was one of the main aims of this thesis.

In sum, this chapter suggests an answer to the question: *What are the implications of the findings in this thesis and what can we learn from them?*

1.3. Research paradigm

For any extensive research project, such as this thesis, it is needed to clarify the conceptual framework that underpins our perception of the social world. Such a ‘world view’ or ‘research paradigm’ - which is the constellation of beliefs, values and techniques shared by the members of a research community - will reflect the way research is designed, data collected and analyzed, and how it is interpreted and presented (Burrell & Morgan, 1979; Kuhn, 1970; Patton, 1990). In this section we elaborate on the research paradigm which will determine the course for this research project, which is *critical realism*.
Concerning the quest for seeking knowledge and borrowing from the natural sciences the field of the social sciences has been and still is dominated by the *positivistic* belief system. Knowledge according to positivists is gained through the measurement of observable events and this knowledge is ‘true’. In response to problems with positivism (cf. Hudson & Ozanne, 1988)**,** *social constructionism* has gained attention in management and organization studies. To social constructionists reality is socially constructed by individuals and therefore there exists no single truth that can be known. A third approach, *critical realism*, adopts a middle position between the latter belief systems (Fleetwood, 2004; Fleetwood & Ackroyd, 2004). Critical realists believe that reality is abstracted in people’s minds, but which nevertheless exists independently of the individual (Guba & Lincoln, 1994; Healy & Perry, 2000; Magee, 1985) In critical realism ‘a participant’s perception is not reality’ (Healy & Perry, 2000: 123). ‘Rather, a participant’s perception for realism is a window to reality through which a picture of reality can be triangulated with other perceptions’ (Healy & Perry, 2000: 123).

This dissertation is based on *critical realism*. Critical realism mainly builds on the work of Bhaskar, with further developments by, for example, Archer, Sayer, Lawson, and Reiss (Bhaskar, 1978; 1989a; 1989b; Archer, 1995; 2000; 2003; Lawson, 1994; 1997; 1999; Reiss, 2004; Sayer, 2000). It has been developed in organizational and management literature by, for example, Fleetwood & Ackroyd (2004), Reed (2005) and Easton (2010).

Different philosophical assumptions and goals underlie the three approaches which we will explain in this section (cf. Table 1).

Table 1: Research paradigms

Assumptions	**Positivism**	**Critical Realism**	**Social constructionism**
Ontology			
Nature of reality	Objective, tangible Single Fragmentable Divisible	A reality exists independently of observers Individuals 'construe' the 'real world' that sometimes breaks through	Socially constructed Multiple Holistic Contextual
Axiology			
Overriding goal	'Explanation' via subsumption under general laws, prediction	Understanding the underlying single 'real world'	Understanding, based on 'Verstehen'
Epistemology			
Knowledge generation	Nomothetic, Time-free, context-independent	Rich in context *and* context-independent	Idiographic Time bound Context-dependent
View of causality	Real causes exist	Causality exists, but it is hard to reveal	Multiple, simultaneous shaping
Research relationship	Dualism, separation Privileged point of observation	The production of any kind of knowledge is a social practice The researcher must be critical of the object of study	Interactive, cooperative No privileged point of observation
Methodology			
	Mainly experiments, survey and other multivariate techniques	Selecting research methods and techniques according to the nature of the phenomena under investigation	Mainly grounded theory and other case-study based techniques

Sources: Easton, 2010; Fleetwood, 2004; Healey & Perry, 2000; Hudson & Ozanne, 1988; Sayer, 1992

When choosing an approach, attention should be paid to the underlying ontology, epistemology, axiology and methodological consequences.

Ontology refers to the nature of reality investigated by the researcher and to the study of being or existence (Healy & Perry, 2000). Ontologically, positivists assume that a single, objective reality exists independently of individuals' perceptions (Hudson & Ozanne, 1988). The basic assumption of social constructionism is that there exists no reality independently of people's minds, because reality is shaped in everyday discursive practices. For critical realists, the social world is partly discursive, socially constructed, and partly extra-discursive or 'real' (Fleetwood, 2004; Fleetwood & Ackroyd, 2004). A reality exists independently of observers and individuals 'construe' rather than construct the 'real world', that sometimes breaks through. In other words, to critical realists there exists a reality that is single and independent of the observers, but it is hard to grasp. Sometimes the 'real world' breaks through and 'destroys the complex stories that we can create in order to understand and explain the situations we research' (Easton, 2010: 120). Critical realism distinguishes between 'the actual events that are created by the real world and the empirical events that we can actually capture and record' (Easton, 2010: 128). 'Based on this, there will always be surmise concerning the nature of the real. What this implies is that we aim to approach the real by investigating empirical events' (Kontinen, 2011: 43). Nevertheless, critical realists accept that the empirical, the interpretable and the real are three different things.

Axiology refers to the fundamental goals or values that underlie a world view. Positivists value explaining the observable world and seek for universal laws, while social constructionists' goal is to understand reality adapting an interpretive process in which the researcher attempts to relate to and understand individual's perceptions of their reality (Hudson & Ozanne, 1988). Critical realists, however, try to explain the underlying 'single real world' that is insufficiently grasped by individual's perceptions (Hudson & Ozanne, 1988).

Epistemology pertains to the quest for knowledge and it addresses what knowledge is and how it is acquired. Additionally, it involves the relationship between the researcher and the researched (Healy & Perry, 2000). The positivist endeavor is to identify knowledge independent of time, context and to reach nomothetic statements, preferably stated in causal terms (Keat & Urry, 1975;

Hudson & Ozanne, 1988). The positivistic researcher should strive for objectivity, that is, he/she has a privileged point of observation and is separated from the objects or subjects under study (Hudson & Ozanne, 1988). To social constructionists knowledge cannot be obtained separated from place and time, and they aim to create 'thick descriptions' of individual's reality (Geertz, 1973). Social constructionist researchers take an interactive, cooperative, non-privileged point of observation. 'The interpretivists hold that the researcher and the people under investigation interact with each other, creating a cooperative inquiry' (Hudson & Ozanne, 1988: 512). To critical realists individuals 'construe rather than construct the world' (Easton, 2010: 122). 'Critical realism acknowledges that social phenomena are intrinsically meaningful, and hence that meaning is not only externally descriptive of them, but constitutive of them (though of course there are usually material constituents, too). Meaning has to be understood, it cannot be measured or counted, and hence there is always an interpretative or hermeneutic element in social science' (Easton, 2010; Sayer, 2000: 17).

Methodology refers to the research techniques that are utilized by the researcher to acquire knowledge (Healy & Perry, 2000). There exists a widespread belief that some research techniques are more suitable and can be easier fitted within a certain world view, which is considered to be related (Healy & Perry, 2000). For example, positivism is often linked to surveys and other quantitative methods, whilst social constructionists should apply qualitative methods such as case studies and narratives. Critical realists advocate that research methods and techniques should be selected according to the nature of the phenomena under investigation (Fleetwood, 2004) Therefore, in this dissertation we adapted the research method that provided for the best way of seeking answers to our research questions. Our methodological choices were made clear in the subsequent chapters.

We suggest that critical realism fits the aim of our research, i.e., to gather both deep understanding and insight in relationships, the underlying mechanisms, and causal directions concerning PSO in family firms and the humans and their real-life experiences involved in this process.

We realize that chapters 2 and 3 could also be read from a positivistic stance, and chapter 4 can be read from a constructionist point of view. That is because positivism and critical realism share some common ground, just as constructionism and critical realism have some common features.

'It [critical realism] shares the interest of positivism in the objective world, patterns, generalization, and in finding causalities, but it also diverges from this tradition in claiming that the study of the observable is too superficial, as it disregards the unobservable mechanisms that produce the phenomena that positivists seek to measure and explain. It is not possible to reduce the world to observable objects and facts, critical realists argue. Moreover, they do not accept a distinction between theory and observation, nor the interest in finding all-encompassing laws. Instead critical realism takes an interest in complex networks of theoretical and observable elements characterizing efforts going beyond the surface of social phenomena' (Alvesson & Sköldberg, 2009: 40).

Critical realism and constructionism also share common aspects. It shares 'an interest in synthesis and context, but it also strongly emphasizes the objective nature of reality, and it argues that a focus on social constructions is insufficient and misleading' (Alvesson & Sköldberg, 2009: 40).

The main difference between our critical realist approach and the positivistic and constructionist approaches is our interest in mechanisms of a 'deeper dimension' (Alvesson & Sköldberg, 2009). For example, in chapter 2 we focus on the underlying mechanisms of CEO's stewardship behavior, taking to the forefront individual and collective psychological ownership as potential explanatory factors. Our attempt adds to the understanding why some CEO's demonstrate more pro-organizational value creating attitudes and behaviors than others. However, taking PSO as the underlying dimension is not enough. Therefore, in search for a deeper understanding of PSO in chapter 4 we focus on the context and the processes that generate and promote psychological ownership in the family firm. In chapter 3, for example, we question whether the constructs of joy of work, affective commitment, and stewardship behavior are indicators for the underlying concept of socioemotional wealth preservation. Furthermore, in search for an underlying explanation for the observed processes in chapters 2, 3, and 4, we extend our learning and understanding in chapter 5. For example, the finding in chapter 2 that PSO has a clearly distinguishable collective and individual dimension is taken to a deeper level in section 5.4.1. on targets of possession.

Moreover, in this thesis we make use of both quantitative and qualitative methods. When it comes to methodological choices, 'critical realism bridges quantitative and qualitative studies – there is no tendency for critical realists to favour either of these type of studies' (Alvesson & Sköldberg, 2009: 15). As said, critical realists handle the view that methodological choices should be based on the research question and not on the underlying belief system (Fleetwood, 2004). For example, 'a case study methodology does not in itself strictly define the paradigm to be applied, or the ontology or epistemology' (Kontinen, 2011: 42). 'It can involve a number of perspectives, drawn from different ontological, epistemological, and methodological premises, and positioned on a continuum from realism to constructivism (Järvensivu & Törnroos, 2010)' (Kontinen, 2011: 42).

Quantitative data from a critical realist perspective are data that involve humans and their real-life experiences. They are representations of an underlying single 'real world'. We therefore bear in mind that our quantitative findings in chapters 2 and 3 *may* be true, but not necessarily so, since they are indications of an underlying reality. In chapters 2 and 3 we seek for the single or a few 'best' explanations of the relationships that we witness using quantitative techniques. A similar reasoning applies to our qualitative data. 'In a critical realist case study, the research question addresses a research phenomenon of interest, in terms of discernible events, and asks what causes them to happen (Easton, 2010)' (Kontinen, 2011: 46). For example, this is what we do in chapter 4 when utilizing abductive reasoning. In abductive reasoning there are infinite possible explanations for the processes under study, but analysis is directed towards a single or a few 'best' explanations (Peirce, 1931-1958). Under the principle of abductive reasoning an explanation is valid if it is the best possible explanation of a set of known data, which is reached through an iterative process of going back and forth between data and existing theory (Dubois & Gadde, 2002). The latter is a common practiced technique in qualitative research, however, in abduction there is a stronger reliance on theory than is suggested by induction and systematically combining theory and data is even more distant from deduction (Dubois & Gadde, 2002). In our view, abductive reasoning – the search for a single or a few ‘best’ explanations – and a critical realist perspective seem to fit well together.

Chapter 2: The CEO autonomy – stewardship behavior relationship in family firms: The mediating role of PSO

2.1. Introduction

I believe that every right implies a responsibility, every opportunity, an obligation; every possession a duty (John D. Rockefeller, Jr.).
Liberty means responsibility. That is why most men dread it (George Bernard Shaw).

A family firm is often depicted as a firm that binds their members by kinship, a common history, social status, familiarity, and enduring attachment of its (family) members (Gómez-Mejía et al., 2007; Le Breton-Miller & Miller, 2009). These characteristics of family firms constitute a strong incentive to offer family executives – and in extension non-family CEO's (Karra, Tracey, & Philips, 2006) – high levels of CEO discretion and autonomy (Davis et al., 2010). From a stewardship perspective, Davis et al. (2010) reason that family firm CEO's level of autonomy constitutes an empowering governance structures (Davis et al., 1997) which 'should be deliberately extended to maximize the benefits of a steward, because he or she can be trusted' (Davis et al., 1997: 25; Davis, Allen & Hayes, 2010). Stewardship theory depicts CEO's as trustworthy, collectivists, and pro-organizational individuals who prefer the organization and its wellbeing as the center of attention (Davis et al., 1997). Corporate governance structures that give high authority and discretion to the steward-CEO are regarded as positively stimulating pro-organizational behavior (Donaldson & Davis, 1991). Hence, stewardship theory suggests that in family firms there exists a positive link between offering CEO's autonomy in their jobs and their stewardship behavior (Davis et al., 1997; Davis, Allen & Hayes, 2010).

However, offering CEO's high levels of autonomy, does not *guarantee* CEO's stewardship *behavior*. The literature applying stewardship theory in family businesses has generally overlooked the mechanisms or processes that underlie the creation of CEO's stewardship behavior. This makes it difficult to appreciate why some CEO's demonstrate more pro-organizational value creating attitudes and behaviors than others. This chapter, consequently, examines the factors associated with CEO's stewardship behavior. More specifically, we seek an answer to the question: '*What is the role of CEO's psychological ownership in the family business CEO's autonomy – stewardship behavior relationship?*'

Literature indicates the existence of an important mediator in the aforementioned relationship between CEO autonomy and CEO's stewardship behavior. It is postulated that a stewardship philosophy leads to PSO by a family over its business (Eddleston & Kellermanns, 2007; Le-Breton Miller & Miller, 2009). Eddleston & Kellermanns (2007: 549) suggest the relationship to be as follows: 'It has been proposed that the heightened involvement encouraged by the stewardship philosophy creates a sense of psychological ownership that motivates the family to behave in the best interest of the firm' (Corbetta and Salvato, 2004; Zahra, 2003). The construct of PSO originates from organizational literature where it has received increasing attention (e.g., Mayhew et al., 2007; Pierce et al., 2001; 2009; 2010; Van Dyne & Pierce, 2004). It is defined as a state in which individuals feel as though the target of ownership (material or immaterial in nature) or a piece of it is "theirs" (i.e., "It is MINE!")' or "ours" (i.e., "It is OURS!") (Pierce et al., 2001: 299; Pierce & Jussila, 2010; 2011).

From PSO literature we deduce at least three reasons why family firm CEO's PSO should be considered as an important mediator in the relationship between CEO's autonomy and their stewardship behavior. First, offering CEO's substantial freedom in their jobs creates for them the opportunity to feel a sense of control over the organization (O'Driscoll, Pierce, & Coghlan, 2006; Pierce, O'Driscoll & Coghlan, 2004). A feeling of control is theorized as one of the routes that lead to PSO (McIntyre et al., 2009; Pierce et al., 2001; Pierce et al., 2004). It is therefore likely that CEO's autonomy and PSO are connected. Second, PSO has been theoretically related to stewardship behavior (e.g., Eddleston & Kellermanns, 2007; Hernandez, 2012), but this has not been empirically tested.

Third, it is theorized that in family firms PSO is tightly linked to the very essence of what constitutes a family firm. PSO effectively captures the interplay between the family and the business, because family and non-family members often feel a strong sense of ownership towards their family firm in the presence or even absence of legal ownership (Henssen et al., 2011; Karra et al., 2006; Rantanen & Jussila, 2010). As a consequence, PSO has important behavioral, emotional and psychological consequences both for the individual and the family firm (Bernhard & O'Driscoll, 2011; Sieger, Bernhard & Frey, 2011a; 2011b; Rantanen & Jussila, 2011). Hence, it is important to consider PSO in any relationship when the family business context is applied.

Furthermore, it is our thesis that the mediating effect of PSO in the relationship between CEO autonomy and CEO's stewardship behavior needs specification in terms of IPSO or 'MINE' and CPO or 'OURS'. While this distinction has been theoretically established (e.g., Pierce & Jussila, 2010; 2011), empirically it is generally overlooked. Nevertheless, a distinction between an individual feeling that a family firm is 'MINE' and the 'collective realization of ''our-ness'' '(Pierce & Jussila, 2010: 812) should be taken under consideration. It is our argument that CEO's who are trusted – and offered greater autonomy as a result – may find it easier to consider the family firm as 'ours'. Under the condition of trust, CEO's focus is likely to shift from an individualistic orientation to a collectivistic, organizational one (Davis et al., 1997, Hernandez, 2012). As a result, they are likely to become collective psychological owners of the family firm, because feelings of 'ours' are found to a greater extent among individuals with collectivistic values (Pierce & Jussila, 2010).

More general, our choice to differentiate CPO from IPSO is grounded in the fact that groups have different dynamics than individuals and these dynamics are not necessarily interrelated (Smelser & Swedberg, 2005). For example, an individual sense of control may lead to an individual feeling of ownership over the organization, but this feeling is not necessarily shared with others. For the latter it is needed that the CEO feels part of a significant group ('us') that comes to feel a collectively shared 'ours' (Pierce & Jussila, 2010; 2011). When studying family businesses – which are businesses based on a collectivity that is called ‘family’ (Dyer, 2003) – our awareness is raised for collectivistic processes that lead to pro-organizational behavior. Hence, it is of special relevance in family business research not only to consider individual attitudes and feelings (e.g., IPSO) that may lead CEO’s to behave in the best interest of the firm but also to take into consideration collectively based behaviors of family firm CEO’s (such as those based on CPO).

In this chapter we present a model that connects a family business CEO’s autonomy, stewardship behavior and IPSO and CPO. In doing so, we make noteworthy contributions to the literature on family businesses and to the PSO literature stream. We contribute to family business literature by our focus on a psychological factor that can help explain findings and refine arguments for CEO autonomy. We bring together the relationships between the family firm CEO’s autonomy, CEO’s stewardship behavior and PSO and empirically test them. Furthermore, we refine the stewardship model by adding IPSO and CPO, which is a noteworthy contribution. We also contribute to the PSO literature stream by examining IPSO and CPO in the context of stewardship theory, and by empirically distinguishing between two dimensions of PSO.

The chapter is structured as follows. We start with a brief theoretical discussion of stewardship theory and IPSO and CPO. We derive hypotheses and test them with data from a sample of 111 private family firms obtained by a self-conducted survey. We conclude with a discussion of the implications of our research.

2.2. Theoretical background

2.2.1. Stewardship theory

Stewardship theory builds on the assumption that for stewards organizational, collectivistic behavior has higher utility than individualistic, self-serving behavior. Even when the interests of the steward and the principal are not aligned, higher value is placed on cooperative behavior, and because this type of behavior serves greater utility it can be considered as rational (Davis et al., 1997). Basically, a steward prefers the organization and its wellbeing (in terms of increasing organizational wealth) as the center of attention. Through the realization of organizational needs, a steward believes that personal needs are met. The basic assumption of stewardship theory is that the behaviors of the steward are aligned with the interests of the principal(s) (Davis et al., 1997).

Stewardship has been applied to family firms on several occasions because family firm CEO's often show characteristics of a steward, and stewardship behaviors are an important component of family businesses' competitive advantage (Eddleston & Kellermanns, 2007; Le Breton-Miller & Miller, 2006; Miller, Le Breton-Miller, & Scholnick, 2008; Zahra et al., 2008). For example, stewardship behavior in family firms has been positively linked to higher financial performance as opposed to non-family businesses (Eddleston & Kellermanns, 2007; Le Breton-Miller & Miller, 2006); lower monitoring costs and related increased resources to invest in the family firm (Hoopes & Miller, 2006); strategic flexibility enhancing organizational performance (Eddleston, 2008; Zahra et al., 2008); perceived value commitment and trust among family and non-family members (Davis et al., 2010). Family businesses as a result have a high interest in stimulating stewardship behavior among their CEO's, as it serves both the organizational interests and the CEO's personal interests (because stewards receive intrinsic satisfaction when the business flourishes) (Corbetta & Salvato, 2004; Eddleston & Kellermanns, 2007). The stewardship framework thus seems to provide a valuable and viable explanation for collectivistic, organization centered behaviors which are often observed among family firm CEO's and which contribute significantly to family firms' performance. As a result, it appears valuable to gather deeper insight in antecedents that lead to CEO's stewardship behavior (Corbetta & Salvato, 2004; Davis et al., 1997; 2010; Eddleston & Kellermanns, 2007; Le-Breton Miller & Miller, 2009).

To facilitate stewardship behavior empowering governance structures and mechanisms based on trust should be in order (Davis et al., 1997). It is reasoned that providing family and non-family CEO's substantial freedom in their job (i.e., CEO's level of autonomy) constitutes one of such empowering governance structures (Davis et al., 1997). According to Davis et al. (1997) 'a steward's autonomy should be deliberately extended to maximize the benefits of a steward, because he or she can be trusted' (Davis et al., 1997: 25; Davis, Allen & Hayes, 2010). Corporate governance structures that give high authority and discretion to the steward-CEO are regarded as positively stimulating pro-organizational behavior (Donaldson & Davis, 1991). Hence, stewardship theory suggests that in family firms there exists a positive link between offering CEO's autonomy in their jobs and their stewardship behavior (Davis et al., 1997; Davis, Allen & Hayes, 2010).

A stewardship philosophy has also been theoretically related to PSO (e.g., Eddleston & Kellermanns, 2007; Hernandez, 2012). In family businesses a stewardship philosophy is postulated to lead to PSO by a family towards its business (Eddleston & Kellermanns, 2007; Le-Breton Miller & Miller, 2009). Eddleston & Kellermanns (2007: 549) suggest the relationship to be as follows: 'It has been proposed that the heightened involvement encouraged by the stewardship philosophy creates a sense of psychological ownership that motivates the family to behave in the best interest of the firm (Corbetta and Salvato, 2004; Zahra, 2003). A stewardship philosophy in the family business, however, does not *guarantee* CEO's stewardship *behavior*. A stewardship philosophy reflects the 'extent to which an individual willingly subjugates his or her personal interests to act in protection of others' long-term welfare' (Hernandez, 2012: 174). Stewardship behaviors are created by an 'other-regarding' perspective and long-term orientation on the one hand, and an affective sense of connection with others, on the other hand (Hernandez, 2012).

Literature applying stewardship theory in family businesses has generally overlooked the distinction between stewardship philosophy and stewardship behavior. More specifically, literature has overlooked the mechanisms or processes that underlie the creation of CEO's stewardship behavior. This makes it difficult to appreciate why some CEO's demonstrate more pro-organizational value creating attitudes and behaviors than others. In the next section we will direct our attention towards two dimensions of PSO which we consider as mediators in the CEO autonomy – stewardship behavior relationship, i.e., IPSO and CPO.

2.2.2. IPSO and CPO

The construct of IPSO was initially theorized by Pierce, Rubenfeld & Morgan (1991). The core of IPSO is a feeling of possessiveness and a strong psychological connection to an object (Brief, 1998; Pierce et al., 2001). It is defined as 'a state in which individuals feel as though the target of ownership, being material or immaterial in nature, or a piece of it is "theirs"'(Pierce, Kostova & Dirks, 2001: 299). Complementary to an individualistic view, PSO has also been described as a state of mind that is shared by the members of work groups and organizations (Wagner et al., 2003). Wagner et al. (2003: 850) propose that PSO in work groups is a 'shared sense of possession of the organization that is manifested in ownership beliefs and ownership behaviors'. This idea was elaborated on by Pierce and Jussila (2010: 812), who introduced the notion of 'collective psychological ownership', i.e., the 'collectively held sense (feeling) that a target of ownership (or a piece of that target) is collectively "ours"'. Prerequisite to this collective dimension is a feeling of a group that considers itself as an interdependent 'us', which then may lead to a feeling of 'ours' (Pierce & Jussila, 2010). 'The notion of a collective realization of ''our-ness'' is the key to the differentiation of psychological ownership as an individual-level construct to collective psychological ownership as a group-level property' (Pierce & Jussila, 2010: 812).

CPO is significantly different from IPSO as it is a 'socially constructed state that transcends the limits of individual cognition/affect through 'group processes involving the acquisition, storage, transmission, manipulation, and use of information' (Gibson, 2001: 122) resulting in shared (i.e., common) feelings, knowledge, and beliefs about the target of ownership, and their individual and collective rights (e.g., use, control) and responsibilities (e.g., protection of) in relation to that target. 'Cognitively, collective psychological ownership is a shared mental model that is developed based on cognitive interdependence' (Pierce & Jussila, 2010: 812). Thus, the concept of PSO is of a multi-dimensional nature, i.e., PSO manifests itself on an individual and on a collective level. This distinction is of special relevance in light of our research question, because it is our thesis that the mediation of PSO between CEO autonomy and CEO's stewardship behavior needs specification in terms of IPSO and CPO. This will reflect in our hypotheses.

According to Pierce and colleagues three routes lead to the formation of both IPSO and CPO: The possibility to (collectively) control a target of possession, (collectively) acquiring intimate knowledge on the target, and/or investing one's self (collectively) into this target. For CPO to develop, this needs to be accompanied by an awareness by the group of its existence as a group, which is influenced by interdependence, collective identification, group cohesion, and team chemistry among group members (Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011). What is of particular importance to this chapter is that offering CEO's substantial freedom in their jobs creates for them the opportunity to feel a sense of control over the organization (O'Driscoll, Pierce, & Coghlan, 2006; Pierce, O'Driscoll & Coghlan, 2004). As noted, a feeling of control is one of the routes that may lead to PSO (McIntyre et al., 2009; Pierce et al., 2001; 2004). CEO's autonomy and PSO are therefore likely to be connected.

Additionally, it is theorized that both IPSO and CPO are facilitated by (but not caused by) four human motives ('roots'): The human need for efficacy and effectance (i.e., to be in control), self-identity (i.e., to derive our self-perception from our (psychological) possessions), place (i.e., to belong somewhere, to feel at home), and stimulation (i.e., to activate or arouse, to store life's meanings). For CPO, social-identity (i.e. to derive our self-perception from membership of a group of emotional value to us) serves as additional motive, but only when coupled with one or more of the other motives for possession (Pierce & Jussila, 2010).

What is also of importance to this chapter is the relationship between the family business context and PSO. Authors have theorized that the aforementioned 'routes' and 'roots', link PSO tightly to the very essence of what constitutes a family firm (Henssen et al., 2011; Rantanen & Jussila, 2010). Family owned firms fulfill family members' needs for efficacy and effectance, for self-identity, social identity and having a place. The fulfillment of non-economic motives lies at the heart of family businesses (Gómez-Mejía et al., 2007). For example, in family firms the routes to PSO translate into intimate knowledge of the family firm, investing time and effort into it, and having factual or psychological control over it, three conditions which are present to a large extent among family owners and in extension among (non-shareholding) nonfamily CEO's and employees (e.g., Karra, Tracey & Philips, 2006; Rantanen & Jussila, 2010; Sieger et al., 2011a; 2011b). PSO and the family firm are therefore tightly linked. Additionally, Hernandez (2012) theorizes that each of the aforementioned roots of PSO (i.e., the needs for efficacy and effectance, for self-identity, social identity and having a place) is met by mechanisms that lead to stewardship behaviors (e.g., the control and reward systems manifested in stewardship governance, shared leadership practices, protective behavior towards the organizational welfare, affective mechanisms that build a sense of emotional attachment). Taken into account the above mentioned link between PSO and stewardship behavior – which is argued to fit the family business context well (Davis et al., 1997; Davis et al., 2010) –, and the importance of PSO to capture the essence of a family business, it is needed to investigate the role of PSO in family firms.

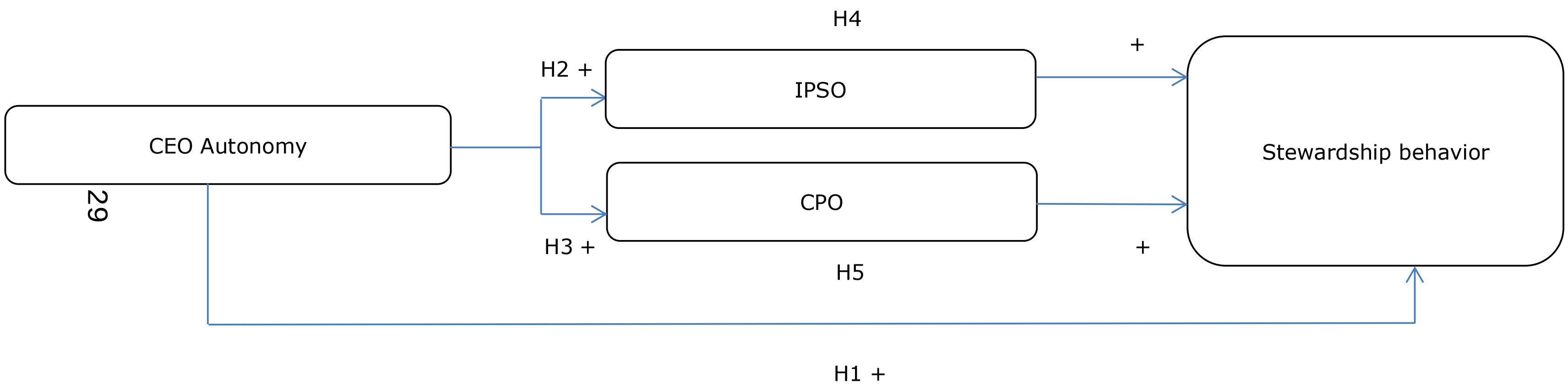
However, while in organization literature PSO has built a solid ground, in family firm literature the PSO construct is relatively new and there exists scant empirical evidence on its role in family businesses. Its significance is nevertheless recognized. For example, Eddleston & Kellermanns (2007) mention PSO as a mediator between a stewardship philosophy of the family in business, and actual stewardship behavior (Corbetta & Salvato, 2004; Zahra, 2003). Literature suggests 'a stewardship philosophy to be common among successful family businesses' (Corbetta and Salvato, 2004; Eddleston & Kellermanns, 2007: 549) and this stewardship philosophy leads to (family and non-family) CEO's PSO which encourages CEO's stewardship behavior (Corbetta & Salvato, 2004; Eddleston & Kellermanns, 2007; Hernandez, 2012; Le-Breton Miller & Miller, 2009). With Sieger, Bernhard & Frey (2011a; 2011b) the attention shifted from family members to non-family employees. The latter authors empirically studied affective commitment and job satisfaction among non-family employees combined with justice perceptions and PSO, and found that PSO mediates the relationship between distributive justice perceptions and both affective commitment and job satisfaction. Bernhard & O'Driscoll (2011) focused on PSO in small family-owned businesses, combined with leadership style and nonfamily employees' work attitudes and behavior. They found that PSO of the organization and the job mediated the relationship between leadership style and affective organizational commitment, job satisfaction, and turnover intentions. In addition, feelings of PSO for the family business mediated the relationship between transformational leadership and organizational citizenship behavior. Empirical evidence on CPO is to this date non-existent. In this chapter we address this gap in the literature and broaden insight on the role of IPSO and CPO in the CEO autonomy-stewardship behavior relationship. This is an important task because our effort offers insight into the mechanisms or processes that underlie the creation of CEO's stewardship behavior. It offers indications why some CEO's demonstrate more pro-organizational value creating attitudes and behaviors than others.

Referring to the above we recall for the purposes of this chapter that: (1) PSO is an important omitted variable in the relationship between CEO autonomy and CEO's stewardship behavior and (2) PSO has an individual and a collective dimension, and this distinction is important in light of our research question.

2.3. Hypotheses

Figure 1 represents our theorized model for the relationships between family firm CEO's autonomy, stewardship behavior, and IPSO and CPO. In this section we will elaborate on the hypothesized relationships. We start building our model by theoretically establishing a direct relationship between CEO autonomy and stewardship behavior. We then suggest direct relationships between CEO autonomy and IPSO and CEO autonomy and CPO. We then examine the hypothesized mediating effects of IPSO and CPO on stewardship behavior.

Figure 1: Theoretical model for the relationships between family firm CEO's autonomy, stewardship behavior, IPSO and CPO



2.3.1. Autonomy and stewardship behavior

In this section we will reason a positive relationship between family firm CEO's level of autonomy and his or her stewardship behavior.

'Stewardship theorists argue that the performance of a steward is affected by whether the structural situation in which he or she is located facilitates effective action' (Davis et al., 1997: 25). In this light, Davis et al. (1997) connect CEO autonomy with stewardship behavior. They reason that 'a steward's autonomy should be deliberately extended to maximize the benefits of a steward, because he or she can be trusted' (Davis et al., 1997: 25). Moreover, Hernandez (2008) argues that the regulation of one's own actions and a sense of choice promote stewardship. Thus, it is suggested that there exists a positive relationship between CEO's autonomy and stewardship behavior in a sense that CEO's autonomy adds to his/her stewardship behavior. This relationship, however, needs empirical testing in a family business context. The question that remains is whether offering family or non-family CEO's substantial freedom in their job induces stewardship behavior.

'The characteristics of family business appear to be a great fit with good stewardship, which involve individuals supporting a firm-level rather than an individual level view of organizational governance' (Davis et al., 2010: 1095). For example, one of these characteristics is the unique potential of family firms to promote a culture of trust among their stakeholders (Davis et al., 2010; Tagiuri & Davis, 1996). Davis et al. (2010) argue that 'because of the efficiency and effectiveness of information exchange in family relationships, family members are more open and willing to be vulnerable to one another. They trust each other.'

The aforementioned processes based on trust may similarly apply to non-family CEO's (Davis et al., 2010; Karra, Tracey, & Philips, 2006). In this light, Karra et al. (2006) show that in a family firm the logic and the characteristics of the family are likely to extend beyond the biological family, because boundaries between family and non-family are rather fluid or negotiated.

When supported by, for example, a shared identity and shared values (Karra et al., 2006; Lambrecht, 2012), distant kinship (Karra et al., 2006), social connections, and high quality relationships between family and non-family members (e.g., Bouwen, 1998; Lambrechts et al., 2009a; 2009b; Shotter, 1993), a form of 'quasi-family' is created that is intertwined with the biological family with similar rights and obligations toward each other (Karra et al., 2006). Thus, the logic of the family is replicated to non-family members, including 'the trust and norms of reciprocity that underpin it' (Karra et al., 2006: 869; Peredo, 2003).

Hence, applying a stewardship philosophy to the family business, family firms should have a higher propensity to offer high levels of autonomy to their family and non-family CEO's, because they are trusted.

Applying the suggested relationship by Davis et al. (1997) between autonomy and stewardship behavior to the family business context, we theorize that family firms offer higher levels of autonomy to their CEO's and as a result these CEO's are more likely to become stewards. The family firm could then benefit from stewardship behavior by family as well as non-family CEO's (Karra, Tracey & Philips, 2006; Zellweger et al., 2010). Hence, our hypothesis is:

Hypothesis 1: Family business CEO's autonomy is positively related to their stewardship behavior.

2.3.2. Autonomy and IPSO

Based on PSO literature in this section we will reason that there are valid reasons to suggest that family firm CEO's with higher levels of autonomy are likely to experience higher levels of IPSO.

From organizational literature we deduce that offering CEO's high level of autonomy can create a feeling of possessiveness over certain targets of possession (e.g., the family firm) (O'Driscoll, Pierce, & Coghlan, 2006; Pierce, O'Driscoll & Coghlan, 2004). Autonomy may offer the CEO the possibility to gain a sense of control over diverse targets of possession (O'Driscoll, Pierce, & Coghlan, 2006; Pierce, O'Driscoll & Coghlan, 2004; Liu et al., 2011). These targets become 'his' or 'hers' (e.g., this is MY organization).

In family firms there is a higher propensity that the target of possession is the family firm itself, because the focus of attention is likely to lay on communalities among family firm stakeholders. That is, family and non-family members in family businesses are bound by their (quasi-) kinship ties, a common history, social status, familiarity, and enduring attachment of its (family) members (Gómez-Mejía et al., 2007; Karra, Tracey, & Philips, 2006; Kets de Vries, 1993; Littunen, 2003; Sundaramurthy & Kreiner, 2008; Westhead, Cowling, & Howorth, 2001). As a result, a family firm CEO is more likely to call the family firm 'his' or 'hers'.

From the above we deduce that offering family firm CEO's higher levels of autonomy promotes their individual feeling of PSO over the family firm (i.e., IPSO). More general, we reason that family firms which apply a stewardship philosophy have a higher propensity to offer high levels of autonomy to their CEO's based on trust. As a result these family firms are likely to find higher levels of IPSO among their CEO's. Therefore we propose that:

Hypothesis 2: Family business CEO's autonomy is positively related to their IPSO.

2.3.3. Autonomy and CPO

The process of gaining control over targets of possession as a result of CEO's autonomy, however, is not restricted to the individual level. We suggest that CEO's who experience higher levels of autonomy are likely to demonstrate higher levels of CPO.

However, the process that is suggested to link CEO autonomy with CPO is different from the one that links IPSO with CEO autonomy. CPO is a group-level phenomenon, - not an individual level construct such as IPSO - which is dependent on (1) the feeling by the CEO to be part of a significant 'us', (2) which comes to feel a joint 'ours' over a target of possession (Rantanen & Jussila, 2011). (1) The CEO has to perceive himself/herself as part of a collectivity which is significant to him/her. What distinguishes family firms from other types of organizations is the existence of a collectivity and significant 'us' that is called 'family'. Family firm literature has shown that family businesses foster close relationship between family members and between family members and non-family employees (Bernhard & O'Driscoll, 2011; Dyer, 2003; Le Breton-Miller & Miller, 2006; Miller et al., 2009). The group that the family firm CEO is most likely to perceive as a significant group is to consist of top management members, both family and non-family, including family-owners (Karra et al., 2006). (2) This feeling of being part of a significant 'us' enables the CEO to call the family business 'ours' (Pierce & Jussila, 2010; Rantanen & Jussila, 2011). For CPO to arise 'it is deemed necessary that the group's experiences are such that each group member comes to recognize his/her shared control over the target' (Pierce & Jussila, 2010: 818).[1] In other words, it is the group that collectively has to gain control over the target of possession – in this case the family business.

We suggest the relationship between CEO autonomy and CPO to be as follows. Offering autonomy to family firm CEO's is likely to promote their becoming part of a significant group ('us') that consists of top management members (both family and non-family, including family-owners), because CEO's feel they are trusted. Because of the shared communalities (e.g., a common history, social

[1] According to Pierce & Jussila (2011: 818) 'the emergence of collective feelings of ownership hinges on a collective recognition of shared action toward the potential target of ownership. Each group member must perceive the activities and their outcomes as the product of one's own effort and input coupled with the effort and input of others with whom one is both joined and interdependent. Toward this end, it is envisioned that the routes to collective psychological ownership consist of a collective recognition of shared control over the target of ownership, collective recognition of shared intimate knowing of the target, and/or the collective recognition of the shared investment of the different group member's selves into the target of ownership. The relative strength of the collective state of ownership, as opposed to personal feelings of ownership, is likely to be influenced by the degree to which each member of the group has traveled down one or more of the routes to ownership feelings (e.g., experienced control, intimate knowing) coupled with the degree to which there is a collective understanding that we (as an us) have traveled down those routes together.' We suggest that CEO's with high levels of autonomy are more likely to travel down the route from feeling part of an 'us' – the family – to the feeling that the group's target of possession – the family business – is 'theirs'.

status, familiarity, and enduring attachment of its (family) members; e.g., Gómez-Mejía et al., 2007) that exists among the members of the aforementioned significant group of family and non-family members, it is more likely that this group calls the family firm 'theirs'. In other words, this group is more likely to gain a feeling of 'ours' over the family business. When they act accordingly, the group members become collective psychological owners of the family business (Rantanen & Jussila, 2011; Pierce & Jussila, 2010). Thus, we hypothesize that:

Hypothesis 3: Family business CEO's autonomy is positively related to their CPO.

2.3.4. Stewardship behavior and IPSO

In the following we introduce individual PSO as a mediator between the CEO's autonomy and the CEO's stewardship behavior. We will reason that when CEO's have IPSO over the family business this induces a natural alignment of interests between family owners and family firm CEO's and therefore these CEO's are inclined to act more as stewards.

Individual feelings of ownership over the organization (i.e., IPSO) are often accompanied by an enhanced feeling of responsibility, to invest time and energy to advance the organization, to protect and care for this target of possession and to make personal sacrifices (Pierce, Kostova & Dirks, 2001). Thus, when the CEO feels IPSO he or she may find his interests aligned with those of the family owners when the latter have the well-being of the family business at heart.
It is important to recognize, however, that IPSO towards the family business does not *guarantee* alignment between family firm owners and family firm CEO's. For example, it is theoretically plausible that a family firm CEO has high IPSO without interest alignment, because PSO is defined as a *feeling* or a perception, and each CEO can thus perceive the firm and its goals in a different way. However, based on PSO and family business literature (e.g., Eddleston & Kellermanns, 2007; Wagner et al., 2003), we predict that when the family firm CEO experiences IPSO he or she is more likely to *behave* as a steward (Hernandez, 2012). Similar processes as with highly committed CEO's and CEO's

that have high organizational identification may be in order; under certain conditions CEO's commitment and identification is positively related to discretionary behaviors that lead to the effective functioning of the family business (Boivie et al., 2011; Sharma & Irving, 2005).

Furthermore, stewardship behavior may not apply in conditions where psychological ownership is developed, because stewardship behaviors are created by an 'other-regarding' perspective to act in protection of others' long-term welfare (Hernandez, 2012). When 'psychological ownership is developed in something whatever one does to protect it would be behavior motivated by self-interest ("protecting and growing what is mine") and not stewardship behavior ("protecting and growing others' resources that I have been trusted with") (Goel, 2012). This argument, however, has been countered by Hernandez (2012). She states that: 'A sense of psychological ownership imbues individuals with the internal drive to protect that which is psychologically owned (Avey et al., 2009; Pierce et al., 2003). Thus, when employees feel a sense of psychological ownership of the organization, they adopt the protection of its welfare as an internal motive. Their cognitive focus and emotional attachment to the organization and its stakeholders are channeled through this internalized desire to personally act in protection of collective interests. (…) In this way, psychological ownership can engender individuals' willingness to subjugate their own interests to ensure the ongoing welfare of the organization' (Hernandez, 2012: 183). Therefore, we predict a positive relationship between CEO's IPSO and his/her stewardship behavior.

Additionally, family business literature provides us with indications that IPSO and stewardship behavior are correlated. For example, Kellermanns & Eddleston (2007) point out that PSO mediates the relationship between a stewardship philosophy and stewardship behavior. When a CEO experiences IPSO it is expected that the CEO demonstrates stewardship behavior, since feelings of ownership come with 'responsibilities – to protect, to care and make sacrifices for, and to nurture and develop the target of ownership' (Pierce et al., 2001: 303). There exists a long tradition in family business research that supports family firm CEO's behavior of this nature, e.g., loyalty and commitment towards the firm (Sharma & Irving, 2005), protective behavior, responsible behavior (Arrègle et al., 2007) and altruism towards family members (Schulze, 2001; 2003a; 2003b). Therefore, based on PSO and family business literature (e.g., Eddleston & Kellermanns, 2007; Wagner et al., 2003) we predict that when the family firm CEO experiences IPSO he or she is more likely to behave as a steward (Hernandez, 2012).

Combining the hypothesized relationships between CEO autonomy-stewardship behavior (hypothesis 1), CEO autonomy-IPSO (hypothesis 2) and IPSO-stewardship behavior we suggest that IPSO is an important overlooked mediator in the CEO autonomy – stewardship relationship. We noted that this process is not restricted to family CEO's, but may extend beyond the family (e.g., Davis et al., 2010; Karra, Tracey & Philips, 2006; Zellweger et al., 2010). We therefore propose that:

Hypothesis 4: Family business CEO's IPSO towards the family business mediates the relationship between their level of autonomy and their stewardship behavior.

2.3.5. Stewardship behavior and CPO

With CPO the attention shifts from an individual level of analysis to a collective one. In this section we introduce collective PSO as a mediator between the CEO's autonomy and the CEO's stewardship behavior. We will reason that when CEO's have CPO over the organization they are inclined to act more as stewards.

The notion of the CEO being part of a significant 'us' (i.e., the top management team, including the family owner(s)) with a joint 'ours' (i.e., collective psychological ownership), which induces a natural alignment of interests and on its turn provokes stewardship behavior, lies at the heart of our reasoning.

When the family firm CEO experiences CPO it is reasoned that the interests of family owners and family firm CEO's become naturally aligned. It becomes less likely that a family firm CEO has CPO without interest alignment, because CPO is supportive of 'a collective culture that has been presented as an important situational mechanism associated with stewardship in organizations' (Davis et al., 2010: 1096; Pierce & Jussila, 2010). This collective culture has also been described as clan-based collegiality and a sense of connection which creates an atmosphere of trust and 'our-ness' between family owners and family firm CEO's (Davis et al., 2010; Hernandez, 2012; Karra et al., 2006; Ouchi, 1980; Pierce & Jussila, 2009). A natural alignment of interests may be the result. It is therefore expected that family firm CEO's with CPO behave as stewards.

CPO on itself, however, does not *guarantee* interest alignment, because individuals in groups can also behave in a self-interested manner. Stewardship theory, however, shows that individuals that are group members can have their individual needs and group needs simultaneously fulfilled (Davis et al, 1997). Davis et al. (1997: 25) state that 'the steward realizes the trade-off between personal needs and organizational objectives and believes that by working toward organizational, collective ends, personal needs are met.'

The process of combined fulfillment of individual and group needs indicates that feeling a joint owner (i.e., a collective psychological owner) and being part of a significant group (i.e., top management members, both family and non-family, including family-owners) adds to CEO's willingness to contribute to the greater good of the company. By doing so CEO's needs are also met (Davis et al., 1997; Hernandez, 2012). Interests alignment between family owner(s) and family firm CEO's is therefore to be expected when family firm CEO's experience CPO.

Adding up the relationships between family firm CEO's autonomy with stewardship behavior (hypothesis 1), with CPO (hypothesis 3), and the hypothesized relationship between CPO and stewardship behavior, we suggest that CPO constitutes an important overlooked mediator in the (family and non-family) CEO autonomy-stewardship behavior relationship. The above reasoning is reflected in the hypothesis:

Hypothesis 5: Family business CEO's CPO towards the family business mediates the relationship between their level of autonomy and their stewardship behavior.

2.4. Methods

2.4.1. Sample and data collection

The empirical data presented here are based on a self-conducted survey among a sample of 111 family firms in Finland. Family firms were identified by their listing on the official, state governed list of family firms by the Ministry of Trade and Industry of Finland, which uses following criteria to identify family firms: (1) The majority of votes is in the possession of the natural person(s) who established the firm, [or] in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs; (2) The majority of votes may be indirect or direct; (3) At least one representative of the family or kin is involved in the management or administration of the firm; (4) Listed companies meet the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25 per cent of the right to vote mandated by their share capital (Finnish Ministry of Trade and Industry, 2006: 37 – brackets added).
Based on the above criteria we retrieved the list of all mid-size and large family firms in Finland and a representative sample conducted together with statistics Finland of small family businesses in Finland, which resulted in a total of 2930 addresses. To avoid problems of overrepresentation of midsize and large family firms in our dataset, we sent out 1200 questionnaires to family firm CEO's based on a random sample of small, mid-size and large family firms. This resulted in 111 returned questionnaires, or a response rate of 9.25 %, which is in line with previous studies among upper echelon executives (Geletkanycz, 1998; Hambrick et al., 1993; Koch & McGrath, 1996).

To control potential problems of common method bias we employed different procedural and statistical techniques following the guidelines by Podsakoff et al. (2003).

1) Improving validity:
Before sending the survey items of the questionnaire were reviewed among a group of family business scholars. Where possible we made use of previously

translated and tested survey items and measurement scales. The possibility of translation errors were accounted for by a cross-check among a group of family business scholars. The English version of the questionnaire was pilot tested on a small sample of 3 family firm CEO's and feedback was incorporated into the final version.

2) Protecting respondent anonymity and reducing evaluation apprehension:
Questionnaires were addressed to the CEO of the company. A cover letter was added stating goals and importance of the research, the expected return date of the questionnaire, a guarantee of confidentiality, researchers contact information, and the option to receive the results of the research.

3) Statistical techniques:
Additionally, to address potential problems of self-report we conducted a Harman's single factor test (Harman, 1967; Podsakoff & Organ, 1986) to investigate whether the majority of the variance can be explained by a single factor. The basic assumption of this test is that if a substantial amount of common method variance is present, either a single factor will emerge from the factor analysis or one factor will account for the majority of the covariance in the independent and the criterion variables (Podsakoff & Organ, 1986). In the test we included 17 individual items for CPO, IPSO, CEO autonomy, and CEO's stewardship behavior. Checking the results of an unrotated Principal Components Analysis (PCA) the first factor only explained 32.26% of the variance. Furthermore, checking the results of a Varimax rotated principal component analysis the three items assessing stewardship behavior and the 6 items measuring autonomy all factor in different variables. The items measuring PSO fall apart in two components, a result which we will discuss in section 2.4.2. The results of our tests increased our confidence that common method bias is not a major problem in the current study (Podsakoff et al., 2003).

2.4.2. Measures

Dependent variables

Stewardship behavior

The CEO's stewardship behavior was measured by use of Davis et al. (2010) three items measure of stewardship. Following three items were applied for the measurement of stewardship behavior: 'Our organization's leaders have initiatives that serve the company's interests more than their own; I believe that our organization's leaders have initiatives that are credible and attractive; The leaders of our organization take a long-term more than short-term approach to business' (Cronbach's alpha: 0.74).

Independent variables

IPSO and CPO

PSO was measured using a scale created by Van Dyne, Pierce & Cummings (1994) which measures both IPSO and CPO. In their 1992 seminal article Pierce et al. laid the foundation for the concept of PSO, which was empirically validated in 1994 by Van Dyne, Pierce, & Cummings and its validity was confirmed in later studies (e.g., Bernhard & O'Driscoll, 2011; O'Driscoll et al., 2006; Vandewalle, Van Dyne, & Kostova, 1995). The strength of the scale is that it uses possessive language to measure possessive feelings. Respondents were asked to indicate on a seven point Likert scale the extent to which they agree with the statements (e.g., 'I sense that this organization is OUR company; This is MY organization) (1= strongly disagree; 7= completely agree).

After conducting principal component factor analysis with varimax rotation we found the statement 'Most of the people that work for this organization feel as though they own this company' to load poorly and thus excluded this item. The exclusion of this statement is also reasonable from a content validity perspective, as this item refers to a perception of ownership that is outside the individual sense of control (Bernhard & O'Driscoll, 2011). For example, the CEO may feel high IPSO towards the organization and high CPO shared by the top management team, but this may not necessarily be the case with employees in the business. The exclusion of this item is supported by the revised PSO scale by Pierce & Jussila (2011) and is consistent with a recent study by Bernhard & O'Driscoll (2011).

While previous studies reported the scale for PSO to act as a homogeneous measure, in this study our factor analysis revealed otherwise (Table 2). Two components in the scale could be identified: Our factor analysis revealed that privately held family firm CEO's made a clear distinction between their collective and their IPSO. The loading of the items that measure CPO differ significantly from the items that represent IPSO. That there is a distinction between individual and collective PSO is theoretically clear, however, the measurement scale of PSO has always been reported as homogeneous (e.g., Van Dyne & Pierce, 2004). However, what previous studies utilizing the PSO scale have in common is a focus on the employee level in the organization. It is, however, theoretically viable that CEO's perceive their CPO and IPSO in a different way than employees, especially when taken into regard the CEO's broader control options over the organization (e.g., stemming from his or her position or stemming from stock ownership in the family firm). The extent of control over the organization is one of the major routes leading to IPSO or CPO (Pierce et al., 2001; Pierce & Jussila, 2010). As a result and as shown in our factor analysis, for family firm CEO's the distinction between 'mine' and 'ours' becomes more dichotomized than it is probably the case with lower level employees (e.g., Bernhard & O'Driscoll, 2011; Sieger et al., 2011a; 2011b).

Since the PSO scale recently seems to be under revision (Pierce & Jussila, 2011), we added the questions 'I act as though this organization is 'ours' and 'I act as though this organization is 'mine' to the original scale. These items add an additional layer of actual behavior to the scale. From a theoretical perspective we suggest this to be a valuable addition. When a feeling of PSO is accompanied by actual behavior, it is even more credible that individual and collective PSO are in place. For example, CPO has been defined as a feeling of 'our-ness' combined with joint action towards the target of possession (Pierce & Jussila, 2010; 2011). Therefore it seems evident to add the question 'I act as though this organization is 'ours''. A similar logic is applied for IPSO.

Consequently, we withheld three items for the measurement of the CEO's CPO (I sense that this company is OUR company; This is OUR company; I act as though this organization is OURS) (Cronbach's alpha 0.82). We withheld following items for the measurement of IPSO: 'This is MY organization; I feel a very high degree of personal ownership for this organization; I sense that this is MY company; It is hard for me to think about this organization as MINE (reversed); I act as though this organization is MINE' (Cronbach's alpha 0.83).

Table 2: PSO: Factor loadings

	Component	
	1	2
This is MY organization	**,710**	,061
I sense that this organization is OUR company	,220	**,790**
I feel a very high degree of personal ownership for this organization	**,691**	,329
I sense that this is MY company	**,858**	,119
This is OUR company	,158	**,894**
I act as though this organization is OURS	,149	**,843**
Most of the people that work for this organization feel as though they own this company	-,107	,413
It is hard for me to think about this organization as MINE (reversed)	**,754**	-,110
I act as though this organization is MINE	**,791**	,084

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Autonomy

The measure for CEO autonomy was derived from the 6 items on perceived autonomy from the Job Characteristics Inventory developed by Sims, Szilagyi, and Keller (1976).
Respondents were asked to indicate on a seven point Likert scale the extent to which they agree with the statements (e.g., 'I have the freedom to do almost everything I want in my job; 1=strongly disagree 7=completely agree). Following items were used for the measurement of autonomy: 'I have the freedom to exercise my job as a CEO; I have the freedom to do almost everything I want in my job; I have the opportunity to think and act independently; I have control over my own work pace; I have the opportunity to exercise my job as a CEO independently from the Board of Directors; I have the opportunity to exercise my job as a CEO independently from others' (Cronbach's alpha 0.86).

Control variables

We included three control variables in total, in order to reduce variance extraneous to the research question that may hamper interpretation. First, we controlled for firm size (Wallace, 1995), which was measured – correcting for skewness – by the natural logarithm of the number of employees. Second, firm age (Sieger et al., 2011a) was included – correcting for skewness – as the natural logarithm of company age. Third, we included as a control variable the fact if the CEO holds shares of the company (Yes=1; No=0) (Culpepper, Gamble & Blubaugh, 2004; Van Dyne & Pierce, 2004). These three control variables were included as they can relate to our variables of interest (Chi & Han, 2008; Culpepper et al., 2004; Harris & Helfat, 1997; Pierce et al., 1991; Sieger, Bernhard & Frey, 2011a; Van Dyne & Pierce, 2004). To test the possibility of other extraneous variables that might correlate with several variables in our model, we additionally controlled for the generation in charge of the management in the family firm, and for the generation that holds the majority of the shares in the family business. The reason is that founders may have different levels of autonomy, stewardship behavior, IPSO or CPO than next generation CEO's (Pierce et al., 2001; Pierce & Jussila, 2010; 2011; Goel, 2012;

Gersick et al., 1997; Pieper, 2007). Because our small dataset limited the options for the inclusion of additional control variables, we controlled for these variables separately and found that the results were only marginally different (cf. Bernhard & O'Driscoll, 2011). Therefore only results are presented with the aforementioned three control variables.

2.4.3. Analysis

We used ordinary least squares regression analysis to test the direct effects in our model. Furthermore, we followed Baron and Kenny (1986) to test our mediating effects and tested the significance of these effects with the Sobel test (MacKinnon et al., 2002; Sobel, 1982; 1986). For mediating to be present, 4 conditions must be satisfied: (1) the independent variable must have an effect on the dependent variable (2) the independent variable must have an effect on the mediator (3) the mediator must have an effect on the dependent variable, which is tested by investigating the simultaneous effect of the mediator and the independent variable on the dependent variable (4) the effect of the independent variable on the dependent variable has to be significant and weaker than under (1) (partial mediation) or become non-significant (full mediation), when investigating the effects of the independent variable and the mediator on the dependent variable simultaneously (Baron & Kenny, 1986).

To deal with possible issues of multicollinearity we found that Variance Inflation Factors did not exceed 1.50, suggesting multicollinearity was not a concern (Podsakoff et al., 2003) (VIF factors: size 1.50 ; age 1.41 ; CEO shares 1.23; autonomy 1.32; CPO 1.20; IPSO 1.40). We conducted a Breusch-Pagan/ Cook-Weisberg test (B&P test) and a White test (Breusch & Pagan, 1979; White, 1980) and decided to use robust standard errors to correct for potential problems of heteroskedasticity[2]. We used the Ramsey test to look for model misspecification problems and concluded that our model was specified correctly

[2] B&P test Ho: constant variance; White test Ho: homoscedasticity Ha: unrestricted heteroskedasticity; B&P test with IV Autonomy & DV Stewardship: chi^2=9.43 Prob>chi^2=0.0021 White test chi^2=23.21 Prob>chi^2=0.0392; IV CPO & DV Stewardship: B&P test chi^2=2.50 Prob>chi^2=0.1138 White test chi^2=20.73 Prob>chi^2=0.0784; IV IPSO & DV Stewardship: B&P test chi^2=1.44 Prob>chi^2=0.2304 White test chi^2=14.50 Prob>chi^2=0.3395

(Ho: model has no omitted variables; F=2.15; Prob>F = 0.1006) (Ramsey, 1984).

2.5. Results

Table 3 displays the descriptive statistics for the sample of family firms. Our median Finnish firm is 35 years old, has 19 employees, and in 80 % of the cases the CEO has shares in the company. The percentages must be interpreted, however, in light of the missing values for the specific variables (cf. Table 3).

Table 4 displays the zero-order correlations for the variables of interest combined with their statistical significance. We find significant positive correlations between IPSO and autonomy ($r=0.3176$, $p<0.01$), stewardship ($r=0.4305$, $p<0.01$), and the fact if the CEO is also shareholder of the company ($r=0.2027$, $p<0.05$). We also find significant negative correlations between IPSO and company age and size ($r=-0.2180$, $p<0.05$; $r=-0.2207$, $p<0.05$), which suggests that CEO's of larger and older family firms show lower IPSO. This suggests that the CEO's IPSO declines as a result of formalization (Pierce et al., 2001), a decline of family control, the dilution of shares among siblings, and potential conflict among family members (Davis & Harveston, 1999; Frank et al., 2011; Steier, 2001). Also, significant positive correlations are found between CPO and IPSO ($r=0.2763$, $p<0.01$) and stewardship behavior ($r=0.3263$, $p<0.01$). Autonomy is positively correlated with stewardship behavior ($r=0.2664$, $p<0.05$) and negatively with company size ($r=-0.2556$, $p<0.05$). Finally, stewardship behavior positively correlates with the fact if the CEO holds shares of the family business ($r=0.2195$, $p<0.05$).

Table 3: Descriptives

		Company age	Company size*	CEO shares**
N	Valid	109	104	107
	Missing	2	7	4
Mean		45,05	356,35	0,8037
Median		35,00	19,50	1,00
Std. Deviation		30,55	1713,83	0,40
Variance		933,14	2937214,46	0,16
Percentiles	25	22,00	6,00	1,00
	50	35,00	19,50	1,00
	75	58,50	83,75	1,00
Valid percent	Yes			80,4
	No			19,6

* Company size = LN of number of employees
** CEO shares = Is the CEO also shareholder in the company? (1=yes; 0=no)

Table 4: Means, standard deviations (SD) and Pearson's correlations

	Mean	SD	1	2	3	4	5	6	7
1. CPO	17.85	3.01	1						
2. IPSO	27.41	6.08	,2763*** ,0052	1					
3. Autonomy	33.91	6.08	,0514 ,6136	,3176*** ,0015	1				
4. Stewardship	15.92	2.83	,3263*** ,0011	,4305*** ,0000	,2464** ,0173	1			
5. LN Company age	3.58	0.71	-0.1572 0.1147	-0.2180** 0.0294	-0.0912 0.3719	-0.0334 0.7455	1		
6. Company size	3.35	2.06	0.0880 0.3890	-0.2207** 0.0307	-0.2556** 0.0129	-0.1444 0.1674	0.4672*** 0.0000	1	
7. CEO shares	0.80	0.40	0.1557 0.1182	0.2027** 0.0431	0.1265 0.2144	0.2195** 0.0308	-0.2730*** 0.0046	-0.3002*** 0.0022	1

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed)

Table 5: Results of regression analysis – mediating effect of IPSO on stewardship behavior

Variables	Model 1	Model 2	Model 3	Model 4	Model 5
Dependent variable	Stewardship behavior	IPSO	Stewardship behavior	Stewardship behavior	Stewardship behavior
IV's/mediator					
CEO Autonomy		0.4101^{***}(0 .0999)	0.1236^{**}(0.04985)	0.0560 (0.0516)	0.04632 (0.0900)
IPSO				0.1648^{***}(0.0502)	0.1535^{**}(0.0677)
Control variables					
Company size	-0.1911 (0.1834)				-0.0843 (0.1816)
LN company age	0.2928 (0.7363)				0.4899 (0.6973)
CEO shares	1.3953 (0.8787)				1.0417 (0.8292)
Constant	14.5298	12.9018^{***}(3.4372)	11.6110^{***}(1.7155)	9.4846^{***}(1.7526)	7.8476 (3.4850)
F value	1.90	16.86^{***}	6.14^{**}	8.79^{***}	3.11^{**}
R^2	0.0643	0.1498	0.0646	0.1666	0.1809
Number of obs	91	91	91	91	84
Sobel test				z= 2.564 p<0.05	
Proportion[1]				0.55	

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise [1] Proportion of total effect mediated

Table 6: Results of regression analysis – direct effect of IPSO on stewardship behavior

Variables	Model 1	Model 2	Model 3
Dependent variable	Stewardship behavior	Stewardship behavior	Stewardship behavior
Independent variables/mediator			
IPSO		0.20155^{***}(0.0482)	0.1860^{***}(0.0497)
Control variables			
Company size	-0.1911 (0.1834)		-0.1127 (0.1686)
Company age	0.2928 (0.7363)		0.4741 (0.7106)
CEO shares	1.3953 (0.8787)		1.0953 (0.7935)
Constant	14.5298	10.4631^{***}(1.3769)	8.7282^{***}(3.0174)
F value	1.90	17.50^{***}	4.84^{***}
R^2	0.0643	0.1853	0.2008
Number of observations	91	95	88

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise

Table 7: Results of regression analysis – mediating effect of CPO on stewardship behavior

Variables	Model 1	Model 2	Model 3	Model 4	Model 5
Dependent variable	Stewardship behavior	CPO	Stewardship behavior	Stewardship behavior	Stewardship behavior
IV's/mediator					
CEO Autonomy		0.0618 (0.0531)	0.1201**(0.0495)	0.1022**(0.0477)	0.0861 (0.0714)
CPO				0.2887***(0.0934)	0.3187*** (0.1112)
Control variables					
Company size	-0.1911 (0.1834)				-0.1992 (0.1879)
Company age	0.2928 (0.7363)				0.6169 (0.6898)
CEO shares	1.3953 (0.8787)				0.93369 (0.8458)
Constant	14.5298	15.7371*** (1.8311)	11.7027***(1.7072)	7.1601***(2.1971)	5.0139 (3.7982)
F value	1.90	1.36	5.88**	7.99***	3.28***
R^2	0.0643	0.0147	0.0607	0.1507	0.2116
Number of obs	91	93	93	93	86
Sobel test				z= 1.089 non-sign.	

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise

Table 8: Results of regression analysis – direct effect of CPO on stewardship behavior

Variables	Model 1	Model 2	Model 3
Dependent variable	Stewardship behavior	Stewardship behavior	Stewardship behavior
Independent variables/mediator			
CPO		0.3102^{***}(0.1100)	0.3250^{***}(0.1055)
Control variables			
Company size	-0.1911 (0.1834)		-0.2760 (0.1747)
Company age	0.2928 (0.7363)		0.5449 (0.7400)
CEO shares	1.3953 (0.8787)		1.0592 (0.8561)
Constant	14.5298	10.3687^{***}(1.9985)	8.3801^{**}(3.4475)
F value	1.90	7.95^{***}	3.85^{***}
R^2	0.0643	0.1065	0.1807
Number of observations	91	97	90

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise

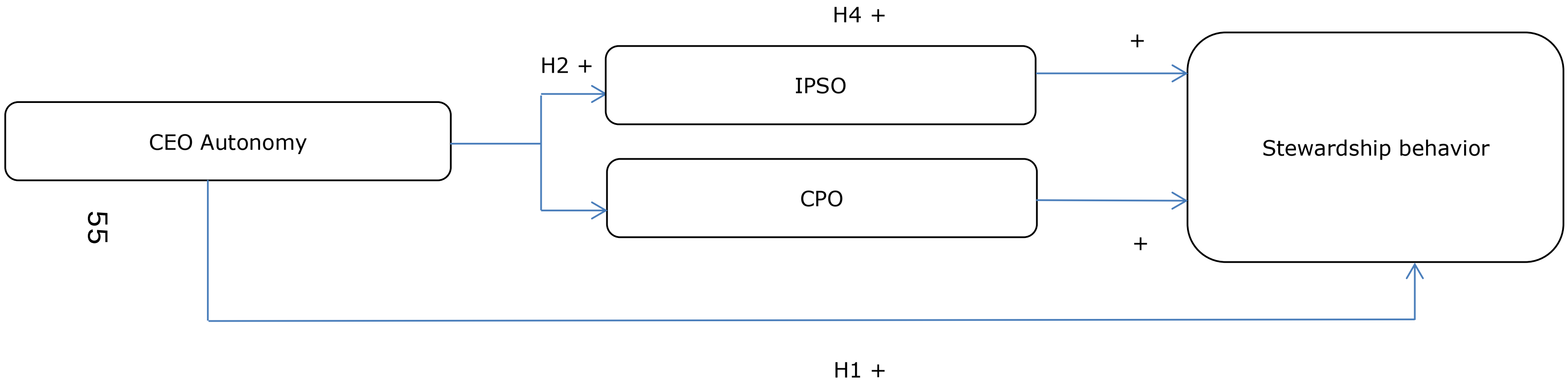
In tables 5 till 8 we present the results of our regression analysis, which is the core of this chapter and provides an answer to whether the data supports our hypotheses. Results are presented as a model with the control variables only, followed by a model of the effect of the independent on the dependent without the control variables, and finally a column with the full model. Additionally, figure 2 offers an overview of the supported hypothesis.

Hypothesis 1 is supported: Family business CEO's autonomy is positively related to their stewardship behavior (Table 5, model 3). We also find support for hypothesis 2 that proposed a positive relationship between CEO autonomy and CEO's IPSO (Table 5, models 2). Hypothesis 3 is not supported: CEO autonomy does not lead to CPO (Table 6, model 2). We will discuss possible explanations for this finding in the discussion part.
Hypothesis 4 is supported (Table 5, models 1-5). Hypothesis 4 predicted that the effect of family firm CEO's autonomy on CEO's stewardship behavior is mediated by the CEO's level of IPSO. Following the definition for full or partial mediation (Baron & Kenny, 1986), the data shows full mediation by IPSO and the Sobel test shows this mediation to be significant ($z= 2.564$ $p<0.05$). 55% of the total effect is mediated by the CEO's IPSO. Table 6 confirms the direct effect of IPSO on stewardship behavior, a necessary condition for mediation.

Because CEO autonomy does not lead to CPO, hypothesis 5 is not supported. CPO does not mediate the relationship between CEO's autonomy and CEO's stewardship behavior (Table 7, models 1-5). Conditions 1, 3 and 4 in the mediation model were supported. We found a positive relationship between CEO's autonomy and stewardship behavior (Table 5, models 1 & 3). Also, the simultaneous effect of CPO and CEO's autonomy on stewardship behavior showed significant (Table 7, model 5). Additionally, we regressed CPO on stewardship behavior because we wanted to know whether CPO leads to stewardship behavior as suggested by the literature (Pierce & Jussila, 2010; 2011). We found a positive, significant relationship (Table 8, models 1-3). With CPO in place it is suggested that the CEO's interests are directed towards the greater good of the company and the firm as a whole and as a result family firm

CEO's behave as stewards. However, because the relationship between CEO autonomy and CPO was missing (condition 2; Baron & Kenny, 1986), not all the conditions were met to find mediation (Baron & Kenny, 1986). Non-mediation was confirmed by the Sobel test (Table 7). Thus, both CEO autonomy and CPO lead to stewardship behavior, but CPO does not act as a mediator between the relationship CEO autonomy – CEO's stewardship behavior.

Figure 2: Empirical model for the relationships between family firm CEO’s autonomy, stewardship behavior, IPSO and CPO



2.6. Additional checks

In the above we assumed that the results for family CEO's and non-family CEO's would be similar. We suggest that the family firms in our sample have a strong tendency for regarding nonfamily CEO's as so called 'extended family' (i.e., clan based involvement that exceeds the nuclear family and that fosters trust among family and nonfamily members), for which similar processes apply as their family member counterparts (Karra et al., 2006; Ouchi, 1980; Pagliarussi & Rapozo, 2011). However, we tested this assumption by t-test analysis and found significant differences in the mean of family and non-family CEO's IPSO and stewardship behavior (Table 9). T-test analysis revealed that family CEO's have significant higher levels of IPSO and stewardship behavior (Table 9). No significant differences were found in the mean of family and non-family CEO's level of autonomy and CPO (Table 9). Hence, is seems that family members and non-family members do not significantly differ in the substantial freedom they are provided with (i.e., level of autonomy) and their level of CPO, but differ in their level of stewardship behavior and IPSO. Both family and non-family, however, have quite high levels of IPSO and stewardship behavior, suggesting 'extended family' processes could be at work as assumed (Karra et al., 2006).

Nevertheless, these results indicate that our findings need specification according to CEO's family or non-family status. However, due to the small portion of nonfamily CEO's in our sample (n=17) we were not able to test these differences. Therefore it remains an assumption – worth testing in future research – that family CEO's demonstrate higher levels of stewardship behavior than non-family CEO's *because of* their higher level of IPSO (e.g., because they are founder of the company and therefore invested more time and effort into it, which promotes their feeling that the family business is 'mine'; Pierce et al., 2001).

Table 9: t-tests for family/non-family status of the CEO

Variables	CEO	Mean	N	t^3	Percentiles		
					25	50	75
Autonomy	Family	34,4603	63	-1,901	30	37	39
	Non-family	31,2353	17		27	32	36
Stewardship behavior	Family	16,4032	62	-2,764***	15	17	18
	Non-family	14,2353	17		12	13	18
IPSO	Family	28,7385	65	-3,783***	25	30	33
	Non-family	22,8750	16		17,25	23,50	26,75
CPO	Family	18,2273	66	-1,793	17	19	21
	Non-family	16,7647	17		14	18	19,50

***Significant at the 0.01 level (2-tailed) ** Significant at the 0.05 level (2 tailed)

2.7. Implications and conclusion

The goal of this chapter was to find an answer to the research question: 'What is the role of IPSO and CPO in the family business CEO's autonomy – stewardship behavior relationship?' We presented a model that connects a family business CEO's autonomy, stewardship behavior and IPSO and CPO. We derived hypotheses and tested them on a sample of 111 Finnish family firms. We suggest our effort has a variety of contributions and implications, which we will discuss in the next section.

[3] We chose to report the sign of the t-values, however, t-values can also be reported as absolute values.

2.7.1. Research contributions

We suggest we made three important contributions to family business literature.

Our first contribution lies in empirically testing the autonomy – stewardship behavior relationship. As noted, the latter relationship was theoretically introduced by Davis et al. (1997). In the context of family firms this relationship should be of particular importance because 'the characteristics of family business appear to be a great fit with good stewardship, which involve individuals supporting a firm-level rather than an individual level view of organizational governance' (Davis, Schoorman & Donaldson, 1997; Davis, Allen & Hayes, 2010: 1095). Offering substantial freedom to family firm CEO's should maximize the benefits of a steward (Davis et al., 1997). Consequently, this chapter examined the factors associated with CEO's stewardship behavior. More specifically, we focused on the relationship between offering CEO's autonomy in their job and their stewardship behavior. Based on Davis et al. (1997) we theorized that family firm CEO's with high levels of autonomy assigned to them were more likely to behave as stewards and this was confirmed by our results. Our results therefore contribute to a better understanding of the conditions under which family firm CEO's demonstrate pro-organizational value creating attitudes and behaviors.

Our second contribution is found in refining the stewardship model by adding a psychological factor that sheds additional light on the relationship CEO autonomy – stewardship behavior, and that argues in favor of stewardship argumentations in family businesses (e.g., Davis et al., 1997; Davis et al., 2010; Chrisman et al., 2007; Corbetta & Salvato, 2004; Eddleston & Kellermanns, 2007; Le Breton-Miller & Miller, 2009;). Recently, Hernandez (2012) suggested PSO as a mediator between psychological and structural factors (e.g., cognitive and affective mechanisms, control and reward systems) on the one hand and stewardship behavior on the other hand. A similar relationship has also been suggested in a family business context by Eddleston & Kellermanns (2007) who proposed PSO as a mediator between a stewardship philosophy and stewardship behavior. Our chapter built on this idea to come to a model connecting a family business CEO's level of autonomy, stewardship behavior and IPSO and CPO. We extended the insights of the aforementioned authors by introducing into the equation and testing what we suggest to be two clearly both theoretically and empirically distinct dimensions of PSO: IPSO and CPO. In support of this thesis we found different results for IPSO or CPO. For example, our data showed that family firm CEO's individual level of autonomy led to an individual feeling of ownership but not to a collective one. An explanation could be that the CEO becoming part of a significant group ('us') that collectively shares a feeling of 'ours' (Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011) is more dependent on the quality of the reciprocal relationships between family owners and family firm CEO's (e.g., Bouwen, 1998; Lambrechts et al., 2009a; 2009b; Shotter, 1993) than on their level of autonomy. Our results show that in case of IPSO formation the level of experienced autonomy among family firm CEO's – which widens their opportunity to gain control over the family business – seems to be decisive. Moreover, we found that both IPSO and CPO led to family firm CEO's stewardship behavior, which is in line with the suggested relationship by Hernandez (2012). However, we made theoretically clear this relationship to exist for different reasons when setting apart IPSO from CPO. Groups have different dynamics than individuals and these dynamics are not necessarily interrelated (Pierce & Jussila, 2010; 2011; Smelser & Swedberg, 2005). Therefore, antecedents and consequences of IPSO or CPO can differ significantly.

A third addition to family business literature can be found in bringing together fragmented insights in one model. In this chapter we tested relationships between family firm CEO's autonomy, CEO stewardship behavior and IPSO and CPO. Our results indicate that it is important to take into regard the psychology of ownership (in all its dimensions) when questioning the factors that influence family firm CEO's stewardship behavior.

Although the family business context has to be taken into account when interpreting our results, our findings for the above mentioned reasons (e.g., empirically distinguishing between two dimensions of PSO, and applying these dimensions in the context of stewardship theory) make valuable contributions to PSO literature as well.

2.7.2. Limitations

This study has some limitations that place constraints on the generalization of its outcomes. First, our cross-sectional research approach limits generalizability over time and places constraints on the direction of the causal effects we found. However, previous theoretical work lends support to the presented model (Eddleston & Kellermanns, 2007; Hernandez, 2012; Pierce & Jussila, 2010; Wagner et al, 2007).

A second limitation is the possibility of common method variance due to self-report data. We took great concern in the design of the study's procedures to exclude concerns of common method bias and to increase the trustworthiness of the results. We reduced this possibility by procedural techniques suggested by Podsakoff et al. (2003). For instance, attention was paid to the questionnaire design (e.g., where possible we made use of previously validated scales that avoid item ambiguity) and we guaranteed response anonymity.

Finally, other mediating (or moderating) variables may exist that we have no knowledge of and that may better explain the effects we found. This calls for further research on variables that may help to shed light on family firm CEO's autonomy – stewardship behavior relationship. In conclusion, our results lead us to suggest that the study of PSO in the context of family firms may offer us a promising path to a deeper insight in the dynamics behind the attitudes and behaviors of family and non-family CEO's in family businesses.

2.7.3. Further research

Our research opens up avenues for future investigation.

For example, we find it surprising that whilst the distinction between IPSO and CPO theoretically has been made clear (e.g., Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011), empirically this distinction has not been made. Our data on CEO's in family business clearly shows two dimensions: A collective and an individual one. This may have been influenced by the fact that most of the CEO's in our sample are also legal owners (Pierce et al. 2003). Family business CEO's have also been shown to demonstrate high levels of identification to their business (Gómez-Mejía et al., 2007; Milton, 2008; Zellweger et al., 2010), which may have influenced their perception of what is believed to be 'us' or 'ours'. Nevertheless, we find it justifiable to call for distinctive individual and collective level PSO measurement scales. In this chapter we made a first effort by extending the original scale with two items that add an additional layer of actual behavior.

2.7.4. Conclusion

In this chapter we suggested a model that connects a family firm CEO's level of autonomy with stewardship behavior, IPSO, and CPO. Based on our analysis of data obtained from 111 Finnish family firms we found support that offering CEO's with substantial freedom in their jobs (i.e., autonomy) led to their stewardship behavior. Additionally, we found support that attention should go to an important overlooked mediator in the autonomy-stewardship relationship, i.e., the extent of IPSO experienced by the CEO. We hope that our study will serve as an inspiration for future research into factors that influence CEO's stewardship behavior in family businesses, and that it will encourage further research into the role of PSO in family businesses.

Chapter 3: CEO's identification to the family firm: The roles of affective commitment, stewardship behavior, joy of work and PSO

3.1. Introduction

I don't think I've ever worked so hard on something, but working on Macintosh was the neatest experience of my life. Almost everyone who worked on it will say that. None of us wanted to release it at the end. It was as though we knew that once it was out of our hands, it wouldn't be ours anymore (Steve Jobs).

In the last few years CEO's organizational identification with the firm has received increasing attention in family business literature (e.g., Gómez-Mejía et al., 2007; Mahto et al., 2010; Milton, 2008; Zellweger et al., 2010). This increased interest in the family firm CEO's identification, which is the perceived oneness of the CEO's identity with that of the family business, is not surprising (Ashforth & Mael, 1989; 1996; Mael & Ashforth, 1992). For example, Gómez-Mejía et al. (2007) state that organizational identification is essential to family business research, because a family-owned firm by definition provides a distinct self-defining role to its members. The authors consider organizational identification to be the overarching construct that 'solidifies and further defines what it means to be a family owned firm', i.e., a firm that carries with it family emblems such as the family name and history, social status, and enduring attachment of its (family) members (Gómez-Mejía et al., 2007: 108; Kets de Vries, 1993; Littunen, 2003; Westhead, Cowling, and Howorth, 2001). In addition, several family business scholars recognize the family firm CEO's organizational identification as crucial for the success of the family firm (Sharma & Irving, 2005; Zellweger, Eddleston & Kellermanns, 2010).

Despite its recognized importance to family business' success and survival, however, family firm CEO's organizational identification and its relationship with enhancing CEO's value creating attitudes and behaviors mainly remains a black box. For example, family firm CEO's have been described as trustworthy, collectivists, and pro-organizational individuals who prefer the organization and its wellbeing (in terms of increasing organizational wealth) as the center of attention (i.e., they behave as stewards; Arrègle et al., 2007; Davis et al., 2010; James, 2006; Lansberg, 1999; Miller & Le Breton-Miller, 2005; Ward, 2004). They often feel affectively connected to their family firms (i.e., they feel affective commitment; Sharma & Irving, 2005) and enjoy working for it (i.e., they feel 'joy of work'; Koiranen, 2012). There seems to be missing, however, empirical insight on the underlying mechanisms that connect family firm CEO's organizational identification with the mentioned favorable work outcomes. Questions that remain are: *Can CEO's identification with the family firm be regarded as an antecedent to their stewardship behavior, affective commitment, and joy of work? If so, are there mediating factors that intervene in the relationships between CEO's identification and these value creating attitudes and behaviors?*

This chapter addresses these two gaps in the literature. The aforementioned attitudes and behaviors were not chosen randomly. As family firm CEO's tend to identify with their organizations – especially those who are created by them – they become committed to their companies, and become intrinsically motivated to behave as stewards (Corbetta & Salvato, 2004; Miller et al., 2008). For example, Davis et al. (2010) posit that identification with the family business and commitment to it by family and non-family members can facilitate their stewardship behaviors. Furthermore, research indicates that the intrinsic motivation induced by organizational identification (Koestner & Losier, 2002; Kuppelwieser, 2011) may also lead to enjoyment of work. For example, Koestner & Losier (2002) show that intrinsic motivation, like identification, is associated with generally positive emotional experiences when performing a task or job. In other words, individuals who are intrinsically motivated perform a task because it is fun and it gives them pleasure (Deci & Ryan, 1985; Koestner & Losier, 2002).

The above shows our reasoning to connect family firm CEO's organizational identification with their stewardship behavior, affective commitment, and joy of work. Generating affective commitment, inducing stewardship behavior among (family and non-family) CEO's and creating joy in their work, we consider to be critical tasks of family firms, because 'family firms highly depend on the willingness of family and non-family CEO's to be involved in processes of transgenerational succession and long-term survival' (Memili et al., 2010: 1; Sharma, Chrisman & Chua, 1997; Sharma, Chrisman & Chua, 2003; Uhlaner et al., 2007).

As suggested by our research question the aim of this chapter is to bring together and test the relationships between the family firm CEO's identification to the family firm, his or her stewardship behavior, joy of work, and affective commitment. To better understand the underlying processes that may intervene in the relationships between CEO's identification and these value creating attitudes and behaviors, we empirically bring to the foreground two important mediators in the debate, i.e., the extent of IPSO and CPO perceived by the CEO.

The construct of PSO originates from organizational literature where it has received increasing attention (e.g., Pierce & Jussila., 2010; Pierce & Jussila, 2011; Rantanen & Jussila, 2011). It has two dimensions: an individual and a collective one, which significantly differ in the fact that one is an individual level construct as the other is a group-level phenomenon. IPSO is defined as 'a state in which individuals feel as though the target of ownership, being material or immaterial in nature, or a piece of it is "theirs"' (Pierce, Kostova & Dirks, 2001). For example, the family firm is 'MINE' (Pierce et al., 2001). CPO is defined as the 'collectively held sense (feeling) that a target of ownership (or a piece of that target) is collectively "ours"' (Pierce & Jussila, 2010; 2011). It is collective level phenomenon of a group which the individual considers as a significant 'us' (e.g., the top management team) psychologically gaining ownership over, for example, the organization (e.g., the family business). In the context of this chapter the target of possession is not just any tangible or intangible entity, but it is the family business (cf. Rantanen & Jussila, 2011). It is important to notice that CPO and IPSO are *feelings* of ownership. They are not necessary bound to legal ownership, as they can develop even in the absence of legal or formal ownership (Mayhew et al., 2007; O'Driscoll et al., 2006; Pierce et al., 2001). Family business literature shows that feelings or nonfinancial motives to ownership are common among family business owners and CEO's (e.g., Gómez-Mejía et al., 2007; Zellweger & Astrachan, 2008).

Introducing IPSO and CPO in the organizational identification – outcomes relationship is promising because from organizational literature we deduce that identification with a certain target of possession (e.g., the family firm), can create a feeling of possessiveness over this target (e.g., this is 'MY' family firm, this is 'OUR' family firm; Pierce et al., 2001). People become psychologically attached to targets of possession and integrate them into their self (Pierce, Kostova, & Dirks, 2003). The target of possession thus becomes part of 'me' (i.e., organizational identification). As a result, the target of possession is likely to become 'mine'. In other words, when the family firm CEO identifies himself/herself with the family firm he or she is likely to call the family firm 'his' or 'hers'. Hence, the CEO's identification with the family firm can give rise to individual feelings of ownership (i.e., IPSO). Organizational identification can also lead family business CEO's to perceive themselves as part of an 'us' that is of significance to them (e.g., an 'us' that consists of top management members, both family and non-family, including family-owners; Karra et al., 2006; Rantanen & Jussila, 2011). On its turn, this feeling of being part of a significant 'us' enables the CEO to call the family business 'ours' (Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011). In other words, through the formation of a collective identity ('us') family firm CEO's are likely to become collective psychological owners ('ours').

Continuing, PSO has also been related to two of our outcomes variables: affective commitment (Bernard & O'Driscoll, 2011; Mayhew et al., 2007; O'Driscoll, Pierce, & Coghlan, 2006), and stewardship behavior (Eddleston & Kellermanns, 2007). While the relationship between PSO and affective commitment has been empirically confirmed in organizational literature and family business literature (Bernhard & O'Driscoll, 2011; O'Driscoll, Pierce, & Coghlan, 2006; Sieger et al., 2011a; 2011b; Vandewalle et al., 1995; Van Dyne & Pierce, 2004), no empirical distinction has yet been made between IPSO and CPO. The relationship between PSO has been reasoned (Eddleston & Kellermanns, 2007; Hernandez, 2012) but this has not been empirically tested, nor have the effects of IPSO or CPO been set apart. It is proposed that IPSO or CPO relate also to joy of work, because CPO and IPSO are ‘pleasure producing per se’ (Pierce et al., 2001; Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011). This hypothesis, however, has not been empirically validated. The aforementioned relationships between organizational identification – PSO and PSO – work outcomes suggest the existence of a mediating role by PSO and CPO. Introducing IPSO and CPO in the organizational identification – work outcomes relationships is necessary because IPSO and CPO may explain why the latter relationships exist. Our chapter tests the suggested mediating effects of IPSO and CPO.

In sum, what is needed is (1) a greater understanding of CEO’s identification with the family firm in relation to positive behavioral and attitudinal outcomes that are beneficial to the family business and (2), (empirical) insight in the role of IPSO and CPO in the equation. Therefore, in this chapter we propose a model that includes relationships between CEO’s organizational identification, IPSO and CPO, affective commitment, joy of work, and stewardship behavior. We derive hypotheses and test them on a sample of 111 family firms in Finland. Empirically testing these relationships could strengthen argumentations for the important role of CEO’s identification to the family business. It could also offer insight on how CEO’s identification to the family business facilitates their value creating attitudes and behaviors (Davis et al., 2010).

Our findings make valuable contributions to the family business literature and to the PSO literature stream. We contribute to the family business literature by means of adding insight on at least three variables which are crucial to the success and survival of the family firm: Organizational identification, affective commitment and stewardship behavior. As we will show, our (empirical) introduction of joy of work in the family business context is a noteworthy contribution. Moreover, we introduce CPO and IPSO as mediating variables in the organizational identification – work outcomes relationship. CPO and IPSO are worth exploring in the context of family businesses because they have important behavioral, emotional and psychological consequences both for the individual and the family firm (Bernhard & O’Driscoll, 2011; Rantanen & Jussila, 2011;

Sieger, Bernhard & Frey, 2011a; 2011b). With this chapter we also answer to the call of Rantanen & Jussila (2011) to provide more insight on the essential role of CPO in the family business context.

Our contribution to the PSO literature lies in the empirical investigation of, and distinction between IPSO and CPO, its effects on affective commitment and stewardship behavior, and its relationships to organizational identification and joy of work.

This chapter is structured as follows. We start with a theoretical elaboration on our key concepts of organizational identification, affective commitment, IPSO and CPO, stewardship behavior and joy of work. We then turn our attention to the proposed relationships and derive hypotheses. Further, we focus on the applied methods and present the results of our analysis. Finally, we discuss the implications of our findings, present limitations of the study, and suggest avenues for future research.

3.2. Theoretical background

3.2.1. Organizational identification

Organizational identification is defined as individuals' perceived 'one-ness' with the organization they work for, or the extent to which individuals define themselves in terms of the organization (Ashforth and Mael, 1989). Organizational literature has extensively studied the formation of organizational identification over the last few decades (e.g., Ashforth & Mael, 1989; 1996; Haslam, 2001; Mael & Ashforth, 1992), and following, the construct has received increasing attention in family business literature (Carmon et al., 2010; Gómez-Mejía et al., 2007; Mahto et al., 2010; Milton, 2008; Sharma & Irving, 2005; Zellweger et al., 2010). For example, Vallejo & Langa (2010) find that employees of family firms identify themselves more with the family business than employees of non-family firms, and Vallejo (2009) finds that the identification level of nonfamily employees positively and significantly influences the profitability and the survival or continuity of family owned businesses. Rantanen & Jussila (2011) couple organizational identification with shared family values. 'Shared family values likely generate feelings of social identity, by creating a common purpose for family members and helping them establish a sense of identification' (Gómez-Mejía et al., 2007; Kets de Vries, 1996; Rantanen & Jussila, 2011: 146). For Gómez-Mejía et al. (2007) the family firm CEO's identification to the family business is crucial and organizational identification should be considered as an overarching construct that 'solidifies and further defines what it means to be a family owned firm' (2007: 108). Similarly, Zellweger, Eddleston, & Kellermanns (2010) plead for introducing family firm organizational identity in the familiness discourse. The authors argue that 'the organizational identity dimension of familiness[4] reflects how the family defines and views the firm, which can facilitate performance advantages through leveraging familiness both internally and externally' (Zellweger et al., 2010: 54).

The family firm CEO's organizational identification has been theoretically linked to some of our variables of interest. For example, Sharma & Irving (2005) in the context of family firm succession processes draw attention to organizational identification as an important antecedent to affective commitment. The latter authors reason that to the extent family business successors' sense of self is aligned with their family firms, higher levels of affective commitment can be expected. Affective commitment they consider to be essential for successful transgenerational succession. Davis et al. (1997) draw attention to the organizational identification – stewardship relationship, which could be of special relevance to family businesses and which we will discuss in a further section.

In overall, however, there seems to be missing empirical insight on the mechanisms that connect family firm CEO's organizational identification with favorable work outcomes. This is surprising because generating favorable work outcomes among (family and non-family) CEO's is a critical task of family firms, because 'family firms highly depend on the willingness of family and non-family

[4] The construct of familiness was introduced by Habbershon and Williams (1999: 451) and was defined as 'the idiosyncratic bundle of resources and capabilities resulting from the interaction of the family and business systems'. Chrisman, Chua, and Litz (2003) later described the concept as '(…) resources and capabilities related to family involvement and interactions' (p. 468).

CEO's to be involved in processes of transgenerational succession and long-term survival (Memili et al., 2010: 1; Sharma, Chrisman & Chua, 1997; Sharma, Chrisman & Chua, 2003; Uhlaner et al., 2007). Insight in how organizational identification is related to these favorable work outcomes is therefore deemed important.

In the following sections we will elaborate on the theoretical foundations of three pro-organizational work outcomes that we consider as related to CEO's identification with the family firm: CEO's affective commitment, stewardship behavior and joy of work. Then we will turn our attention to IPSO and CPO, which we propose as important factors which are missing in the (hypothesized) relationships between organizational identification and our other variables of interest. By doing so, we will lay the foundations for our proposed framework connecting family firm CEO's organizational identification, stewardship behavior, affective commitment, joy of work, and IPSO and CPO. We will start with an elaboration on the theoretical foundations of affective commitment in the next section. The purpose is to examine how CEO's affective commitment towards the family firm is created by CEO's organizational identification, the former which is a strong indicator for the willingness of the family firm CEO to contribute to organizational goals (Sharma & Irving, 2005).

3.2.2. Affective commitment

Organizational literature has intensively studied various types of organizational commitment over the last few decades. Meyer and Allen (1991) define organizational commitment as feelings and/or beliefs concerning the reason an individual wants to maintain his or her membership in a particular organization. Affective commitment is among the most commonly studied types of organizational commitment (Meyer et al., 2002; Pierce et al., 2003). It is based on an individual's 'emotional attachment to, identification with, and involvement in the organization' (Allen & Meyer, 1990: 1). Note that the definition of affective commitment refers to the individual's identification with the organization. This has led to some confusion whether affective commitment and organizational identification are distinct constructs (van Knippenberg & Sleebos, 2006). However, empirical support is found that affective commitment and organizational identification are indeed distinct constructs (e.g., Herrbach, 2006) which have different antecedents and consequences (Mael & Ashforth, 1992; Allen & Meyer, 1990). Whereas affective commitment is based on an affective or emotional attachment to the organization, organizational identification is based on affiliation, self-enhancement and attraction (Pierce et al., 2001; Allen & Meyer, 1990). As we interpret the definition, organizational identification is one of the bases of, or *leads to* affective commitment.

Existing literature suggests that individuals with higher affective commitment may produce organizationally valued outcomes such as low absenteeism and turnover, higher performance, and organizational citizenship behavior (Mathieu & Zajac, 1990; Meijer et al., 2002). What is important is that an individual experiencing affective commitment towards the firm as a result values the wellbeing of the firm. 'An individual with a high level of affective commitment to an organization portrays a strong belief in, acceptance of and an excitement about the organization's goals. Such individuals exhibit a strong desire to contribute to these goals, as there is a perception of alignment between organizational and individual goals' (Sharma and Irving, 2005: 16). The underlying emphasis of affective commitment on the willingness to contribute to organizational goals makes it particularly important for family firms as they rely on their family and non-family CEO's in transgenerational succession, success and survival (Memili et al., 2010; Miller & Le Breton-Miller, 2005; Sharma, Chrisman & Chua, 1997).

Existing literature has linked affective commitment to some of our variables of interest. As noted before, Sharma & Irving (2005) reasoned a relationship between organizational identification and affective commitment in the context of family firms' succession process. They hypothesized that 'family business successors will exhibit higher levels of affective commitment to pursuing a career within the family business when their individual identity is strongly aligned with their family firm' (Sharma & Irving, 2005: 21). On its turn, affective commitment will lead these successors to exerting efforts beyond the call of duty (Sharma & Irving, 2005). Affective commitment has also been empirically linked both in organizational literature as in family business literature to PSO

(Bernhard & O'Driscoll, 2011; Herrbach, 2006; Mayhew et al., 2007; O'Driscoll, Pierce & Coghlan, 2006; Vandewalle et al., 1995; Van Dyne & Pierce, 2004). For example, Bernhard and O'Driscoll (2011), studying nonfamily employees in family businesses found that PSO of the organization and the job mediated the relationship between leadership style and affective organizational commitment. Van Dyne & Pierce (2004) found that possessive feelings towards the organization lead to high levels of organizational commitment, which was confirmed by Vandewalle et al. (1995) and Mayhew et al. (2007).

Reasoned from the above, it is surprising that (empirical) evidence is lacking on the relationships between organizational identification on the one hand and affective commitment and PSO on the other hand. This should be of particular importance to family firms because (non-)family members' affective commitment, organizational identification and PSO have been shown (or hypothesized) to be key desirable attributes for family firm's success and survival (Gómez-Mejía et al., 2007; Memili et al., 2010; Rantanen & Jussila, 2011; Sharma & Irving, 2005).

This chapter addresses this gap in the literature and contributes to the family business literature by means of adding insight on at least three variables which are crucial to the success and survival of the family firm: organizational identification, affective commitment and stewardship behavior. In the next section we elaborate on the theoretical foundations of stewardship behavior, a construct which has been theoretically related to organizational identification (Davis et al., 1997) and which has received considerable attention in family business research (Eddleston & Kellermanns, 2007; Le Breton-Miller & Miller, 2006; Miller, Le Breton-Miller, & Scholnick, 2008; Zahra et al., 2008). By doing so, we lay the theoretical foundations for the relationship between family firm CEO's organizational identification and his/her stewardship behavior, as part of our theoretical model. We will later propose that CEO's with high identification with the organization are more likely to become stewards. As a result, the family firm could benefit from stewardship behavior demonstrated by family as well as non-family members (Zellweger et al., 2010).

3.2.3. Stewardship behavior

The construct of stewardship behavior stems from stewardship theory, which was developed by Davis et al. (1997) as an alternative to the predominance of agency theory in management literature (Corbetta & Salvato, 2004). Contrary to agency theory (Jensen & Meckling, 1979), stewardship theory builds on the assumption that stewards prefer the organization and its wellbeing (in terms of increasing organizational wealth) as the center of attention. Through the realization of organizational needs, a steward believes that personal needs are met. The basic assumption of stewardship theory is that the behaviors of the steward are aligned with the interests of the owners (Davis et al., 1997).

Davis et al. (1997) connect organizational identification with stewardship behavior. They reason that 'managers who identify with their organization are motivated to help it succeed and should be empowered to perform their job because this will enable them to use their initiative to promote the success of their organizations and their principals' (Davis et al., 1997: 30). Therefore, CEO's with high identification with the organization are more likely to become stewards (Davis et al., 1997). Furthermore, stewardship behavior has been related to affective commitment. For example, Hernandez (2012: 181) among others (e.g., Uhlaner et al., 2007; Vilaseca, 2002) suggest that affective commitment may lead to stewardship behavior, as 'individuals' emotional connection with the organization may at once heighten their ability to anticipate detriments to its well-being and facilitate their willingness to sacrifice on its behalf'. However, 'the specific emotions related to affective commitment that lead to stewardship behavior have remained largely unexamined' (Hernandez, 2012: 181).

Stewardship theory has been applied to family firms on several occasions because family firm CEO's often show characteristics of a steward. For example, Davis et al. (2010) posit that identification with the family business and commitment to it by family and non-family members can facilitate their stewardship behaviors. As family firm CEO's tend to identify with their organizations – especially those who are created by them – they become committed to their companies, and become intrinsically motivated to behave as stewards (Corbetta & Salvato, 2004; Miller et al., 2008).

Stewardship behaviors are also an important component of family businesses' competitive advantage (Eddleston & Kellermanns, 2007; Le Breton-Miller & Miller, 2006; Miller, Le Breton-Miller, & Scholnick, 2008; Zahra et al., 2008). For example, stewardship behavior in family firms has been positively linked to higher financial performance as opposed to non-family businesses (Eddleston & Kellermanns, 2007; Le Breton-Miller, 2006); lower monitoring costs and related increased resources to invest in the family firm (Hoopes & Miller, 2006); strategic flexibility enhancing organizational performance (Eddleston et al., 2008; Zahra et al., 2008); perceived value commitment and trust among family and non-family members (Davis et al., 2010). Family businesses as a result have a high interest in stimulating stewardship behavior among their CEO's. This serves both the organizational interests and the CEO's personal interests because stewards receive intrinsic satisfaction when the business flourishes (Corbetta & Salvato, 2004; Eddleston & Kellermanns, 2007). Following Davis et al. (1997) we propose that for stimulating stewardship behavior among family firm CEO's their identification with the family business may be a key factor.

In the next section we propose and introduce a third pro-organizational, positive consequence of organizational identification which is the joy the CEO receives from working in the family firm. CEO's experienced joy of work we consider as an understudied work outcome in the family business context. This stands in contrast to its recognized invaluable contribution to the organization in terms of various aspects of team performance (e.g., Koiranen, 2012; Neave, 1990). We suggest that hard work and shared joy may motivate family firm CEO's to continue or to increase involvement in the family business (Staw et al., 1994). We will later propose that family business CEO's identification with the family business is positively related to their joy of work.

3.2.4. Joy of work

The construct of Joy of Work was theoretically defined and empirically introduced by Koiranen (2012), based on work by Ojanen (2001) on happiness and wellbeing at work, Varila & Viholainen (2000) and Varila & Lehtosaari (2001) on the construct of joy of work, and Koiranen & Karlsson (2002) on ownership as joy and as a motivator. Joy of work is defined as 'a feeling or an emotion of pleasure that is experienced before or during working, or afterwards about the results of working' (Koiranen, 2012). Joy of work can be situated in the 'positive' movement, 'including positive psychology (Seligman & Csikszentmihalyi, 2000), positive organizational scholarship (Cameron, Dutton, & Quinn, 2003), and positive organizational behavior (Cooper & Nelson, 2007)' (Ashkanasy, 2011: 24). The central focus of this literature is on how to improve personal and organizational effectiveness via happiness, joy, and pleasure at work (Warr, 2007).

However, joy of work is different from, for instance, job satisfaction. Job satisfaction has been commonly defined as 'an attitudinal evaluative judgment of one's job or job experience' (Ilies et al., 2009; Sieger et al., 2011a: 81). In other words, it asks 'How do I evaluate my job? (Van Dyne & Pierce, 2004: 444), whereas joy of work asks 'Is my job (or my company) a source of delight?' Joy also conceptually differs from happiness. Happiness-related constructs are usually defined and measured as an overall individual-level emotional state at work, including job satisfaction, affective commitment and mood (Fisher, 2010). Happiness, therefore, is considered to be much broader than joy. Based on literature on happiness at work we propose that happiness at work, job satisfaction, and joy of work are distinct constructs that should be treated as such (Ashkanasy, 2011; Fisher, 2010; Warr, 2007).

Research indicates that the intrinsic motivation induced by organizational identification (Koestner & Losier, 2002; Kuppelwieser, 2011) may lead to enjoyment of work. For example, Koestner & Losier (2002) show that intrinsic motivation, like identification, is associated with generally positive emotional experiences when performing a task or job. In other words, individuals who are intrinsically motivated perform a task because it is fun and it gives them pleasure (Deci & Ryan, 1985; Koestner & Losier, 2002). Joy of work can also be related to stewardship behavior, because individuals acting as 'stewards can enjoy the types of internal rewards they desire (i.e., growth, achievement, or self-actualization)' (Davis et al., 1997: 39). Also, 'they receive intrinsic satisfaction when the business advances and succeeds' (Corbetta & Salvato, 2004; Davis et al., 2010: 1093) which we deduce provides them with enjoyment of their work.

On the outcomes side joy of work is a 'mobilizing and energy-giving force which is related to human's mental wellbeing at work. It improves creativity. It can be experienced both individually and collectively' (Koiranen, 2012). Izard (1977) points out that joy is the basis for intrinsically motivated behavior. According to Neave (1990), building on the work of Deming (1986), joy in work experienced by managers and employees makes an invaluable contribution to the organizations for which they work. For example, Chi, Chung & Tsai (2011) found that positive leader moods – under which joy of work can be classified – contributes significantly to various aspects of team performance (e.g., sales or service performance), with transformational leadership as the mediating relationship. Therefore, 'management's overall aim should be to create a system in which everybody may take joy in his work' (Neave, 1990: 36 -quote from Deming at a 1988 Denver seminar). For example, joy in work will contribute to employee involvement and to the quality of work life (Neave, 1990). According to Neave (1990: 36) when joy in work is created there will be no need for programs 'that motivate people by appraisals, fear, targets, incentives, threats and exhortations'. In this sense, the effects of joy of work are likely to transcend the mood of the moment.

In his article 'Building Sustainable Organizations: The Human Factor' Pfeffer (2010) calls for studying (physical and) psychological wellbeing as an outcome variable alongside financial performance and sees it as a broadening of the value creation concept. This idea is not new. From an employee perspective, Staw, Sutton, & Pelled (1994: 51) state that instead of 'the usual process of correlating job satisfaction with absenteeism, turnover, and performance, it is now evident that research can profitable examine how emotion influences a wider set of personal and organizational outcomes'. The authors argue that employees who feel and display positive emotion on the job will experience positive outcomes in their work roles (e.g., they are more prone to help others, and show greater task activity and persistence; Staw et al., 1994). From the above it is clear that joy of work is a potential source of favorable work outcomes for the individual and the organization. It should receive considerably more research attention (cf. Pfeffer, 2010).

Joy of work has rarely been studied in family businesses and we only found a few examples. Based on their case study on family firm's innovation Litz & Kleysen (2001) come to following conclusion: 'Clearly, working with, and for, family members is not simply about the extrinsic motivation of receiving a paycheck, but also part of a larger, more encompassing process that provides a keen sense of *enjoyment* and satisfaction to each individual. It is an intrinsically motivating experience that satisfies family members' needs for both self-determination and connectedness' (Deci & Ryan, 1985; Litz & Kleysen, 2001: 345 – italics added). The authors thus lay a convincing relationship between being part of a family firm and feeling a sense of joy. Another example is found in Halter and Fueglistaller (2003). These authors studied happiness and joy among entrepreneurs and leaders and came to the conclusion that their happiness and joy are often based on hard work (Koiranen, 2012). This is what following citation by Danco (1980) confirms about the typical family business founder: "They see him collapse into his chair at night and fall asleep watching TV, still in his working clothes. They see him gaining weight or losing weight, but surely getting out of shape, looking harried and harassed. They see very little, if anything, of his joy in his work. Yet, if you asked him, he would tell you he was setting an example for his kids, that he's instilling in them respect for the work ethic and the understanding that only hard work can make what you want to come true.' However, Danco states that 'under such circumstances, it becomes almost impossible for these potential successors to see anything attractive about joining their father's business.' Hence, it seems important that family firm entrepreneur's joy in work is conveyed to the next generations in order to stimulate their willingness to commit to the continuation and success of the family firm.

We deduce that the hard work (stemming from high dedication to the family business which is often observed among family members, see: Cabrera-Suárez, De Saá-Pérez, & García-Almeida, 2001) combined with the joy family members may experience working for the family business, can stimulate family members to feel responsibility to see the business prosper. Hard work and shared joy may motivate them to continue or to increase involvement in the family business (Staw et al., 1994). In a sense, shared joy among family and non-family members can be much more rewarding than individual experienced joy (Raghunathan & Corfman, 2006). What is important is that we propose an underlying relationship between joy of work and the willingness to contribute to greater, organizational goals. Besides affective commitment and stewardship behavior we reason the family firm CEO's joy of work to be a third factor that values the wellbeing of the family firm as a focus of attention.

Despite the fact that the basic human emotion of joy of work may be of particular importance to family firms – businesses in which emotions often play a pivotal role (e.g., Gómez-Mejía et al., 2007; Kets de Vries, 1993) – it has rarely been studied in family business literature. Nevertheless, it may be a concept worth exploring more deeply because it stimulates creativity which may affect family firm's ability to identify and exploit entrepreneurial opportunities. To our knowledge it has not been previously related to our variables of interest. In the hypothesis section we will elaborate on why it is important to address this gap in the literature.

First, we will turn our attention to IPSO and CPO, which we propose as important factors which are missing in the (hypothesized) relationships between organizational identification and our other variables of interest. From organizational literature we deduce that the CEO's identification with the family firm can create a feeling of (joint) possessiveness over the family business (e.g., Pierce et al., 2001; Pierce & Jussila, 2010; 2011). Introducing IPSO and CPO in the organizational identification – work outcomes relationship is necessary because IPSO and CPO may explain why the latter relationships exist. The next section elaborates on the theoretical foundations of IPSO and CPO.

3.2.5. IPSO and CPO

The vast literature on the psychology of possessions and property (e.g., Dittmar, 1992; Furby, 1978a; 1978b; Litwinski, 1947) and recent work on PSO feelings in an organizational context (e.g., Brown, Lawrence & Robinson, 2005; Pierce, Rubenfeld, & Morgan, 1991; Pierce, Kostova, & Dirks, 2001), makes us aware of the significance of the construct of PSO to contribute to insight in the relationships between CEO identification and its hypothesized value creating attitudes.

The construct of IPSO was initially theorized by Pierce, Rubenfeld and Morgan (1991). The core of IPSO is a feeling of possessiveness and a strong psychological connection to an object (Brief, 1998; Pierce et al., 2001). It is defined as 'a state in which individuals feel as though the target of ownership, being material or immaterial in nature, or a piece of it is "theirs"' (Pierce, Kostova & Dirks, 2001). IPSO's uniqueness lies in providing an answer to the question 'What do I feel is MINE?' (Pierce et al., 2001). As a reminder, table 10 provides an overview of the conceptual difference between (individual) psychological ownership, organizational identification, stewardship behavior, joy of work, and affective commitment.

Table 10: Conceptual difference between PSO, organizational identification, affective commitment, joy of work, and stewardship behavior

	Organizational identification	**Affective commitment**	**Psychological ownership**	**Joy of work**	**Stewardship behavior**
Conceptual core					
	Perceived 'one-ness' with the organization	Desire to maintain membership of the organization based on emotional attachment	Possessiveness	Emotion of pleasure about work	Pro-organizational, cooperative, collectivistic behavior based on deep emotional investment
Main question for the individual					
	Who am I in this organization?	Should I maintain membership of this organization?	What do I feel is 'mine' or 'ours'?	Is my job (or my company) a source of delight?	Do I feel a need to serve organizational interests?
Motivational bases					
	Attraction Affiliation Self-enhancement	Security Belongingness Beliefs and values	Efficacy/ effectiveness Self-identity Need for belonging	Mental wellbeing at work	Goal congruence Intrinsic satisfaction Empowerment

Sources: Ashforth and Mael, 1989; Pierce et al., 2001; Pierce & Jussila, 2010; 2011; Davis et al., 1997; Zahra et al., 2008; Koiranen, 2012

Complimentary to an individualistic view, PSO has also been described as a state of mind that is shared by the members of work groups and organizations (Wagner et al., 2003). Wagner et al. (2003: 850) propose that PSO in work groups is a 'shared sense of possession of the organization that is manifested in ownership beliefs and ownership behaviors'. This idea was elaborated on by Pierce and Jussila (2010: 812), who introduced the notion of 'collective psychological ownership', i.e., the 'collectively held sense (feeling) that a target of ownership (or a piece of that target) is collectively "ours"'. Prerequisite to this collective dimension is a feeling of a group that considers itself as an interdependent 'us', which then may lead to a feeling of 'ours' (Pierce & Jussila, 2010).

'The notion of a collective realization of 'our-ness' is the key to the differentiation of PSO as an individual-level construct to CPO as a group-level property' (Pierce & Jussila, 2010: 812). CPO is significantly different from IPSO as it is a 'socially constructed state that transcends the limits of individual cognition/affect through ''group processes involving the acquisition, storage, transmission, manipulation, and use of information'' (Gibson, 2001: 122) resulting in shared (i.e., common) feelings, knowledge, and beliefs about the target of ownership, and their individual and collective rights (e.g., use, control) and responsibilities (e.g., protection of) in relation to that target. Cognitively, CPO is a shared mental model that is developed based on cognitive interdependence' (Pierce & Jussila, 2010: 812). In other words, when a group has a collectively held sense (feeling) that a target of ownership (or a piece of that target) is collectively 'ours' and it acts accordingly, CPO is in place.

Thus, the concept of PSO is of a multi-dimensional nature, i.e., PSO manifests itself on an individual and on a collective level. In this chapter it is our thesis that the mediation of PSO between CEO identification and its hypothesized outcomes needs specification in terms of IPSO and CPO. That is, because individual level phenomena (i.e., IPSO) may have different dynamics than group level phenomena and these dynamics are not necessarily interrelated (Smelser & Swedberg, 2005).

According to Pierce and colleagues three routes lead to the formation of both IPSO and CPO: the possibility to (collectively) control a target of possession, (collectively) acquiring intimate knowledge on the target, and/or investing one's self (collectively) into this target. For CPO to develop, this needs to be accompanied by an awareness by the group of its existence as a group, which is influenced by interdependence, collective identification, group cohesion, and team chemistry among group members (Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011). Additionally, it is theorized that both IPSO and CPO are facilitated by (but not caused by) four human motives ('roots'): the human need for efficacy and effectance (i.e., to be in control), self-identity (i.e., to derive our self-perception from our (psychological) possessions), place (i.e., to belong somewhere, to feel at home), and stimulation (i.e., to activate or arouse, to store life's meanings). For CPO, social-identity (i.e. to derive our self-perception from membership of a group of emotional value to us) serves as additional motive, but only when coupled with one or more of the other motives for possession (Pierce & Jussila, 2010).

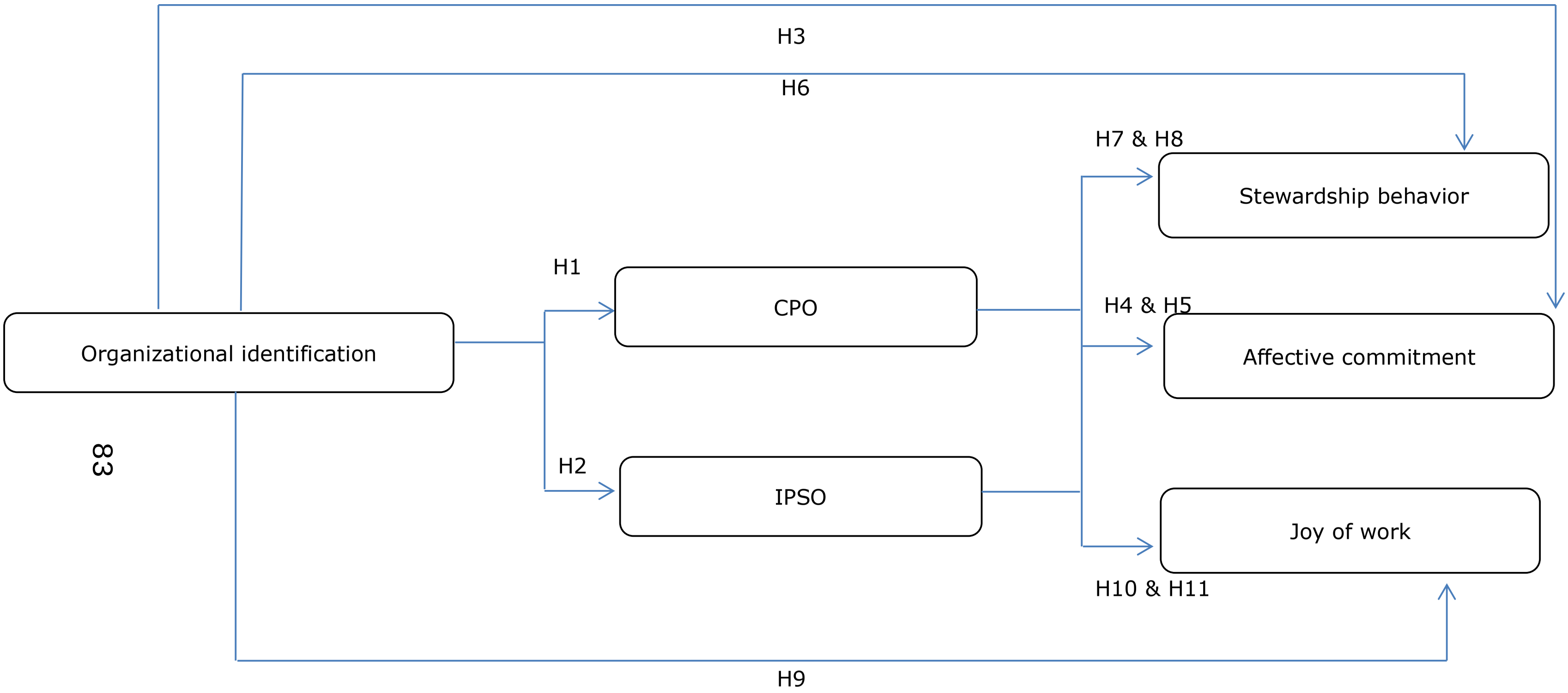
While in organization literature PSO has built a solid ground, in family firm literature the PSO construct is relatively new. Nevertheless, its significance is recognized. For example, Eddleston & Kellermanns (2007) mention PSO as a mediator between a stewardship philosophy of the family in business, and actual stewardship behavior, i.e., a motivation of the family to behave in the best interest of the firm (Corbetta & Salvato, 2004; Zahra, 2003). Karra, Tracey & Philips (2006) mention how quasi-family members become 'psychologically tied' to the family firm by means of their PSO. Sieger, Bernhard, and Frey (2011a; 2011b) empirically studied affective commitment and job satisfaction among non-family employees combined with justice perceptions and PSO, and found that PSO mediates the relationship between distributive justice perceptions and both affective commitment and job satisfaction. Bernhard & O'Driscoll (2011) focused on PSO in small family-owned businesses, combined with leadership style and nonfamily employees' work attitudes and behavior. They found that PSO of the organization and the job mediated the relationship between leadership style and affective organizational commitment, job satisfaction, and turnover intentions. In addition, feelings of PSO for the family business mediated the relationship between transformational leadership and organizational citizenship behavior.

Despite its recognized importance for the family firm context, literature on IPSO and CPO among family firm CEO's is scarce. In this chapter we address this gap in the literature and broaden insight on the role of IPSO and CPO in the family firm CEO's identification – pro-organizational outcomes relationship. In the following hypotheses section we will elaborate on why we suggest it is important to add family firm CEO's IPSO and CPO to the equation.

3.3. Hypothesis

Figure 2 represents our proposed framework. In this section we will elaborate on the hypothesized relationships. We start building our model by theoretically establishing a linkage between CEO's identification and CEO's collective and IPSO. We test direct relationships between CEO's identification and stewardship behavior, affective commitment and joy of work. We then examine the hypothesized mediating effects of IPSO and CPO on stewardship behavior, affective commitment and joy of work.

Figure 3: Theoretical model for the relationships between family firm CEO's organizational identification, affective commitment, stewardship behavior, joy of work, IPSO and CPO



3.3.1. Identification and PSO

Based on PSO literature in this section we will reason that there are valid reasons to suggest that family firm CEO's with higher levels of organizational identification are likely to experience higher levels of IPSO and CPO.

When family firm CEO's feel a strong sense of belonging to the family firm this is often accompanied by the perception that the business represents an extension of themselves (Dyer & Whetten, 2006; Zellweger et al., 2010). Thus, the family firm becomes an extension of the CEO's identity and he or she feels 'one-ness' with the family firm (Ashforth & Mael, 1989). Family firms differ from their non-family counterparts by their unique potential to induce identification processes among their family CEO's. Family members are bound by kinship, a shared family name, common history, and familiarity (Sundaramurthy and Kreiner, 2008). In extension, these processes may similarly apply to non-family CEO's (Karra, Tracey, & Philips, 2006). This is to say that family firms have a higher propensity to stimulate feelings of organizational identification among their family and non-family CEO's.

From organizational literature we deduce that identification with a certain target of possession (e.g., the family firm), can create a feeling of possessiveness over this target. People become psychologically attached to targets of possession and integrate them into their self (Pierce, Kostova & Dirks, 2003). The target of possession thus becomes part of 'me', of what and who I am (e.g., my house represents to a certain extent who or what I am). When this target of possession represents an organizational 'self' (e.g., the family business), a merger between the individual self and the organizational self may arise (i.e., organizational identification). As a result, the target of possession is likely to become 'mine' (e.g., this is MY organization). In other words, when the family firm CEO identifies himself/herself with the family firm he or she is likely to call the family firm 'his' or 'hers'. Hence, the CEO's identification with the family firm can give rise to individual feelings of ownership (i.e., IPSO). More general, we reason that family firms – which have a higher propensity to stimulate feelings of organizational identification among their CEO's – are likely to find higher levels of IPSO among their CEO's.

This process, however, is not restricted to the individual level. What is suggested is that a family business context creates a greater likelihood for CPO to occur as a result of the CEO' identification with the family business. The fusion we find in family firms between a family system and a business system is 'likely to generate socially constructed cognitive structures in which the individual shifts one's reference from the self to the collective' (Rantanen & Jussila, 2011: 146). In other words, organizational identification leads family business CEO's to perceive themselves as part of an 'us' with psychological significance (Rantanen & Jussila, 2011). What distinguishes family firms from other types of organizations is the existence of a collectivity and significant 'us' that is called 'family'. Family firm literature has shown that family businesses foster close relationship between family members and between family members and non-family employees (Bernhard & O'Driscoll, 2011; Dyer, 2003; Le Breton-Miller & Miller, 2006; Miller et al., 2009). The group that the family firm CEO is most likely to perceive as a significant group is to consist of top management members, both family and non-family, including family-owners (Karra et al., 2006).[5]

On its turn, this feeling of being part of a significant 'us' enables the CEO to call the family business 'ours' (Rantanen & Jussila, 2011). In other words, through the formation of a collective identity ('us') family firm CEO's, are likely to become collective psychological owners ('ours').[6] Following from the above we hypothesize that:

[5] 'It is not enough, however, that an individual sees oneself and wants to be seen as part of a particular group. Instead a collective cognition must develop and the group has to become aware of its existence as a group with its members experiencing itself as an ''us.'' It is assumed, therefore, that at the psychological level a group (i.e., ''US'' who feels collective ownership for certain objects) is a cognitive-structural entity among individuals (cf. Hogg & Turner, 1985; Tajfel & Turner, 1979) (Pierce & Jussila, 2011: 817)'. We suggest in family businesses – under the condition of strong organizational identification – the top management team, both family and non-family, including family-owners to constitute such an 'us' (cf. Karra et al., 2006).

[6] According to Pierce & Jussila (2011: 818) 'the emergence of collective feelings of ownership hinges on a collective recognition of shared action toward the potential target of

Hypothesis 1: Family business CEO's identification with the family business is positively related to their CPO.

Hypothesis 2: Family business CEO's identification with the family business is positively related to their IPSO.

3.3.2. Affective commitment

Affective commitment is based on an individual's 'emotional attachment to, identification with, and involvement in the organization' (Meyer & Allen, 1991; Meyer, Allen & Gellatly, 1991). We propose IPSO and CPO of family firm CEO's as a mediator in the relationship between their identification with the family business and their affective commitment, for the following reasons.

First, organizational identification and affective commitment are related in a sense that identity alignment of family firm CEO's is an antecedent to their affective commitment towards the family firm (Bernhard & O'Driscoll, 2011; O'Driscoll, Pierce & Coghlan, 2006; Sharma & Irving, 2005). What is important is that a family business context creates a greater likelihood for family CEO identification to occur because family members experience a set of influential factors (e.g., early socialization, behavioral modeling by the senior generation) that may affect their identification with the family firm. Many family CEO's derive their sense of identity from their firms (Rosenblatt, de Mik, Anderson, & Johnson; 1985; Sharma & Irving, 2005). As a result family members often attach their family name and family history to the firm. Additionally, also non-family CEO's may experience strong identification with the family firm. For these

ownership. Each group member must perceive the activities and their outcomes as the product of one's own effort and input coupled with the effort and input of others with whom one is both joined and interdependent. Toward this end, it is envisioned that the routes to collective psychological ownership consist of a collective recognition of shared control over the target of ownership, collective recognition of shared intimate knowing of the target, and/or the collective recognition of the shared investment of the different group member's selves into the target of ownership. The relative strength of the collective state of ownership, as opposed to personal feelings of ownership, is likely to be influenced by the degree to which each member of the group has traveled down one or more of the routes to ownership feelings (e.g., experienced control, intimate knowing) coupled with the degree to which there is a collective understanding that we (as an us) have traveled down those routes together.'

non-family CEO's the extent to which they subscribe to the collective sharing of values is likely to create feelings of social identity (Gómez-Mejía et al., 2007; Kets de Vries, 1993). Family firms thus create the context for higher CEO identification with the business, but it is the actual extent to which family firm CEO's identify with their firm and less with institutions other than their family firm (Sharma & Irving, 2005) that is likely to influence their emotional attachment towards the business.

Second, in hypotheses 1 and 2 we proposed a positive relationship between organizational identification and CPO and between identification and IPSO.

Third, IPSO has been empirically connected with affective commitment (Bernhard & O'Driscoll, 2011; O'Driscoll, Pierce & Coghlan, 2006; Sieger et al., 2011a; 2011b; Vandewalle et al., 1995; Van Dyne & Pierce, 2004). We propose a similar relationship on a collective level. When a group has a collectively held sense that a target of ownership is collectively "ours", and it acts accordingly, CPO is in place. From (psychological) ownership literature we learn that ownership and emotional attachment are related in a sense that individuals feel closely attached to their possessions. Following, the feeling of a collectively shared ownership over a target of possession is likely to generate a feeling of attachment towards that target of possession. A feeling of "ours" is reasoned to go hand in hand with emotional attachment towards the joint psychological possession (i.e., the family firm).

Thus, CEO's identification is correlated to IPSO and CPO (hypothesis 1 and 2), and family firm CEO's identification is suggested to be related to affective commitment. The CEO's collective and IPSO and CPO is also suggested to be connected to affective commitment.
We therefore hypothesize that:

Hypothesis 3: Family business CEO's identification with the family business is positively related to their affective commitment.

Hypothesis 4: Family business CEO's CPO towards the family business mediates the relationship between their identification with the family business and their affective commitment.

Hypothesis 5: Family business CEO's IPSO towards the family business mediates the relationship between their identification with the family business and their affective commitment.

3.3.3. Stewardship behavior

According to stewardship theory an individual that acts as a steward prefers the organization and its wellbeing (in terms of increasing organizational wealth) as the center of attention (Davis et al., 1997). Through the realization of organizational needs, a steward believes that personal needs are met. Davis et al. (1997) lay a convincing connection between organizational identification and stewardship behavior. They reason that 'managers who identify with their organization are motivated to help it succeed and should be empowered to perform their job because this will enable them to use their initiative to promote the success of their organizations and their principals' (Davis et al., 1997: 30). Therefore, CEO's with high identification with the organization are more likely to become stewards (Davis et al., 1997).

We observe similar processes in family firms that relate family firm CEO's organizational identification with stewardship behavior. For example, Boivie et al. (2011) show that CEO's with high levels of organizational identification are more motivated to avoid behavior that diverges from firms interests. Zellweger et al. (2010: 58) point out that 'When family members are highly dedicated to the business and members believe that they have a common family responsibility to see the business prosper (Cabrera-Suárez, De Saá-Pérez, & García-Almeida, 2001), they are motivated to contribute to the firm.' It is noteworthy that this process is not restricted to family managers, but may extend beyond the family (Karra, Tracey & Philips, 2006; Zellweger et al., 2010). As a result the family firm could benefit for stewardship behavior from family as well as non-family members (Zellweger et al., 2010).

Additionally, literature provides us with indications that IPSO and stewardship behavior are correlated. For example, Kellermanns & Eddleston (2007) point out that PSO mediates the relationship between stewardship attitudes and stewardship behavior. When a CEO experiences IPSO it is expected that the CEO demonstrates stewardship behavior, since feelings of ownership come with 'responsibilities – to protect, to care and make sacrifices for, and to nurture and develop the target of ownership' (Pierce et al., 2001: 303). There exists a long tradition in family business research that supports family firm CEO's behavior of this nature, e.g., loyalty and commitment towards the firm (Sharma & Irving, 2005), protective behavior, responsible behavior (Arrègle et al., 2007) and altruism towards family members (Schulze, 2001; 2003a; 2003b). Therefore, based on PSO and family business literature (e.g., Eddleston & Kellermanns, 2007; Wagner et al., 2003) we predict that when the family firm CEO experiences IPSO he or she is more likely to behave as a steward (Hernandez, 2012).

However, stewardship behavior may not apply in conditions where psychological ownership is developed, because stewardship behaviors are created by an 'other-regarding' perspective to act in protection of others' long-term welfare (Hernandez, 2012). When 'psychological ownership is developed in something whatever one does to protect it would be behavior motivated by self-interest ("protecting and growing what is mine") and not stewardship behavior ("protecting and growing others' resources that I have been trusted with")' (Goel, 2012). This argument, however, has been countered by Hernandez (2012). She states that: 'A sense of psychological ownership imbues individuals with the internal drive to protect that which is psychologically owned (Avey et al., 2009; Pierce et al., 2003). Thus, when employees feel a sense of psychological ownership of the organization, they adopt the protection of its welfare as an internal motive. Their cognitive focus and emotional attachment to the organization and its stakeholders are channeled through this internalized desire to personally act in protection of collective interests. (…) In this way, psychological ownership can engender individuals' willingness to subjugate their own interests to ensure the ongoing welfare of the organization' (Hernandez, 2012: 183). Therefore, we predict a positive relationship between CEO’s IPSO and his/her stewardship behavior.

The connection between organizational identification and CPO was theoretically established by Pierce & Jussila (2011). To them CPO is formed as a shared sense of ownership at a group level, which is influenced by interdependence, collective identification, group cohesion and team chemistry (Pierce & Jussila, 2010). CPO is in place when the CEO feels part of a significant group that collectively gains ownership over certain targets of possession (Pierce & Jussila, 2010). Families create shared ownership over the business, and as a result a perception that the business is ‘ours’ may arise among family and non-family members (Karra, Tracey & Phillips, 2006). When the latter is accompanied by an investment of time, effort and energy – which is often beyond the level of what is expected – CPO is created (Pierce & Jussila, 2010). It is reasoned that it becomes less likely that a family firm CEO has CPO without interest alignment (i.e., stewardship), because CPO is supportive of ‘a collective culture that has been presented as an important situational mechanism associated with stewardship in organizations’ (Davis et al., 2010: 1096). This collective culture has also been described as clan-based collegiality, which creates an atmosphere of trust and ‘our-ness’ between the principal and the agent (Eisenhardt, 1989; Ouchi, 1980; Pierce & Jussila, 2010).

Adding up the relationships between family firm CEO’s organizational identification with stewardship behavior and with IPSO and CPO, we hypothesize that:

Hypothesis 6: Family business CEO’s identification with the family business is positively related to their stewardship behavior.

Hypothesis 7: Family business CEO’s CPO towards the family business mediates the relationship between their identification with the family business and the CEO’s stewardship behavior.

Hypothesis 8: Family business CEO's IPSO towards the family business mediates the relationship between their identification with the family business and the CEO's stewardship behavior.

3.3.4. Joy of work

Joy of work was defined as 'a feeling or an emotion of pleasure that is experienced before or during working, or afterwards about the results of working' (Koiranen, 2012). In this section we will reason that when the family firm CEO identifies with the family business, he or she is likely to feel enjoyment working for it.

We return to Litz & Kleysen (2001) to underpin our argument: 'Clearly, working with, and for, family members is not simply about the extrinsic motivation of receiving a paycheck, but also part of a larger, more encompassing process that provides a keen sense of *enjoyment* and satisfaction to each individual. It is an intrinsically motivating experience that satisfies family members' needs for both self-determination and *connectedness*' (Deci & Ryan, 1985; Litz & Kleysen, 2001: 345 – italics added). We added italics to underpin the relationship that the authors find in family firms between being part of the greater whole, of feeling connected to other family members (working *with*), with a sense of en*joy*ment and satisfaction. In other words, being part of a family firm (which fulfills their needs for both self-determination and connectedness) provides family members with a sense of joy in their work. This process may not be restricted to family members, as '*working for'* may imply non-family members. Literature has shown that some family firms deliberately foster a kind of spiritual kin-based business thereby regarding non-family members as quasi-family (Karra, Tracey, & Philips, 2006). It may well be those quasi-family members (i.e., non-family CEO's) experience similar kinds of joy of working for the family business.

However, being part of a family firm (i.e., working with family members or working for the family firm) does not equal organizational identification. We reasoned before, however, that family firms have a higher propensity of stimulating feelings of organizational identification among their family and non-family CEO's. Hence, family and non-family CEO's that are part of the family firm are likely to experience identification with their family firm.

In the above we related (family and non-family) CEO's being part of a family firm to their organizational identification. Litz & Kleysen (2001) laid a relationship between being part of a family (firm) and a sense of enjoyment in work. Therefore we hypothesize that:

Hypothesis 9: Family business CEO's identification with the family business is positively related to their joy of work.

However, we suggest the above hypothesized relationship to be dependent upon the CEO's IPSO and CPO. Pierce & Jussila (2010; 2011) state that IPSO and CPO are 'pleasure producing per se'. 'Beggan (1992) among others (e.g., Furby, 1978a; 1978b; 1980; nuttin, 1987; Porteous, 1976) suggest that more pleasure is experienced in that for which the sense of ownership is attached than for others of a similar kind' (Pierce & Jussila, 2010: 812). Thus, when the CEO experiences CPO over the family firm, this is likely to bring him joy of work. Similarly, individual feelings of ownership are said to be pleasure producing per se (Pierce et al., 2001). Combining the before hypothesized relationship between CEO's organizational identification and IPSO and CPO (hypotheses 1 & 2), the relationship under hypothesis 7, and the proposed positive relationship between IPSO and CPO with joy of work, we hypothesize that:

Hypothesis 10: Family business CEO's CPO towards the family business mediates the relationship between their identification with the family business and the CEO's joy of work.

Hypothesis 11: Family business CEO's IPSO towards the family business mediates the relationship between their identification with the family business and the CEO's joy of work.

3.4. Methods

3.4.1. Sample and data collection

The empirical data presented here are based on a self-conducted survey among a sample of 111 family firms in Finland. Family firms were identified by their listing on the official, state governed list of family firms by the Ministry of Trade and Industry of Finland, which uses following criteria to identify family firms: (1) The majority of votes is in the possession of the natural person(s) who established the firm, [or] in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs; (2) The majority of votes may be indirect or direct; (3) At least one representative of the family or kin is involved in the management or administration of the firm; (4) Listed companies meet the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25 per cent of the right to vote mandated by their share capital (Finnish Ministry of Trade and Industry, 2006: 37 – brackets added).
Based on the above criteria we retrieved the list of all mid-size and large family firms in Finland and a representative sample conducted together with statistics Finland of small family businesses in Finland, which resulted in a total of 2930 addresses. To avoid problems of overrepresentation of midsize and large family firms in our dataset, we sent out 1200 questionnaires to family business CEO's based on a random sample of small, mid-size and large family firms. This resulted in 111 returned questionnaires, or a response rate of 9.25 %, which is in line with previous studies among upper echelon executives (Geletkanycz, 1998; Hambrick et al., 1993; Koch & McGrath, 1996).

To control potential problems of common method bias we employed different procedural and statistical techniques following the guidelines by Podsakoff et al. (2003):

1) Improving validity:
Attention was paid to the questionnaire design. Before sending the survey items of the questionnaire were reviewed among a group of family business scholars.

Where possible we made use of previously translated and tested survey items and measurement scales to avoid item ambiguity. The possibility of translation errors were accounted for by a cross-check among a group of family business scholars. The English version of the questionnaire was pilot tested on a small sample of 3 family firm CEO's and feedback was incorporated into the final version.

2) Protecting respondent anonymity and reducing evaluation apprehension:
Questionnaires were addressed to the CEO of the company. A cover letter was added stating goals and importance of the research, the expected return date of the questionnaire, a guarantee of confidentiality, researchers contact information, and the option to receive the results of the research.

3) Statistical techniques:
Additionally, to address potential problems of self-report we conducted a Harman's single factor test (Harman, 1967; Podsakoff & Organ, 1986) to investigate whether the majority of the variance can be explained by a single factor. The basic assumption of this test is that if a substantial amount of common method variance is present, either a single factor will emerge from the factor analysis or one factor will account for the majority of the covariance in the independent and the criterion variables (Podsakoff & Organ, 1986). In the test we included 25 individual items for CPO, IPSO, identification, affective commitment, stewardship behavior, and joy of work. Checking the results of an unrotated Principal Components Analysis (PCA) the first factor only explained 28.31% of the variance. Furthermore, checking the results of a Varimax rotated principal component analysis the items assessing stewardship behavior, autonomy, identification, affective commitment, CPO, and IPSO, all factor in different variables. The results of our tests increased our confidence that common method bias (CMB) is not a major problem in the current study (Podsakoff et al., 2003).

3.4.2. Measures

Dependent variables

Affective commitment

CEO's affective commitment was measured by use of the Meyer & Allen (1991) commitment scale. After principal component factor analysis with varimax rotation we withheld 5 items to measure affective commitment: 'I feel as if this organization's problems are my own; I do not feel like 'part of the family' at my organization (reversed, with 'do not' stressed in the questionnaire); I do not feel emotionally attached to this organization (reversed; 'do not' stressed); This organization has a great deal of personal meaning to me; I feel a strong sense of belonging to my organization' (Cronbach's alpha: 0.72). Item 4 ('I do not think I could become as attached to another organization as I am to this one') from the original Meyer & Allen scale was excluded, because it loaded poorly. This is supported by several studies that report this item to be a consistently poor affective scale item (see: Culpepper, 2000). Additionally, items 1 and 2 were excluded because they loaded poorly ('I would be very happy to spend the rest of my career with this organization; I enjoy discussing my organization with people outside it'). It can be reasoned that items 1 and 2 bear more resemblances with other types of commitment than with affective commitment (which our factor analysis confirmed).

A reduction of the original Meyer and Allen scales is theoretically justifiable by the fact that the original scales have been under constant revision over the past decade and the types of commitment have been measured in several ways (e.g., Carmon et al., 2010; Culpepper, 2000; Van Dyne & Pierce, 2004). For example, Culpepper (2000) advised a revised scale of various dimensions of organizational commitment that omits five items, which have consistently shown to be poor construct indicators (Allen & Meyer, 1990; Dunham et al., 1994; Hackett et al., 1994; McGee & Ford, 1987; Meyer et al., 1990). What is important is that the items which we used to measure affective commitment have good reliability (i.e., coefficient alpha) and unidimensionality of the scale items.

Stewardship behavior

The CEO's stewardship behavior was measured by use of Davis et al. (2010) three items measure of stewardship. Following three items were applied for the measurement of stewardship behavior: 'Our organization's leaders have initiatives that serve the company's interests more than their own; I believe that our organization's leaders have initiatives that are credible and attractive; The leaders of our organization take a long-term more than short-term approach to business' (Cronbach's alpha: 0.74).

Joy of work

For measurement of joy of work we made use of a relatively new measurement scale created by Koiranen (2012), which was based on theoretical and empirical work by Ojanen (2001) on happiness and wellbeing at work, Varila & Viholainen (2000) on the construct of Joy of work, and Koiranen & Karlsson (2002) on ownership as joy and as a motivator. Joy of work was measured by following items: 'Working for this company gives me a lot of joy; I like the things that I do at work; My job is very pleasing; This company is a source of delight to me' (Cronbach's alpha: 0.87).

Independent variables

IPSO and CPO

PSO was measured using a scale created by Pierce, Van Dyne & Cummings (1994) which measures both IPSO and CPO. In their 1992 seminal article Pierce et al. laid the foundation for the concept of PSO, which was empirically validated in 1994 by Van Dyne, Pierce, & Cummings and its validity was confirmed in later studies (e.g., Bernhard & O'Driscoll, 2011; O'Driscoll et al., 2006; Vandewalle, Van Dyne & Kostova, 1995). The strength of the scale is that it uses possessive language to measure possessive feelings. Respondents were asked to indicate on a seven point Likert scale the extent to which they agree with the statements (e.g., 'I sense that this organization is OUR company; This is MY organization) (1= strongly disagree 7= completely agree) (Pierce, Van Dyne & Cummings, 1994). After conducting principal component factor analysis with varimax rotation we found the statement 'Most of the people that work for this organization feel as though they own this company' to load poorly and thus excluded this item. The exclusion of this statement is also reasonable from a content validity perspective, as this item refers to a perception of ownership that is outside the individual sense of control. For example, the CEO may feel high IPSO towards the organization and high CPO shared by the top management team, but this may not necessarily be the case with employees in the business. The exclusion of this item is supported by the revised PSO scale by Pierce & Jussila (2011) and is consistent with a recent study by Bernhard & O'Driscoll (2011).

While previous studies reported the scale for PSO to act as a homogeneous measure, in this study our factor analysis revealed otherwise (cf. Chapter 2, Table 2). Two components in the scale could be identified: Our factor analysis revealed that privately held family firm CEO's made a clear distinction between their IPSO and their CPO. The loading of the items that measure CPO differ significantly from the items that represent IPSO. That there is a distinction between IPSO and CPO is theoretically clear, however, the measurement scale of PSO has always been reported as homogeneous (e.g., Van Dyne & Pierce, 2004). However, what previous studies utilizing the PSO scale have in common is a focus on the employee level in the organization. It is, however, theoretically viable that CEO's perceive their CPO and IPSO in a different way than employees, especially when taken into regard the CEO's broader control options over the organization (e.g., stemming from his or her position or stemming from stock ownership in the family firm). The extent of control over the organization is one of the major routes leading to IPSO or CPO (Pierce et al., 2001; Pierce & Jussila, 2010). As a result and as shown in our factor analysis, for family firm CEO's the distinction between 'mine' and 'ours' becomes more dichotomized than it is probably the case with lower level employees (e.g., Bernhard & O'Driscoll, 2011; Sieger et al., 2011; 2011b).

Since the PSO scale recently seems to be under revision (Pierce & Jussila, 2011), we added the questions 'I act as though this organization is 'ours' and 'I act as though this organization is 'mine' to the original scale. The added items add an additional layer of actual behavior to the scale. From a theoretical perspective we suggest this to be a valuable addition. When a feeling of PSO is accompanied by actual behavior, it is even more credible that individual and collective PSO are in place. For example, CPO has been defined as a feeling of 'our-ness' combined with joint action towards the target of possession. Therefore it seems evident to add the question 'I act as though this organization is 'ours''. A similar logic is applied for IPSO.

Consequently, we withheld three items for the measurement of the CEO's CPO (I sense that this company is OUR company; This is OUR company; I act as though this organization is OURS) (Cronbach's alpha 0.82). We withheld following items for the measurement of IPSO: 'This is MY organization; I feel a very high degree of personal ownership for this organization; I sense that this is MY company; It is hard for me to think about this organization as MINE (reversed); I act as though this organization is MINE' (Cronbach's alpha 0.83).

Organizational identification

Organizational identification was measured using the 5 items from the Mael & Ashforth (1992) organizational identification scale: 'When someone criticizes this company, it feels like a personal insult; I am very interested in what others think about this company; When I talk about this company, I usually say 'we' rather than 'they'; The successes of this company I regard as my own successes; When someone praises this company, it feels like a personal compliment.' The Cronbach's alpha for this scale was 0.73.

Control variables

We included 3 control variables in total, in order to reduce variance extraneous to the research question that may hamper interpretation. First, we controlled for firm size (Wallace, 1995), which was measured – correcting for skewness – by the natural logarithm of the number of employees. Second, firm age (Sieger et al., 2011a) was included – correcting for skewness – as the natural logarithm of company age. Third, we included as a control variable the fact if the CEO holds shares of the company (Yes=1; No=0) (Culpepper, Gamble & Blubaugh, 2004; Van Dyne & Pierce, 2004). These three control variables were included as they can relate to our variables of interest (Chi & Han, 2008; Davis & Harveston, 1999; Culpepper et al., 2004; Harris & Helfat, 1997; Pierce et al., 1991; Schulze et al., 2001; Sieger, Bernhard & Frey, 2011a; 2011b; Van Dyne & Pierce, 2004).

To test the possibility of other extraneous variables that might correlate with several variables in our model, we additionally controlled for the generation in charge of the management in the family firm, and for the generation that holds the majority of the shares in the family business. The reason is that founders may have different levels of identification, stewardship behavior, joy of work, IPSO or CPO than next generation CEO's (Pierce et al., 2001; Pierce & Jussila, 2010; 2011; Sharma & Irving, 2005; Gersick et al., 1997; Pieper, 2007). Furthermore, referring to our previous chapter we controlled for CEO autonomy since it has an effect on stewardship behavior. Because our small dataset limited the options for the inclusion of additional control variables, we controlled for these variables separately and found that the results were only marginally different (cf. Bernhard & O'Driscoll, 2011). Therefore only results are presented with the aforementioned three control variables.

3.4.3. Analysis

We used ordinary least squares regression analysis (OLS) to test the direct effects in our model. Although our model setup could justify a seemingly unrelated regression estimation (SURE) (because of the presence of multi-equations with several dependent variables), 'no gains can be realized from this procedure (because SURE becomes identical to OLS) if the X_i [independent variables] are all the same' (Kennedy, 1998: 175; brackets added). This is the case in our model and therefore OLS was used. Furthermore, we followed Baron and Kenny (1986) to test our mediating effects and tested the significance of these effects with the Sobel test (MacKinnon et al., 2002; Sobel, 1982; 1986). For mediating to be present, 4 conditions must be satisfied: (1) the independent variable must have an effect on the dependent variable (2) the independent variable must have an effect on the mediator (3) the mediator must have an effect on the dependent variable, which is tested by investigating the simultaneous effect of the mediator and the independent variable on the dependent variable (4) the effect of the independent variable on the dependent variable has to be significant and weaker than under (1) (partial mediation) or become non-significant (full mediation), when investigating the effects of the independent variable and the mediator on the dependent variable simultaneously (Baron & Kenny, 1986).

To deal with possible issues of multicollinearity we found that variance inflation factors (VIF's) did not exceed 1.61 suggesting multicollinearity was not a concern (Podsakoff et al., 2003). (VIF factors with DV Affective commitment-Stewardship – Joy of work: size 1.46 – 1.45 – 1.46; age 1.45 – 1.44 - 1.44; CEO shares 1.26 -1.25 – 1.25; identification 1.34 – 1.34 – 1.32 ; CPO 1.26 – 1.27 – 1.24 ; IPSO 1.35 – 1.36 – 1.32). We conducted a Breusch-Pagan/ Cook-Weisberg test (B&P test) and a White test (Breusch & Pagan, 1979; White, 1980) and decided to use robust standard errors to correct for potential problems of heteroskedasticity[7]. We used the Ramsey test to look for model misspecification problems and concluded that our model was specified correctly (Ho: model has no omitted variables[i]; affective commitment F=0,42 Prob>F= 0.7391; stewardship behavior F=2,46 Prob>F=0.0691; joy of work F=1,06 Prob>F=0.3690) (Ramsey, 1984).

3.5. Results

Table 11 displays the descriptive statistics for the sample of family firms. Our median Finnish firm is 35 years old, has 19 employees, and in 80 % of the cases the CEO has shares in the company. The percentages must be interpreted, however, in light of the missing values for the specific variables (cf. Table 11).

Table 12 displays the zero-order correlations for the variables of interest combined with their statistical significance. We find significant positive correlations between IPSO and CPO (r=0.2763, p<0.01), identification

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[7] B&P test Ho: constant variance; White test Ho: homoscedasticity Ha: unrestricted heteroskedasticity; B&P test with IV Identification & DV Stewardship: chi^2=1.67 Prob>chi^2=0.1966 White test chi^2=10.71 Prob>chi^2=0.6355; IV Identification & DV Affective commitment: B&P test chi^2=0.30 Prob>chi^2=0.5809 White test chi^2=0.30 Prob>chi^2=0.5809; IV Identification & DV Joy of work: B&P test chi^2=0.64 Prob>chi^2=0.4245 White test chi^2=7.23 Prob>chi^2=0.4245; IV CPO & DV Stewardship: B&P test chi^2=2.50 Prob>chi^2=0.1138 White test chi^2=20.73 Prob>chi^2=0.0784; IV CPO & DV Affective commitment: B&P test chi^2=0.03 Prob>chi^2=0.8629 White test chi^2=6.12 Prob>chi^2=0.8629; IV CPO & DV Joy of work: B&P test chi^2=0.04 Prob>chi^2=0.8434 White chi^2=6.70 Prob>chi^2=0.9171; IV IPSO & DV Stewardship: B&P test chi^2= 1.44 Prob>chi^2=0.2304 White test chi^2=14.50 Prob>chi^2=0.3395; IV IPSO & DV Affective commitment: B&P test chi^2=2.41 Prob>chi^2=0.1202 White test chi^2=11.92 Prob>chi^2=0.5341; IV IPSO & DV Joy of work: B&P test chi^2=0.37 Prob>chi^2=0.5409 White test chi^2=8.62 Prob>chi^2=0.8011

(r=0.3280, p<0.01), affective commitment (r=0.4701, p<0.01), and stewardship behavior (r=0.4305, p<0.01). Also, significant positive correlations are found between CPO and identification (r=0.4085, p<0.01), affective commitment (r=0.2075, p<0.05), stewardship behavior (r=0.3263, p<0.01), and joy of work (r=0.3634, p<0.01). Further, identification is positively correlated with affective commitment (r=0.2473, p<0.05), stewardship behavior (r=0.2897, p<0.01), and joy of work (r=0.2400, p<0.05). These results provide preliminary evidence that support can be found for our hypotheses.

Table 11: Descriptives

		Company age	Company size*	CEO shares**
N	Valid	109	104	107
	Missing	2	7	4
Mean		45,05	356,35	0,8037
Median		35,00	19,50	1,00
Std. Deviation		30,55	1713,83	0,40
Variance		933,14	2937214,46	0,16
Percentiles	25	22,00	6,00	1,00
	50	35,00	19,50	1,00
	75	58,50	83,75	1,00
Valid percent	Yes			80,4
	No			19,6

* Company size = LN of number of employees
** CEO shares = Is the CEO also shareholder in the company? (1=yes; 0=no)

Table 12: Means, standard deviations (SD) and Pearson's correlations

	Mean	SD	1	2	3	4	5	6	7	8
1. CPO	17.85	3.01	1							
2. IPSO	27.41	6.08	0.2763***	1						
3. Identification	28.98	4.31	0.4085***	0.3280***	1					
4. Affective commitment	28.53	5.08	0.2075**	0.4701***	0.2473**	1				
5. Stewardship behavior	15.92	2.83	0.3263***	0.4305***	0.2897***	0.3256***	1			
6. Joy of work	23.07	3.67	0.3634***	0.1433	0.2400**	0.2670***	0.4086***	1		
7. LN of company age	3.58	0.71	-0.1572	-0.2180**	0.0448	-0.0002	-0.0334	0.0853	1	
8. CEO shares	0.80	0.40	0.1557	0.2027**	0.0545	0.1216	0.2195**	0.0465	-0.2730***	1
9. LN company size	3.35	2.06	0.0880	-0.2207**	0.0980	-0.0990	-0.1444	-0.0399	0.4672***	-0.3002***

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed) * Correlation is significant at the 0.10 level (2 tailed)

In tables 13 till 21 we present the results of our regression analysis, which is the core of this chapter and provides an answer to whether the data supports our hypotheses. Results are presented as a model with the control variables only, followed by a model of the effect of the independent on the dependent without the control variables, and finally a column with the full model. Additionally, figure 4 offers an overview of the supported hypothesis.

Support is found for hypothesis 1, which proposed that CEO's identification with the family business is positively related to their CPO (Table 13, model 2). Hypothesis 2 is also supported and proposed that family business CEO's identification with the family business is positively related to their IPSO (Table 15, model 2).

Hypothesis 3 is supported: Family business CEO's identification with the family business is positively related to their affective commitment (Table 13, model 4).

We do not find support for hypothesis 4 which suggested that family business CEO's CPO with the family business mediates the relationship between their identification and their affective commitment (Table 13). Steps 1 and 2 in the mediation model were supported, since we found a positive correlation between CEO identification and affective commitment (Hypothesis 3, Table 13, model 4) and a positive relationship between CEO identification and CPO (Table 13, models 2 & 3). However, the combined effect of identification and CPO on affective commitment showed non-significant (for CPO) (Table 13, models 5 & 6) and non-mediation was confirmed by the Sobel test (Table 13, z=1.09, non-significant). Additionally we regressed CPO on affective commitment and found a positive, significant relationship[8] (Table 14). However, for mediation to be significant it is not sufficient to find a correlation between the mediator and the dependent variable (Baron & Kenny, 1986). The mediator and the dependent variable may be correlated because they are both caused by the initial

[8] Controlling for CEO autonomy we found that the effect of CPO on affective commitment is not significant. With the other control variables the effect of CPO on affective commitment is significant. This means that CEO's affective commitment is more dependent on CEO autonomy then on his/her CPO.

independent variable (Baron & Kenny, 1986). A plausible explanation is therefore that CEO's organization identification causes CPO and CEO' organizational identification also causes affective commitment, thus we find a significant correlation between CPO and affective commitment. Hence, CEO's organizational identification is a decisive variable in the CPO-affective commitment relationship (but also CEO autonomy – cf. footnote 8).

While we do not find support for CPO as a mediator for affective commitment, we find support that family business CEO's IPSO mediates the relationship between their identification with the family business and their affective commitment (Hypothesis 5, Table 15). Following the definition for full or partial mediation (Baron & Kenny, 1986), the data shows full mediation by IPSO and the Sobel test shows this mediation to be significant ($z=2.70$, $p<0.01$). Approximately 61% of the total effect is mediated by the CEO's IPSO.

Support is found for hypothesis 6, which proposed that CEO's organizational identification is positively related to their stewardship behavior (Table 16, model 4).

Hypothesis 7 is also supported. Family business CEO's CPO mediates the relationship between their identification with the family business and their stewardship behavior (Table 16; models 1 & 3-6; Sobel test $z=1.97$, $p<0.05$). 32% of the total effect is mediated by the CEO's CPO. Furthermore, hypothesis 8 is supported: Family business CEO's IPSO mediates the relationship between their identification and their stewardship behavior (Table 17; models 1 & 3-6; Sobel test $z=2.44$, $p<0.05$). Approximately 39% of the total effect is mediated by the CEO's IPSO.

The suggestion that family business CEO's identification with the family business is positively related to their joy of work (hypothesis 9) is supported (Table 18, model 4). This relationship is fully mediated by the CEO's CPO (Hypothesis 10; Table 18; models 1 & 3-6; Sobel test $z=2.44$, $p<0.05$): Approximately 50% of the total effect is mediated by the CEO's CPO.

Furthermore, our data shows no support for a mediating effect by the CEO’s IPSO between his or her identification with the family business and the CEO’s joy of work (Hypothesis 11; Table 19; models 1 & 3-6).
We additionally tested whether CEO’s IPSO correlated with their joy of work because we wanted to know whether IPSO leads to joy of work, and we found no significant effect (Table 20, models 1-3). Hence, the conditions for mediation were not fully met, which was confirmed by the Sobel test (z=0.73, non-significant).

Finally, table 21 shows the direct effects of IPSO and CPO on affective commitment, joy of work, and stewardship behavior. Results confirm our previous findings on mediating effects.

Table 13: Results of regression analysis – mediating effect of CPO on affective commitment

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Dependent variable	Affective commitment	CPO	CPO	Affective commitment	Affective commitment	Affective commitment
IV's/ mediator						
CEO identification		0.2754***(0.0742)	0.2693***(0.0653)	0.2942***(0.1177)	0.2383*(0.1275)	0.1945*(0.1658)
CPO					0.2077 (0.1837)	0.2251 (0.1658)
Control variables						
Company size	-0.3201 (0.2958)	0.2785*(0.1500)				-0.4228 (0.3154)
Company age	0.6568 (0.7982)	-0.8781**(0.4412)				0.8119 (0.7765)
CEO shares	0.6364 (1.5429)	0.9781 (0.8292)				0.1136 (1.5909)
Constant	28.8636 (3.5722)	11.1790***(2.6294)	10.0258***(1.9114)	19.9467***(3.4459)	17.8642***(3.9029)	17.3696***(4.8509)
F value	0.55	5.56***	17.02***	6.25**	3.77**	1.54
R^2	0.0184	0.2146	0.1506	0.0611	0.0736	0.0842
Number of obs.	94	94	98	98	98	91
Sobel test					z= 1.09 non-sign.	

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise

Table 14: Results of regression analysis – direct effect of CPO on affective commitment

Variables	Model 1	Model 2	Model 3
Dependent variable	Affective commitment	Affective commitment	Affective commitment
IV's/mediator			
CPO		0.3557^{**}(0.1697)	0.3457^{*}(0.1753)
Control variables			
Company size	-0.3201 (0.2958)		-0.4152 (0.3094)
Company age	0.6568 (0.7982)		0.9236 (0.8118)
CEO shares	0.6364 (1.5429)		0.2516 (1.5823)
Constant	28.8636 (3.5722)	22.1639^{***}(3.0955)	20.3690^{***}(4.7175)
F value	0.55	4.39^{**}	1.22
R^2	0.0184	0.0431	0.0620
Number of observations	94	100	93

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise

Table 15: Results of regression analysis – mediating effect of IPSO on affective commitment

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Dependent variable	Affective commitment	IPSO	IPSO	Affective commitment	Affective commitment	Affective commitment
IV's/mediator						
CEO identification		0.5647^{***}(0.1492)	0.4655^{***}(0.1379)	0.2778^{**}(0.1189)	0.1087 (0.1147)	0.0155 (0.1436)
IPSO					0.3633^{***}(0.08067)	0.3929^{***}(0.1025)
Control variables						
Company size	-0.3201 (0.2958)	-0.5577^{*}(0.3126)				-0.1654 (0.3022)
Company age	0.6568 (0.7982)	-1.2817 (0.9222)				1.1354 (0.7437)
CEO shares	0.6364 (1.5429)	0.6220 (1.8378)				0.0677 (1.3095)
Constant	28.8636 (3.5722)	17.3172^{***}(5.3170)	13.7811^{***}(4.0296)	20.372^{***}(3.4751)	15.3647^{***}(3.3576)	13.6462^{***}(4.1533)
F value	0.55	7.07	11.39^{***}	5.46^{**}	13.43^{***}	4.98^{***}
R^2	0.0184	0.2392	0.1071	0.0543	0.2222	0.2406
Number of obs.	94	92	97	97	97	90
Sobel test					$z= 2.701$ $p<0.01$	
Proportion mediated[1]					0.6089	

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise, [1] Proportion of total effect mediated

Table 16: Results of regression analysis – mediating effect of CPO on stewardship behavior

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Dependent variable	Stewardship behavior	CPO	CPO	Stewardship behavior	Stewardship behavior	Stewardship behavior
IV's/mediator						
CEO identification		0.2754^{***}(0.0742)	0.2716^{***}(0.0664)	0.1905^{***}(0.0653)	0.1294^{*}(0.0694)	0.1542^{**}(0.1057)
CPO					0.2249^{**}(0.0998)	0.2287**(0.1057)
Control variables						
Company size	-0.1911 (0.1834)	0.2785^{*}(0.1500)				-0.2855^{*}(0.1563)
Company age	0.2928 (0.7326)	-0.8781^{**}(0.4412)				0.4394 (0.6118)
CEO shares	1.3953 (0.8787)	0.9781 (0.8292)				0.9675 (0.8425)
Constant	14.5298^{***}(2.5464)	11.1790^{***}(2.6294)	9.9746^{***}(1.9439)	10.3440^{***}(1.9114)	8.1008^{***}(2.119)	6.0703^{*}(3.5719)
F value	1.90	5.56^{***}	16.74^{***}	8.52^{***}	6.99^{***}	4.14^{***}
R^2	0.0643	0.2146	0.1525	0.0839	0.1319	0.2217
Number of obs.	91	94	95	95	95	88
Sobel test					z= 1.974 $p<0.05$	
Proportion mediated					0.3206	

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise, [1] Proportion of total effect mediated

Table 17: Results of regression analysis – mediating effect of IPSO on stewardship behavior

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Dependent variable	Stewardship behavior	IPSO	IPSO	Stewardship behavior	Stewardship behavior	Stewardship behavior
IV's/mediator						
CEO identification		0.5647^{***}(0.1492)	0.4696^{***} (0.1409)	0.2022^{***}(0.0665)	0.12399^{*}(0.0662)	0.1520^{**}(0.0691)
IPSO					0.1666^{***}(0.0465)	0.1331^{**}(0.0541)
Control variables						
Company size	-0.1911 (0.1834)	-0.5577^{*}(0.3126)				-0.1609 (0.1576)
Company age	0.2928 (0.7326)	-1.2817 (0.9222)				0.3544 (0.6005)
CEO shares	1.3953 (0.8787)	0.6220 (1.8378)				0.9207 (0.7940)
Constant	14.5298^{***}(2.5464)	17.3172^{***}(5.3170)	13.4958^{***}(4.1092)	10.0475^{***}(1.9385)	7.7985^{***}(1.9286)	6.4995^{**}(3.1896)
F value	1.90	7.07^{***}	11.11^{***}	9.26^{***}	11.65^{***}	3.91^{***}
R^2	0.0643	0.2392	0.1088	0.0923	0.2056	0.2343
Number of obs.	91	92	93	93	93	86
Sobel test					z= 2.44 p<0.05	
Proportion mediated[1]					0.3869	

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise, [1] Proportion of total effect mediated

Table 18: Results of regression analysis – mediating effect of CPO on joy of work

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Dependent variable	Joy of work	CPO	CPO	Joy of work	Joy of work	Joy of work
IV's/mediator						
CEO identification		0.2754***(0.0742)	0.2651***(0.0658)	0.2049**(0.0851)	0.1018 (0.0882)	0.0880 (0.0957)
CPO					0.3890***(0.1272)	0.4399***(0.1515)
Control variables						
Company size	-0.1869 (0.1908)	0.2785*(0.1500)				-0.3771**(0.1877)
Company age	0.8652*(0.4129)	-0.8781**(0.4412)				1.1286**(0.4329)
CEO shares	0.5816 (0.9299)	0.9781 (0.8292)				-0.1594 (0.7576)
Constant	20.0959***(1.7329)	11.1790***(2.6294)	10.1248***(1.9235)	17.1130***(2.4873)	13.1744***(2.7101)	10.0310**(3.8896)
F value	1.82	5.56***	16.25***	5.81**	7.83***	3.43***
R^2	0.0239	0.2146	0.1460	0.0576	0.1429	0.1772
Number of observations	91	94	97	97	97	90
Sobel test					$z=2.436$ $p<0.05$	
Proportion mediated[1]					0.5032	

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise, [1] Proportion of total effect mediated

Table 19: Results of regression analysis – mediating effect of IPSO on joy of work

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Dependent variable	Joy of work	IPSO	IPSO	Joy of work	Joy of work	Joy of work
IV's/mediator						
CEO identification		0.5647***(0.1492)	0.4360***(0.1398)	0.1894**(0.0871)	0.1682*(0.0918)	0.1460 (0.1142)
IPSO					0.0484 (0.0648)	0.0586 (0.0700)
Control variables						
Company size	-0.1869 (0.1908)	-0.5577*(0.3126)				-0.2420 (0.1999)
Company age	0.8652*(0.4129)	-1.2817 (0.9222)				0.9227**(0.4427)
CEO shares	0.5816 (0.9299)	0.6220 (1.8378)				0.4149 (0.7987)
Constant	20.0959***(1.7329)	17.3172***(5.3170)	14.5119***(4.0714)	17.5129***(2.5374)	16.8098***(2.7116)	14.2842***(3.6886)
F value	1.82	7.07***	9.73***	4.72**	2.63*	2.18*
R^2	0.0239	0.2392	0.0947	0.0483	0.0541	0.0768
Number of obs.	91	92	95	95	95	88
Sobel test					z= 0.7272 non-sign	

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise

Table 20: Results of regression analysis – direct effect of IPSO on joy of work

Variables	Model 1	Model 2	Model 3
Dependent variable	Joy of work	Joy of work	Joy of work
Independent variables/mediator			
IPSO		0.0873 (0.0673)	0.1045 (0.0697)
Control variables			
Company size	-0.1869 (0.1908)		-0.1675 (0.2017)
Company age	0.8652*(0.4129)		1.0578***(0.3792)
CEO shares	0.5816 (0.9299)		0.6480 (0.8318)
Constant	20.0959***(1.7329)	20.6335***(1.7270)	16.3256***(2.5806)
F value	1.82	1.68	3.00**
R^2	0.0239	0.0205	0.0556
Number of observations	91	96	84

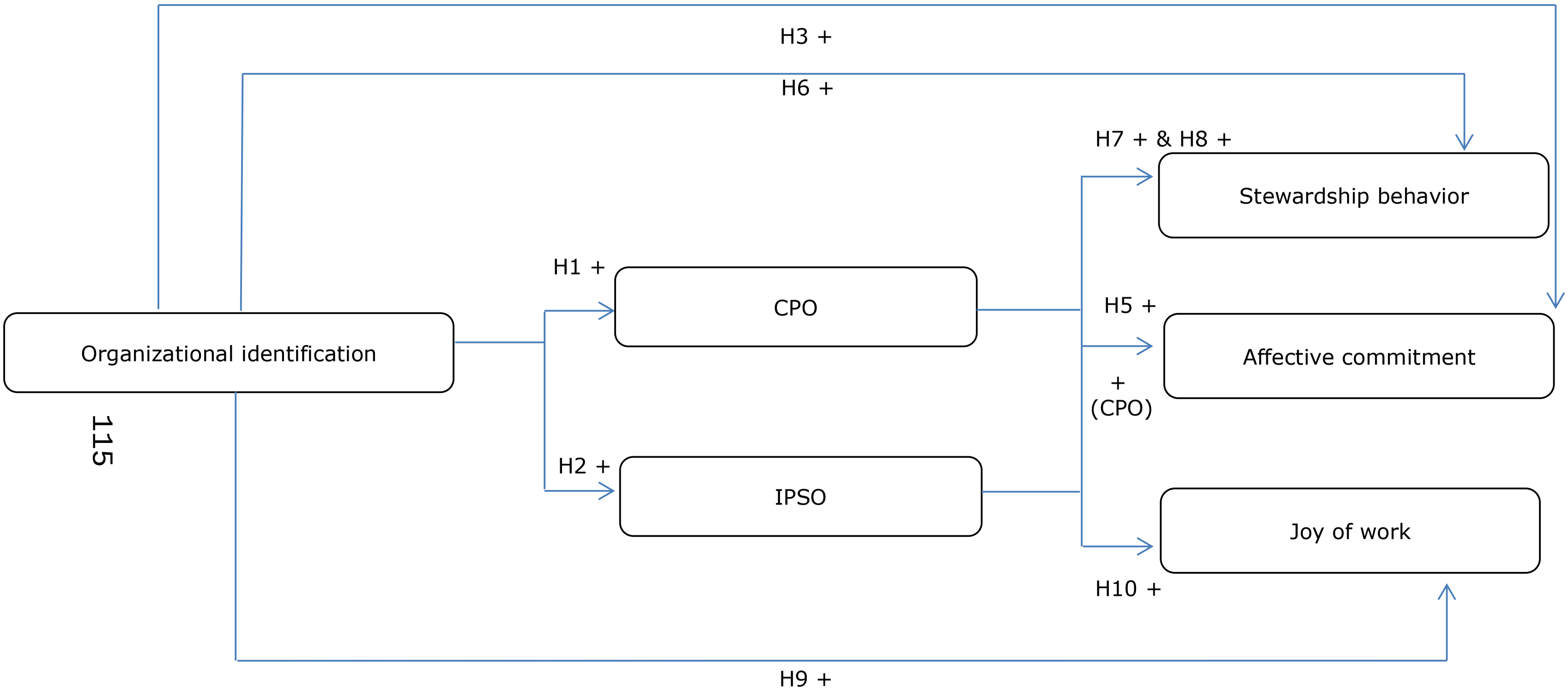
*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise

Table 21: Results of regression analysis – direct effects of IPSO and CPO on affective commitment, joy of work, and stewardship behavior

Variables	Model 1	Model 2	Model 3	Model 4
Dependent variable	Affective commitment	Stewardship behavior	Stewardship behavior	Joy of work
IV's/mediator				
IPSO	0.4023*** (0.0844)	0.1860*** (0.0497)		
CPO			0.3250*** (0.1055)	0.4885*** (0.1599)
Control variables				
Company size	-0.1641 (0.2837)	-0.1127 (0.1686)	-0.2760 (0.1747)	-0.3471* (0.1827)
Company age	1.0994 (0.7126)	0.4741 (0.7106)	0.5449 (0.7399)	1.2080*** (0.4000)
CEO shares	0.0517 (1.2533)	1.0953 (0.7935)	1.0592 (0.8561)	-0.0392 (0.7861)
Constant	13.9904 (4.1769)	8.7282*** (3.0174)	8.3801** (3.4475)	11.2587*** (3.3336)
F value	6.28***	4.84***	3.85***	4.03***
R^2	0.2452	0.2008	0.1807	0.1683
Number of obs.	92	88	90	91

*** Correlation is significant at the 0.01 level (2-tailed) ** Correlation is significant at the 0.05 level (2 tailed)
* Correlation is significant at the 0.10 level (2 tailed); N=111, Listwise

Figure 4: Empirical model for the relationships between family firm CEO's organizational identification, affective commitment, stewardship behavior, joy of work, IPSO and CPO



3.6. Additional checks

In the above we assumed that the results for family CEO's and non-family CEO's would be similar. We suggest that the family firms in our sample have a strong tendency for regarding nonfamily CEO's as so called 'extended family' (i.e., clan based involvement that exceeds the nuclear family and that fosters trust among family and nonfamily members), for which similar processes apply as their family member counterparts (Karra et al., 2006; Ouchi, 1980; Pagliarussi & Rapozo, 2011). However, we tested this assumption by t-test analysis and found significant differences in the mean of family and non-family CEO's IPSO, affective commitment and stewardship behavior (Table 22). T-test analysis revealed that family CEO's have higher levels of IPSO, affective commitment and stewardship behavior than non-family CEO's (Table 22). Both family and non-family, however, have quite high levels of IPSO, affective commitment and stewardship behavior, suggesting 'extended family' processes could be at work as assumed (Karra et al., 2006). Additionally, no significant differences were found in the mean of family and non-family CEO's level of identification, CPO, and joy of work (Table 22).

Nevertheless, these results suggest that our findings need specification according to CEO's family or non-family status. However, due to the small portion of nonfamily CEO's in our sample (n=17) we were not able to test these differences. Therefore it remains an assumption – worth testing in future research – that family CEO's demonstrate higher levels of stewardship behavior and affective commitment than non-family CEO's *because of* their higher level of IPSO (e.g., because they are founder of the company and therefore invested more time and effort into it, which promotes their feeling that the family business is 'mine'; Pierce et al., 2001).

Table 22: t-tests for family/non-family status of the CEO

Variables	CEO	Mean	N	t	Percentiles		
					25	50	75
Identification	Family	29,0156	64	0,332	26,00	30,00	32,00
	Non-family	29,4118	17		27,00	31,00	33,00
Stewardship behavior	Family	16,4032	62	$-2,764^{***}$	15,00	17,00	18,00
	Non-family	14,2353	17		12,00	13,00	18,00
Affective commitment	Family	29,0781	64	$-2,600^{**}$	26,25	30,00	33,00
	Non-family	25,3125	16		22,00	26,00	30,75
Joy of work	Family	22,5882	61	-0,603	22,00	24,00	25,00
	Non-family	23,2295	17		20,00	23,00	25,00
IPSO	Family	28,7385	65	$-3,783^{***}$	25,00	30,00	33,00
	Non-family	22,8750	16		17,25	23,50	26,75
CPO	Family	18,2273	66	-1,793	17,00	19,00	21,00
	Non-family	16,7647	17		14,00	18,00	19,50

***Significant at the 0.01 level (2-tailed) ** Significant at the 0.05 level (2 tailed)

3.7. Implications and conclusion

The goal of this chapter was to investigate family firm CEO's organizational identification and its relationship with enhancing CEO's value creating attitudes and behaviors. We addressed the questions: *Can CEO's identification with the family firm be regarded as an antecedent to their stewardship behavior, affective commitment, and joy of work? If so, are there mediating factors that intervene in the relationships between CEO's identification and these value creating attitudes and behaviors?* We explicitly focused on the relationships between the CEO's organizational identification and three pro-organizational, positive attitudes and behaviors that value the wellbeing of the family firm as a focus of attention – affective commitment, stewardship behavior and joy of work. Additionally, we examined the role of IPSO and CPO in the aforementioned relationships. We derived hypotheses and tested them on a sample of 111 Finnish family firms. We suggest our effort has a variety of contributions and implications, which we will discuss in the next section.

3.7.1. Research contributions and implications

We suggest we made three important contributions to family business literature.

Our first contribution is to demonstrate that the extent to which the family business CEO identifies with the family firm, this has a positive effect on their stewardship behavior, affective commitment and joy of work. At least three of the latter attributes of family firm CEO's – their stewardship behavior, affective commitment and organizational identification – are considered to be crucial for family firm's transgenerational success and survival and are therefore worth studying (Sharma & Irving, 2005; Zellweger, Eddleston & Kellermanns, 2010). This chapter unveiled the relationships between the latter attributes and added a fourth one to the equation – the CEO's joy of work. More broadly, we examined the relationship between family firm CEO's organizational identification and their willingness to demonstrate positive, value-enhancing attitudes and behaviors.

Our second contribution to family business literature lies in specifying the aforementioned relationships between organizational identification and behavioral and attitudinal outcomes by the introduction of two important mediators: the CEO's IPSO and CPO over the family business. With a few exceptions, we find that the CEO' IPSO and CPO mediated the mentioned relationships. These findings extend earlier work on stewardship behavior and affective commitment in family businesses (e.g., Bernhard & O'Driscoll, 2011; Eddleston & Kellermans, 2007; Sharma & Irving, 2005). It leads us to suggest that IPSO and CPO are important factors when family firms want to foster stewardship behavior or induce affective commitment among their CEO's.

Our third contribution is found in the empirical introduction of the construct of joy of work in family business literature. We suggest that we identified a mobilizing and energy-giving force and an additional factor that can help explain the hard work and high dedication and effort family firm CEO's (see: Cabrera-Suárez, De Saá-Pérez, & García-Almeida, 2001) put into their businesses. Hard work combined with the joy they may experience working for the family business, may encourage family firm CEO's to feel responsibility to see the family business prosper. Our analysis offers indications that CEO's joy of work is dependent upon their extent of CPO (but not on their IPSO) and to a lesser extent on their organizational identification. This confirms that the experience of working for the family firm and the need for connectedness it serves (i.e., a feeling of 'us'; Litz & Kleysen, 2001), creates a feeling of 'our-ness' (i.e., CPO) which on its turn provides joy to its group members (i.e., the CEO, family members/owners and other top management team members). Joy of work experienced by the CEO, it is suggested, creates a positive attitude towards the family business and the willingness to contribute to greater, organizational goals. Establishing a family firm, working *with* and *for* family, may provide a great sense of satisfaction and joy (Danco, 1980; Litz & Kleysen, 2001). The literature suggests that it is important that family firm entrepreneur's joy in work is conveyed to the next generations in order to stimulate their willingness to commit to the continuation and success of the family firm (Danco, 1980).

Finally, our chapter also contributes to the PSO literature stream. Our contribution to PSO literature is found in empirical insight on the recently introduced construct of CPO, and in (empirical) insight in the relationships between IPSO, CPO, organizational identification, stewardship behavior and joy of work. A second contribution of this chapter to the PSO literature lies in empirically differentiating individual from CPO. Our results suggest that IPSO and CPO should be considered as separate constructs with their own unique effects on CEO's attitudes and behaviors. This chapter also answers to the call of Rantanen & Jussila (2011) to further investigate the specific role of CPO in the family business context. Our results show that CPO plays an important role in the relationship between organizational identification and various types of positive, value-enhancing attitudes and behaviors. Hence, we contribute to the family business literature by empirically establishing the construct CPO as a valuable addition to this research context (cf. Rantanen & Jussila, 2011).

3.7.2. Limitations

Our study has some limitations. First, our cross-sectional research approach limits generalizability over time and places constraints on the direction of the causal effects we found. However, previous research on identification, stewardship, commitment and PSO lends support to the presented model (e.g., Hernandez, 2012, linking stewardship behavior with PSO; Sharma & Irving, 2005, linking family CEO's identification with their affective commitment).

A second limitation lies in the fact that we tested our hypothesis on a sample of family firms in Finland. We therefore cannot fully exclude the cultural context that may have influenced our results.

3.7.3. Further research

Our research opens up avenues for future investigation. Based on our results, we suggest that it is essential to gather deeper insight in the consequences (and antecedents) of CEO's identification with the family business. Despite its recognized importance and the additional insight we provided in this chapter, family firm CEO's organizational identification and its relationship with enhancing CEO's value creating attitudes and behaviors such as affective commitment and stewardship behavior, mainly remains a black box. We therefore call for more (empirical) research on this subject. For example, future research may include qualitative data that enhances our understanding of the underlying processes; it may use longitudinal data which would enhance our understanding of the relationships we found.

Another area worth exploring is whether our dependent variables joy of work, affective commitment and stewardship behavior – and in extension organizational identification – may be regarded as part (or dimensions) of an overarching construct. Future research could investigate whether, for example, these constructs can be situated in the overarching construct of socioemotional wealth (SEW; Gómez-Mejía et al., 2007; 2012). SEW refers to nonfinancial aspects of the firm or 'affective endowments' of family owners that meet the family's affective needs such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty (Gómez-Mejía et al., 2007; Stockmans et al., 2010). Family firms are typically motivated to preserve their SEW and 'gains or losses in socioemotional wealth represent the pivotal frame of reference that family-controlled firms use to make major strategic choices and policy decisions (Berrone et al., 2012: 2).

Investigating the multidimensional nature of the SEW construct, Berrone et al. (2012) identified organizational identification and emotional attachment as two of the major dimensions of SEW. While organizational identification represents one dimension of SEW, affective commitment and joy could be categorized in the emotional attachment dimension. Joy at the achievement of the firm's objectives and joy of family involvement Berrone et al. (2012) identified as positive emotional aspects of SEW (Berrone et al., 2012). Therefore, it is easy to see that joy of work could form a valuable addition to the emotional attachment dimension. As noted, exploring joy of work among family firm CEO's may be of particular importance to family firms – businesses in which emotions often play a pivotal role. For example, joy of work stimulates creativity which may affect family firm's ability to identify and exploit entrepreneurial opportunities. As it comes to stewardship behavior, the 'SEW model is in line with some of the basic tenets of stewardship theory (Berrone et al., 2012: 4). SEW 'accounts for the collaborative behaviors (Sundaramurthy & Lewis, 2003) and the emotional aspects (Baron, 2008) of family firms' (Berrone et al., 2012: 4). We therefore would suggest investigating stewardship behavior as part of SEW's emotional attachment dimension.

The role that can be played by IPSO and CPO in the SEW model comes from the affective need of the family for the preservation of control over the family business. 'Control and influence are an integral part of SEW and highly desired by family members (Zellweger, Kellermanns, et al., 2011). Put differently, to achieve the goal of preserving SEW, the family members require continued control of the firm' (Berrone et al., 2012: 5). PSO literature shows that control over a certain target of possession (e.g., the family firm) is one of the major routes that may lead to the formation of IPSO and CPO (Pierce et al., 2001; Pierce & Jussila, 2010; 2011). This may have two consequences: (1) IPSO and CPO could be considered as part of the 'family control and influence' dimension of SEW and studied as such, and/or (2) individual and collective PSO could broaden the SEW construct to non-family members that are employed in the family business. It is suggested that the preservation of SEW is not necessarily constrained to the owning family, because PSO can appear in the presence or absence of formal ownership. PSO may have similar effects as formal, legal ownership (Bernhard & O'Driscoll, 2011; Pierce et al., 2004; Chiu et al., 2007) and – as is confirmed in this chapter – both family and non-family members may experience IPSO and/or CPO. We deduce that similar processes of SEW preservation may appear among non-family members as are observed among owning family CEO's, especially amongst those non-family CEO's that are regarded as part of the quasi-family (i.e., non-family members that are regarded as family based on, for example, distant kinship, spiritual kinship or other ties (Karra et al., 2006; Peredo, 2003). For the latter the preservation of SEW may become equally important, with IPSO and CPO as explanatory factors. When non-family CEO's feel IPSO or CPO over the family firm, their decisions may also become dependent on the preservation of SEW, because IPSO and CPO satisfy their affective needs for belonging, efficacy and effectance (i.e., to be in control), self-identity and social identity, belonging and stimulation (i.e., to activate or arouse, to store life's meanings) (Pierce et al., 2001; Pierce & Jussila, 2010; 2011). However, based on SEW literature (e.g., Berrone et al., 2012; Gómez-Mejía et al., 2007) and on our additional analysis (section 3.6.) we expect SEW preservation effects to be greater among family CEO's than non-family executives.

In a sense, our study can be regarded a first attempt to offer empirical insight on the relationships that underlie the 'organizational identification', 'family control and influence' and 'emotional attachment' dimensions of SEW. Future research could focus on IPSO and CPO in the context of SEW preservation in family firms, specifying for CEO's family or non-family status. Future research could also offer additional insight and broaden our effort to the other dimensions of SEW as there are: The 'binding social ties' dimension and the 'renewal of family bonds to the firm through dynastic succession' dimension (Berrone et al., 2007). Additionally, potentially overlooked dimensions of SEW could be identified. Moreover, our findings on IPSO and CPO call for additional insight on what is suggested to be two important factors that further define what it means to be family firm (Henssen et al., 2011; Rantanen & Jussila, 2011). The young stream of research on PSO in family firms suggests a promising future for gathering insight on the nature of 'mine' and 'our-ness' experienced by its key members such as family members, non-family CEO's and non-family employees.

3.7.4. Conclusion

We demonstrated that family firm CEO's identification with the family business stimulates their stewardship behavior and affective commitment – attributes of family firm CEO's that are suggested to be crucial for family firm's transgenerational success and survival. In this chapter we introduced a third important pro-organizational, positive factor that encourages the willingness of the CEO to contribute to family business goals – the joy of work. Based on our analysis of data obtained from 111 Finnish family firms we found this factor to constitute a third outcome of CEO's organizational identification. Additionally, we found support that attention should go to two overlooked mediators in the organizational identification – outcomes relationship: The extent of IPSO and CPO which is experienced by the family firm CEO. Relationships were mediated by IPSO and CPO for stewardship behavior, by CPO for joy in work, and by IPSO for affective commitment. We hope that our study will serve as an inspiration for future research into the nature, antecedents and consequences of organizational identification, and the role of joy of work and PSO in family businesses.

Chapter 4: On promoting PSO among non-family employees

4.1. Introduction

Your most precious possession is not your financial assets. Your most precious possession is the people you have working there, and what they carry around in their heads, and their ability to work together (Robert Reich).

'Managing non-family employees in family businesses and enhancing their value-creating attitudes and behaviors is an essential factor in ensuring long-term prosperity' for the family firm (Bernhard & O'Driscoll, 2011: 346; Chua, Chrisman, & Sharma, 2003; Miller, Lee, Chang, & Le Breton-Miller, 2009). 'It is the employees, after all, who must keep the business spry and creative and secure the health of the company. They therefore should be treated well by family business owners who have the greatest incentive to commit to and invest in them' (Miller et al., 2009: 805). Managing non-family employees, however, creates special challenges in an environment in which family-owners are bound to work together with non-owning, non-family members. Examples of such challenges are perceptions among non-family employees of unjust treatment (Sieger et al., 2011a; 2011b), insider-outsider perceptions (Schein, 1983), promotion bias against non-family members (Schulze, 2001; 2003a; 2003b), and autocratic or authoritarian leadership (Tagiuri & Davis, 1992). Organizational literature indicates that creating and disseminating PSO among non-family employees has the potential to mitigate some of these perceptions in favor of pro-organizational, value-creating outcomes (Mayhew et al., 2007; Pierce, Kostova, & Dirks, 2003). In this light, PSO has recently been identified in family business literature as a construct that can fundamentally improve family firms' management of non-family employees (Bernhard & O'Driscoll, 2011; Bernhard & Sieger, 2009; Rantanen & Jussila, 2011; Sieger, Bernhard & Frey, 2011a; 2011b). None of the stated authors, however, provide insight on *what* family business CEO's exactly (need to) do to enhance PSO among their non-family employees. Likewise, we are missing insight on *how* this PSO promoting process works. This is an important weakness when we want to understand and enhance (non-family) employees' pro-organizational attitudes and behavior which has been related to PSO (e.g., higher in-role and extra-role behaviors; Wagner et al., 2003; Mayhew et al., 2007; Van Dyne & Pierce, 2004; higher levels of commitment; Vandewalle et al., 1995; Avey et al., 2009; organizational citizenship behavior; Vandewalle et al., 1995; O'Driscoll et al., 2006; low intention to quit; Avey et al., 2009; group learning and group effectiveness; Pierce & Jussila, 2010).

This chapter addresses this gap in the literature by means of in-depth case study approach suggesting an answer to the question 'How can PSO among non-family employees be promoted?' To answer this research question we apply a relational perspective on the family business, which we will soon discuss.

The construct of psychological ownership (PSO) originates from organizational literature where it has received increasing attention (e.g., Pierce & Jussila., 2010; Pierce & Jussila, 2011; Rantanen & Jussila, 2011). It has two dimensions: An individual and a collective one, which significantly differ in the fact that one is an individual level construct as the other is a group-level phenomenon. IPSO is defined as 'a state in which individuals feel as though the target of ownership, being material or immaterial in nature, or a piece of it is "theirs".'(Pierce, Kostova & Dirks, 2001). It is not necessary bound to legal ownership, as it can develop even in the absence of legal or formal ownership (Mayhew et al., 2007; O'Driscoll et al., 2006; Pierce et al., 2001). CPO is defined as the "collectively held sense (feeling) that a target of ownership (or a piece of that target) is collectively 'ours'' (Pierce & Jussila, 2010; 2011). It is collective level phenomenon of a group which the individual considers as a significant 'us' psychologically gaining ownership over, for example, the organization. In the context of this chapter the target of possession is not just any tangible or intangible entity, but it is the family business (cf. Rantanen & Jussila, 2011). CPO and IPSO seem to fit well in the family business context because it is tightly linked to the very essence of what constitutes a family firm (Henssen et al., 2011; Rantanen & Jussila, 2011). They effectively captures the interplay between the family and the business, because family and non-family members often feel a strong sense of ownership towards their family firm in the presence or even absence of legal ownership (Henssen et al., 2011; Karra et al., 2006; Rantanen & Jussila, 2010). As a consequence, CPO and IPSO are promising in light of its valuable contribution to non-family managers' and non-family employees' pro-organizational attitudes and behavior, such as organizational commitment (Avey et al., 2009; Mayhew et al., 2007; Sieger et al., 2011a; 2011b), job satisfaction (Sieger, Bernhard, & Frey, 2011a), and stewardship behavior (Kellermanns and Eddleston, 2007). However, there exists a dearth of systematic, in-depth research on the processes that are involved in creating and disseminating PSO[9] in family firms.

To address this gap in the literature it makes sense to apply a relational view, for four reasons. First, PSO is in essence relational. It is an emotional relationship between an individual and a perceived (material or immaterial) target of possession (Koiranen, 2007a; Pierce et al., 2001). This relationship is an interplay, as the individual has an impact on the perceived target of possession and vice versa (Koiranen, 2007a). Second, PSO in family firms is relationally constructed (Lambrechts, Koiranen & Grieten, 2009; Lambrechts, Koiranen, Grieten & Bouwen, 2009). In this light, Lambrechts, Koiranen & Grieten (2009: 6) state that '(…) in all those episodes in organizational life where the further development of the firm is at stake (e.g., change, innovation, conflict, negotiation, and decision making) the relational construction of psychological ownership becomes very relevant and visible.' Third, 'the organization development and change literature recognizes since long that building joint ownership or coownership of the change process and results, through the active involvement of the organizational actors, is crucial for a successful implementation (e.g., Albrecht, 1983; Bouwen, 1998; Burke, 1987; Schein, 1999a; 1999b). However, while this stream of literature recognizes the social-relational nature of PSO, authors still stay on the surface concerning how various actors create the psychological feeling of owning (this belongs to Us, this is 'Ours')' (Lambrechts, Koiranen & Grieten, 2009: 6). Fourth, relationships are

[9] In this chapter, when the term 'PSO' is utilized we refer to the umbrella concept covering both IPSO and CPO. When specification is needed, we mention the separate findings for CPO or IPSO.

building blocks of the organization (Adler & Kwon, 2002; Burt, 1992; Coleman, 1988; Coyle-Shapiro & Shore, 2007; Nahapiet & Ghoshal, 1998) and in family firms they are even more crucial (Arrègle et al., 2007; Dyer, 2003; Kets de Vries, 1996; Lambrechts et al., 2009a; 2009b; Milton, 2008; Mustakallio et al., 2002; Steier, 2001).

Family firms are characterized by involvement of family in the organization and they have both productive and destructive relationships among family members, and between family members and non-family employees (e.g., Dyer, 2003; Kets de Vries, 1996). We therefore answer to the call by Milton (2008) to apply a relational view on family businesses.

We shed significant light on our research question by reporting the results of 2 case studies.

(1) The first case study comprised of 20 in-depth interviews among family business CEO's. These 20 interviews were selected from a pool of 36 interviews that were conducted in the context of a larger (both qualitative and quantitative) research project on innovation, organizational change, and learning in family firms ('The learning family firm'; Lambrechts & Voordeckers, 2010). In the interviews, among an extensive list of questions, CEO's under study were questioned about their managing PSO in their family business. Such a question was justified by the finding that the extent of PSO among key stakeholders under certain boundary conditions is considered a crucial factor for the success of organizational change processes (e.g., Lambrechts, Bouwen, Grieten, & Corthouts, 2009; Lambrechts, Koiranen & Grieten, 2009; Lambrechts, Koiranen, Grieten, & Bouwen, 2009; Pierce, Kostova, & Dirks, 2001). The findings on managing non-family employees' PSO are reported in this chapter.

(2) The second case study was the result of selecting one firm from the 36 interviews for further investigation, because it was identified as a unique case (Dyer & Wilkins, 1991; Stake, 2008). We conducted 9 additional interviews with non-family employees in various layers in the organization and one with the CEO. The firm that was chosen, Torfs Shoes, is a family owned shoes retail

organization headquartered and active in Belgium that sells a range of mid-prized quality shoes and accessories. This high-performing firm is a 520 employees' family business that has strong PSO in various organizational layers in the firm, combined with a CEO who intentionally managed PSO among his non-family employees. Therefore, this case could provide insight on the formation and promotion of PSO in a mid-size to large family firm. The results from our initial interviews combined with the unique case revealed three major themes to be crucial in managing PSO among non-family employees: The nature of the relationships between the family CEO and non-family employees, the role and leadership style of the CEO and, the creation of an organizational community.

The findings in this chapter make valuable contributions to the family business literature and the organizational literature stream. We contribute to the family business literature by providing additional insight on the relational nature of family firms. We open the black box on two constructs that can improve family firms' management of non-family employees – IPSO and CPO – and provide insight on *how* they are promoted in family firms (Bernhard & O'Driscoll, 2011; Bernhard & Sieger, 2009; Rantanen & Jussila, 2011; Sieger, Bernhard & Frey, 2011a; 2011b). We also extend insight on the relational nature of PSO and empirically distinguish IPSO from CPO.

This chapter is structured as follows. We start with a theoretical elaboration on our key concepts. In the second section we explain how our cases were selected, why we chose Torfs Shoes and how the data were collected and analyzed. We then present in the third section the main themes on PSO from the 20 interviews with family firm CEO's. In the fourth section, we present the story of Torfs Shoes and in the fifth section we present our additional learning from Torfs Shoes on the development and promotion of PSO among non-family employees. We conclude with implications of our findings for research and practice, present limitations of the study, and suggest avenues for future research.

4.2 Guiding theory

4.2.1. Applying a relational view

In search for an answer to our research question 'How can PSO among non-family employees be promoted?' we apply a relational view on the organization. We suggest this view to fit our research question, because PSO is in essence relational (Koiranen, 2007a; Lambrechts, Koiranen & Grieten, 2009; Lambrechts, Koiranen, Grieten & Bouwen, 2009; Pierce et al., 2001). Additionally, relationships are building blocks of the organization (Adler & Kwon, 2002; Burt, 1992; Coleman, 1988; Coyle-Shapiro & Shore, 2007; Nahapiet & Ghoshal, 1998) and in family firms even more so (Arrègle et al., 2007; Dyer, 2003; Kets de Vries, 1996; Lambrechts et al., 2009a; 2009b; Milton, 2008; Mustakallio et al., 2002; Steier, 2001).

This chapter mainly addresses internal organizational relationships focused on the employee-organization relationship, although we also look at processes that extend these intra-organizational relational dynamics. The underlying assumption is that organizational relationships signal a long-term investment in employees, which 'suggests a relational view of the employment relationship that obligates employees to reciprocate the organization's inducements with discretionary role behaviors or contributions that benefit the organization' (Sun, Aryee, & Law, 2007: 559). Our approach combines an instrumental approach on relationships with a community level approach. 'The instrumental approach emphasizes network position, and how network position influences the information flows among individual network members, as well as individual-level benefits that accrue' (Lester & Canella, 2006: 756). A community-level approach 'emphasizes concepts such as shared values, trust, norms of reciprocity, and social support shared broadly among members to a community (…)' (Lester & Canella, 2006: 756). Our approach also borrows from the relational practices approach the idea of quality of relationships (e.g., Bouwen, 1998; Lambrechts et al., 2009a; 2009b; Shotter, 1993).

Literature applying a relational view broadly falls apart in two categories: studies concerned with external relationships, or studies focusing on internal relational processes (e.g., Dyer & Singh, 1998; Lester & Canella, 2006; Sun, Aryee, & Law, 2007). For example, Dyer & Singh (1998) applied a relational view in their study on cooperative strategy and sources of inter-organizational competitive advantage. From the authors' perspective, a relational view 'considers the dyad/ network as the unit of analysis and the rents that are generated to be associated with the dyad/network. These authors state that 'although complementary to the resource based view[10], this view differs somewhat in terms of unit of analysis and sources of rent, as well as control and ownership of the rent-generating re-sources' (Dyer & Singh, 1998: 674). For example, the relational view studies a pair or network of firms and its primary source of profit returns are relation-specific investments such as interfirm knowledge-sharing and effective governance. Ownership or control of the rents is collective, i.e., shared with trading partners (Dyer & Singh, 1998). Studying high-performance human resource practices, citizenship behavior and organizational perspective, Sun, Aryee, & Law (2007) look at relationships from an intra-organizational perspective. To these authors a relational approach examines 'the patterns of relationships conducive to organizational performance and the behaviors that create and sustain these relationships (Evans & Davis, 2005; Tsui, Pearce, Porter, & Tripoli, 1997). A relational approach to the employment relationship addresses the processes through which an organization develops a high-quality, open-ended relationship with its employees and is characterized by the conditions of interdependency, mutuality, and reciprocity (cf. Hall, 1996)' (Sun, Aryee, & Law, 2007: 559). The latter authors' approach comes close to what is called a relational practice perspective. 'Within a relational practice perspective, the quality of interaction and relationships is seen as the most active carrier of the quality of organizing and change processes (e.g., Bouwen, 1998; Lambrechts et al., 2009a; 2009b ; Shotter, 1993).

[10] Habbershon & Williams (1999: 3) describe a resource based view (RBV) applied to family businesses as follows: 'The RBV of competitive advantage applies the lens of analysis to the firm or business unit and isolates specific resources that are complex, intangible, and dynamic. Because family firms have been described as unusually complex, dynamic, and rich in intangible resources, the RBV gives researchers in the field of family business an appropriate means to analyze them. Likewise, family firm advantages are most often described as specific to a given family and business. In the RBV, the bundle of resources that holds the potential for performance advantage is identified as idiosyncratic to a particular firm in a particular environment. Additionally, many of the advantages family firms are said to possess are found in their family and organizational processes.'

The organization is created by actors through their relational practices (Lambrechts et al., 2009a; 2009b). The relational view applied in this chapter combines an instrumental view on relationships with a community level approach and borrows the concept of 'quality of the relationship' from the relational practices perspective (cf. supra). We apply this relational view to the family business context.

Compared to other organizations in family firms relationships are even more essential and its critical importance is recognized in family business literature (Arrègle et al., 2007; Dyer, 2003; Kets de Vries, 1996; Lambrechts et al., 2009a; 2009b; Milton, 2008; Mustakallio et al., 2002; Steier, 2001). Family firms are characterized by involvement of family in the organization and they have both productive and destructive relationships among family members, and between family members and non-family employees (e.g., Dyer, 2003; Kets de Vries, 1996). According to Dyer 'the nature of relationships in an organization may create some unique advantages for the firm by providing a highly committed workforce with shared goals and values, along with a unique resource base of physical, human, and social capital (Fukuyama, 1995; Steier, 2001). Conversely, family relations may also be a source of nepotism and interpersonal conflicts that can be seriously detrimental to family firm performance' (Dyer, 2003: 408-409; Frank et al., 2011).

Family business literature, however, insufficiently recognizes that family business relationships as a source of unique competitive advantage (Sirmon & Hitt, 2003), although interactions between family and business are the foundation of familiness[11] (Habbershon & Williams, 1999; Habbershon, Williams & MacMillan, 2003; Pearson, Carr, & Shaw, 2008). For example, Harvey and Evans (1995) noticed that personal relationships are a unique and differentiating characteristic of family businesses. The personalization of the family business, in their view, is carried out to other business relationships, such as suppliers, employees, customers, etc., and these personalized relationships tend to last for

[11] The construct of familiness refers to the 'unique bundle of resources a particular firm has because of the systems interaction between the family, its individual members, and the business' (Habbershon & Williams, 1999: 11; Habbershon, Williams & MacMillan, 2003).

decades and even from generation to generation (Handler, 1994; Harvey & Evans, 1995). The story is not all positive, though. Relationships bear with them the potential performance and long-term survival risks of troublesome family relations (e.g., Cabrera-Suárez, De Saá-Pérez, & García-Almeida, 2001; Milton, 2008). Given the critical importance of relationships for the family firm, we answer to the call of Milton (2008) to apply a relational view on family businesses. In the next section we turn our attention to the core of our research question as we elaborate on the theoretical foundations of IPSO and CPO.

4.2.2. PSO and the family firm

The construct of IPSO was initially theorized by Pierce, Rubenfeld & Morgan (1991). The core of IPSO is a feeling of possessiveness and a strong psychological connection to an object (Brief, 1998; Pierce et al., 2001). It is defined as 'a state in which individuals feel as though the target of ownership, being material or immaterial in nature, or a piece of it is "theirs".'(Pierce, Kostova & Dirks, 2001). IPSO uniqueness lies in providing an answer to the question 'What do I feel is MINE?' (Pierce et al., 2001).

Complimentary to an individualistic view, PSO has also been described as a state of mind that is shared by the members of work groups and organizations (Wagner et al., 2003). Wagner et al. (2003: 850) propose that PSO in work groups is a 'shared sense of possession of the organization that is manifested in ownership beliefs and ownership behaviors'. This idea was elaborated on by Pierce and Jussila (2010: 812), who introduced the notion of CPO, i.e., the 'collectively held sense (feeling) that a target of ownership (or a piece of that target) is collectively "ours".' Prerequisite to this collective dimension is a feeling of a group that considers itself as an interdependent ''us'', which then may lead to a feeling of 'ours' (Pierce & Jussila, 2010).

'The notion of a collective realization of ''our-ness'' is the key to the differentiation of PSO as an individual-level construct to CPO as a group-level property' (Pierce & Jussila, 2010: 812). CPO is significantly different from IPSO as it is a 'socially constructed state that transcends the limits of individual cognition/affect through ''group processes involving the acquisition, storage, transmission, manipulation, and use of information'' (Gibson, 2001: 122) resulting in shared (i.e., common) feelings, knowledge, and beliefs about the target of ownership, and their individual and collective rights (e.g., use, control) and responsibilities (e.g., protection of) in relation to that target. Cognitively, CPO is a shared mental model that is developed based on cognitive interdependence' (Pierce & Jussila, 2010: 812). In other words, when a group has a collectively held sense (feeling) that a target of ownership (or a piece of that target) is collectively "ours", and it acts accordingly, CPO is in place.

Thus, the concept of PSO is of a multi-dimensional nature, i.e., PSO manifests itself on an individual and on a collective level. This distinction is of special relevance in light of our research question, because it is our thesis that an inquiry into the nature of promoting PSO among non-family employees needs specification in terms of IPSO and CPO.

Applying our relational view, literature suggests that IPSO is in essence relational. It is an emotional relationship between an individual and a perceived (material or immaterial) target of possession (Koiranen, 2007a; Pierce et al., 2001). This relationship is an interplay, as the individual has an impact on the perceived target of possession and vice versa (Koiranen, 2007a). PSO is also relationally constructed (Lambrechts et al., 2009a; 2009b). In this light, Lambrechts, Koiranen & Grieten (2009: 6) state that '(…) in all those episodes in organizational life where the further development of the firm is at stake (e.g., change, innovation, conflict, negotiation, and decision making) the relational construction of PSO becomes very relevant and visible.' Furthermore, CPO is also relationally constructed. 'The organization development and change literature recognizes since long that building joint ownership or co-ownership of the change process and results, through the active involvement of the organizational actors, is crucial for a successful implementation (e.g., Albrecht, 1983; Bouwen, 1998; Burke, 1987; Schein, 1999a; 1999b). However, while this stream of literature recognizes the social-relational nature of PSO, authors still stay on the surface concerning how various actors create the psychological feeling of owning (this belongs to Us, this is 'Ours')' (Lambrechts, Koiranen & Grieten, 2009: 6).

Looking at the processes that induce PSO in organizations, according to Pierce and colleagues three routes lead to the formation of both IPSO and CPO: the possibility to (collectively) control a target of possession, (collectively) acquiring intimate knowledge on the target, and/or investing one's self (collectively) into this target. For CPO to develop, this needs to be accompanied by an awareness by the group of its existence as a group, which is influenced by interdependence, collective identification, group cohesion, and team chemistry among group members (Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011). Additionally, it is theorized that both IPSO and CPO are facilitated by (but not caused by) four human motives: the human need for efficacy and effectance (i.e., to be in control), self-identity (i.e., to derive our self-perception from our (psychological) possessions), place (i.e., to belong somewhere, to feel at home), and stimulation (i.e., to activate or arouse, to store life's meanings). For CPO, social-identity (i.e. to derive our self-perception from membership of a group of emotional value to us) serves as additional motive, but only when coupled with one or more of the other motives for possession (Pierce & Jussila, 2010).

Both positive and negative outcomes have been associated with employees' PSO. For example, positive effects are (affective) commitment (e.g., Avey et al., 2009; Mayhew et al., 2007; Vandewalle et al., 1995; Van Dyne & Pierce, 2004), job satisfaction (Sieger et al, 2011a; Van Dyne & Pierce, 2004, Pierce et al., 1992; Avey et al., 2009), a sense of responsibility, positive attitudes towards the organization, and stewardship behavior (Eddleston & Kellermanns, 2007; Pierce, Jussila & Cummings, 2008; Wagner et al., 2003),
Negative effects are, for example, resistance to change (Pierce et al., 2001), deviant behaviors that violate organizational norms (e.g., Pierce et al., 2001; Robinson & Bennett, 1995), territorial behavior (Pierce, Jussila & Cummings, 2008), and under certain conditions, frustration and stress (Bartunek, 1993).

Recent work makes us aware of the significance of PSO for the family business research field. For example, Eddleston & Kellermanns (2007) mention PSO as a mediator between a stewardship philosophy of the family in business, and actual stewardship behavior, i.e., a motivation of the family to behave in the best interest of the firm (Corbetta & Salvato, 2004; Zahra, 2003). Karra, Tracey & Philips (2006) mention how quasi-family members become 'psychologically tied' to the family firm by means of their PSO. More theoretical work has been provided by Rantanen & Jussila, who introduced a collective dimension of PSO (this firm is 'ours') in family business research. The latter authors argue that CPO is a crucial concept for capturing the actual level of family influence in the business. With Sieger, Bernhard & Frey (2011a; 2011b) the attention shifted from family members to non-family employees. The latter authors empirically studied affective commitment and job satisfaction among non-family employees combined with justice perceptions and PSO, and found that PSO mediates the relationship between distributive justice perceptions and both affective commitment and job satisfaction. Bernhard & O'Driscoll (2011) focused on PSO in small family-owned businesses, combined with leadership style and nonfamily employees' work attitudes and behavior. They found that PSO of the organization and the job mediated the relationship between leadership style and affective organizational commitment, job satisfaction, and turnover intentions. In addition, feelings of PSO for the family business mediated the relationship between transformational leadership and organizational citizenship behavior. These findings illustrate that PSO is an important construct for the family business context, especially in light of managing non-family employees' value-creating attitudes and behaviors.

One of the major management challenges of family firms lies in including those who are outside the circle of the owner-family (Bernhard & O'Driscoll, 2011; Chua, Chrisman, & Sharma, 2003). In family businesses the primarily focus of family-owners is to make non-family employees dedicated to the goals the owning family has set for the business (Chua et al., 2003). Following agency theory (Jensen & Meckling, 1979), what is missing among non-family employees are ownership-induced and kinship related motivations to act in the best interest of the firm. Therefore, managing non-family employees' perceptions, attitudes and behaviors should be considered essential for family firm success and survival (Bernhard & O'Driscoll, 2011; Chua et al., 2003). As a substitute to legal ownership and in concern to mitigate the potential alignment problem, the possibility of retaining valued non-family employees and enhancing their performance by means of creating a feeling of ownership has received increasing attention (e.g., Bernhard & O'Driscoll, 2011; Jensen & Meckling, 1979; Sieger, Bernhard & Frey, 2011a; 2011b). In family businesses creating PSO among non-family non-owning employees may be an efficient substitute for the distribution of equity shares, a practice which can dilute family ownership rights, influence and control over the business over successive generations (Gómez-Mejía et al., 2007).

However we are lacking in family business literature studies that provide insight on *what* family business CEO's exactly (need to) do to enhance PSO among their non-family employees. Likewise, we are missing insight on *how* this PSO promoting process works. This is an important weakness when we want to understand and enhance (non-family) employees' pro-organizational attitudes and behavior which has been related to PSO (e.g., higher in-role and extra-role behaviors; Wagner et al., 2003; Mayhew et al., 2007; Van Dyne & Pierce, 2004; higher levels of commitment; Vandewalle et al., 1995; Avey et al., 2009; organizational citizenship behavior; Vandewalle et al., 1995; O'Driscoll et al., 2006; low intention to quit; Avey et al., 2009; group learning and group effectiveness; Pierce & Jussila, 2010). Since managing non-family employees creates special challenges in an environment in which family-owners are bound to work together with non-owning, non-family members, PSO may be the key to connect the family system with the non-family system. This chapter addresses the mentioned gaps in the literature by providing insight in the processes that are involved in PSO creation and promotion in family firms. Hence, this chapter suggests an answer to the research question: '*What are the conditions that allow for the development and promotion of PSO among non-family employees in family firms?*', more general, '*How can PSO among non-family employees be promoted*?'

The remainder of this chapter addresses this research question through the analysis of two case studies: One that comprised of 20 in-depth interviews with family firm CEO's and additionally, a case study of 9 interviews with non-family employees of a successful family firm, Torfs Shoes. The case Torfs Shoes is particularly interesting because at various organizational levels non-family employees demonstrate high levels of PSO for the family business. Furthermore, the CEO exhibits high levels of PSO towards his inherited firm, and has a strong focus on (non-family) employees' wellbeing and their feelings of PSO.

4.3. Methodology

The qualitative methods used in this chapter allow for explaining the development and promotion of PSO in a family owned firm, sensitive to temporal, spatial and situational influences. Because we were interested in gathering deeper insight in the underlying processes of PSO formation and promotion, qualitative methods were deemed necessary. We chose the case study approach as a research strategy (Yin, 1981). According to Yin (1981: 59) 'as a research strategy, the distinguishing characteristic of the case study is that it attempts to examine a contemporary phenomenon in its real-life context, especially when especially when the boundaries between phenomenon and context are not clearly evident.' Since we were interested in the (real-life) processes involved in the promotion of PSO in family firms, which were presumed to be bound to the relational nature of the latter, the case study provided for an appropriate research strategy. More specifically, our approach was explanatory. 'An explanatory case study consists of : (a) an accurate rendition of the facts of the case, (b) some consideration of alternative explanations of these facts, and (c) a conclusion based on the single explanation that appears most congruent with the facts (Yin, 1981: 61). 'There are no fixed recipes for building or comparing explanations' (Yin, 1981: 61). Therefore, we used abductive reasoning. In abductive reasoning there are infinite possible explanations for the processes under study, but analysis is directed towards a single or a few 'best' explanations (Peirce, 1931-1958). Under the principle of abductive reasoning an explanation is valid if it is the best possible explanation of a set of known data, which is reached through an iterative process of going back and forth between data and existing theory (Dubois & Gadde, 2002). The latter is a common practiced technique in qualitative research, however, in abduction there is a stronger reliance on theory than is suggested by induction and systematically combining theory and data is even more distant from deduction (Dubois & Gadde, 2002).

A good example of our approach is found in Yin (1981: 61): 'An analogous situation may be found in doing detective work, where a detective must construct an explanation for a crime. Presented with the scene of a crime, its description, and possible reports from eye-witnesses, the detective must constantly make decisions regarding the relevance of various data. Some facts of the case will turn out to be unrelated to the crime; other clues must be recognized as such and pursued vigorously. The adequate explanation for the crime then becomes a plausible rendition of a motive, opportunity, and method that more fully accounts for the facts than do alternative explanations.'

4.3.1. Case selection

We gained access to the research field by cooperating with a major employers' organization in the Dutch speaking part of Belgium. Family firms were invited to participate in a research project on innovation, organizational change, and learning in family firms ('The learning family firm'; Lambrechts & Voordeckers, 2010). 36 of them decided to participate and in-depth interviews were held. The firms that cooperated had at least 50% family ownership of the business, and were listed on the employers' organization family firm database, in which firm can enroll when they perceive their business as a family business. These 36 interviews formed the basis of two case studies, which are reported in this chapter. These case studies shed significant light on our research question.

(1) The first case study comprised of a selection of 20 in-depth interviews out of the initial 36. The 20 interviews were selected by means of theoretical sampling to bring about the greatest theoretical return (Yin, 2003). Our selection of 20 cases was justified because variety in the original sample of 36 cases was based on factors that contributed to answering the research questions of the research project on 'The learning family firm' (Lambrechts & Voordeckers, 2010), but not on factors that may influence PSO. Therefore, we set theoretical criteria for our selection based on firm size (Wallace, 1995), firm age (Sieger et al., 2011a), the developmental phase of the company (Davis & Harveston, 1999; Steier, 2001), and firm industry (Sieger et al., 2011a). Furthermore we set a variety in our sample based on CEO characteristics such as gender (Wallace, 1995), and the fact if the CEO holds shares of the company (Culpepper et al., 2004; Van Dyne

& Pierce, 2004). For completeness purposes, we report family or non-family status of the CEO, however, we found only family CEO's in the original sample of 36 interviews (Carmon et al., 2010). An overview of our first phase informants is provided in table 23.

Table 23: Interview informants first phase

Informant	Firm Industry	Gender	F/NF CEO	CEO shares	Firm size*	Firm age	Firm phase**
CEO1	Roof construction	M	Family	yes	8	30	4
CEO2	Construction - concrete	M	Family	yes	19	59	2
CEO3	Packing industry	M	Family	yes	+- 360	23	3
CEO4	Food	F	Family	yes	8	81	3
CEO5	Transport	M	Family	yes	69	46	3
CEO6	Bedding	M	Family	yes	5	57	3
CEO7	Catering	M	Family	yes	40	14	3
CEO8	Metal construction	M	Family	yes	35	118	4
CEO9	Transport - tires	M	Family	yes	77	275	4
CEO10	Outside furniture	M	Family	yes	+-30	45	2
CEO11	Printing	M	Family	yes	60	60	3
CEO12	Fashion	M	Family	yes	200	36	3
CEO13	Printing	F	Family	yes	41	120	3
CEO14	Logistics	M	Family	yes	+- 250	23	4
CEO15	Electro technics	M	Family	yes	+- 140	25	3
CEO16	Production - composite stone	M	Family	yes	75	9	2
CEO17	Construction - building	M	Family	yes	300	42	4
CEO18	Central heating & plumbing	M	Family	yes	70	66	3
CEO19	Furniture	M	Family	yes	56	41	4
CEO20	Painting & decoration	M	Family	yes	14	24	3

* Firm size = number of employees
** Firm phase: Start up= 1, Growth=2, Maturity=3, Consolidation=4

(2) The second case study was the result of selecting one firm from the 36 interviews for further investigation, because it was identified as a rare and unique case (Dyer & Wilkins, 1991; Stake, 2008; Yin, 1994). The firm that was chosen, Torfs Shoes, is a family owned shoes retail organization headquartered and active in Belgium that sells a range of mid-prized quality shoes and accessories. From the book 'Is your family business a learning family business? – which was one of the outcomes of the broader research project – it became very clear that Torfs Shoes should be regarded as a unique case in light of our research question (Lambrechts & Voordeckers, 2010). For example, Torfs Shoes' CEO explicitly mentioned that he intentionally promoted PSO among his non-family employees. Creating and promoting PSO is imbedded in the Torfs' family values and in Torfs Shoes' corporate culture (Lambrechts & Voordeckers, 2010: 42).

Torfs Shoes has a long history as a family business; it was founded in 1920 and is now in third generation ownership and management. The firm is thus strongly rooted in the family history, and family values are strongly present in the business (Torfs, 2010). This is significant because it increased the likelihood to find family firm specific circumstances that enhance PSO development and promotion among non-family employees. At Torfs Shoes customer and employee satisfaction have always been in the center of attention, even above profit maximization. As a result, employee expenditures (e.g., wages and training options) are among the highest in the industry (Torfs, 2010).

It could be argued that the fact that wage expenditures at Torfs Shoes are above average explains why at Torfs Shoes employee loyalty and commitment is very high and graded as such (Torfs, 2010). However, there is no agreement on the influence of salary expenditures on employee commitment (e.g., Gallie & White, 1993; Nijhof et al., 1998). Instead, other factors have been graded more important, such as the presence of a good working atmosphere, satisfaction with co-workers, and the style of management (e.g., Nijhof et al., 1998). What is important to our research question is that employee commitment and PSO have been shown to be related (e.g., Bernhard & O'Driscoll, 2011; Mayhew et al., 2007; Vandewalle et al., 1995; Van Dyne & Pierce, 2004). For example, Bernhard and O'Driscoll (2011), studying nonfamily employees in family businesses found that PSO of the organization and the job mediated the relationship between leadership style and affective organizational commitment. Van Dyne & Pierce (2004) found that possessive feelings towards the organization lead to high levels of organizational commitment, which was confirmed by Vandewalle et al. (1995) and Mayhew et al. (2007). Hence, the likelihood to find strong PSO increased.

Apart from some key positions (i.e., the CEO and 3 members of the Board of Directors), positions are occupied by non-family members, which allowed us to gather insight on non-family employees' PSO. Torfs Shoes also provided a very high level of access to the business. We were able to interview the CEO on several occasions and we held interviews with several employees. We additionally made use of a book recently written by the CEO, called 'The soul is found in a shoebox' (Torfs, 2010), which addresses the family business history, family values, and past and present strategic choices. For the above stated reasons we consider Torfs Shoes a 'strategic research site' (Bijker, Hughes, & Pinch, 1987) for studying PSO in family business. An overview of Torfs Shoes' informants and their position in the organization is provided in table 24.

Table 24: Interview informants second phase[12]

Informant	Number of interviews	Family or Non-family	Position in the firm
Wouter Torfs	2	Family	CEO
Sanne	1	Non-family	HR manager
Lien	1	Non-family	Sales coach
Kim	1	Non-family	Shop manager
Emma	1	Non-family	Sales assistant
Elise	1	Non-family	Saleswoman
Amber	1	Non-family	Shop manager
Lore	1	Non-family	Saleswoman
Nina	1	Non-family	Saleswoman
Lisa	1	Non-family	Saleswoman

[12] For privacy reasons all names are fictional, except for Wouter Torfs (CEO).

4.3.2. Data collection

In the first phase of data collection we regarded the 20 CEO's as key informants on the subject of management of PSO and data collected was used to identify the main themes. As noted, this phase was part of a broader research project on innovation, organizational change, and learning in family firms, in which in-depth interviews were held among 36 family firm CEO's in 2010 and 2011 (Lambrechts & Voordeckers, 2010). As part of the interview guide we asked the CEO's about PSO in their organization, as the extent of PSO among key stakeholders under certain boundary conditions is considered a crucial factor for the success of organizational change processes (e.g., Pierce, Kostova & Dirks, 2001).

All firms were located in the Flemish speaking part of Belgium, and interviews took place at the firms' headquarters. Interviews were conducted in the first language of the interviewees and were conducted by a native Flemish speaking research team of 7 members. A semi-structured questionnaire served as an interview guide. In advance an appointment was made to reserve sufficient time for the interviews, which took approximately 1 ½ hours per interview. Afterwards, the interviews were literally transcribed. This concluded the first stage of the data collection phase.

In the second phase we selected Torfs Shoes' CEO and the firms' HR manager as our key informants. Interviews were primarily conducted by the first author of this article and for these key informants a semi-structured questionnaire was used as interview guide. The in-depth interview on PSO was preceded by earlier meetings with Torfs Shoes' CEO: A first informal meeting was held in 2009, followed by a 2009 seminar attendance at Hasselt University (Belgium) with Wouter Torfs as the guest speaker, followed by a joint interview in 2010 in light of the aforementioned broader research project, leading to the PSO case study in 2011. Information obtained in these earlier meetings was also included as a data source. Besides the CEO and the HR manager, some carefully selected non-family employees were included in the case study in order to obtain a holistic or embedded picture of the topic of managing PSO[13] (Klenke, 2008). As selection criteria for the interviewees we used the employees' position in the organization (Carmon et al., 2010; Wagner et al., 2003) and the expected extent of PSO surmised by the CEO (cf. Table 23). These criteria were used to create variety in our sample and because they can relate to PSO (Van Dyne & Pierce, 2004; Wagner et al., 2003). The interviewees were asked to participate by the CEO and after they approved, they were contacted. In a period of 2 months' time 8 interviews[14] were held with a 1 sales coach, 2 store managers and 5 saleswomen in their working environment[15]. To ensure that the approximately 2 hours' interviews could be held in a relaxing atmosphere, these took place in a room separated from the work floor.

4.3.3. Data analysis

The data were analyzed in a three-stage process.

(1) In the first stage the 20 interviews with family firm CEO's were analyzed through abductive reasoning to explore the main themes apparent in the data thereby following the guidelines for qualitative research analysis (Dubois & Gadde, 2002; Peirce, 1931-1958). Thus, the data were the original source from where the main themes were derived. These themes were then compared to existing literature and labeled accordingly. By doing so, correspondence with existing literature was sought. The main categories that arose from the data were: The nature of the relationships between the family CEO and non-family employees, the role of leadership style of the CEO and, the creation of an organizational community. Theory on these broad categories led us to define

[13] According to Klenke (2008) single case studies can be holistic or embedded 'when the same case study involves more than one unit of analysis. For example, in addition to using organizational leaders as informants, many leadership researchers also include a small number of their followers or the team' (Klenke, 2008: 64).

[14] The first interview was guided by a semi-structured questionnaire, which then led to an iterative process in which significant topics from the earlier interview led to questions for the next interview, and so forth, in order to grasp the essence of the process of PSO formation and promotion in a family business. This process ended when theoretical saturation was reached.

[15] An overview is provided in Table 24.

subcategories. For example, theory on intra-organizational relationships led us to identify the categories ‘quantity of the relationships’ (e.g., Freeman, 1979; Granovetter, 1974; 1985). We then went back to the data in order to expand our understanding of the process of formation and promotion of PSO in family businesses. We carefully documented and analyzed the issues that emerged, and compared them with findings from previous stages and with previous research on family businesses. In search for explanations, we looked for the best possible explanation of our findings, by moving back and forth between data and theory (Garud et al., 2002). We considered possible rivaling explanations, and held them against previous explanations and against our research questions. We concluded our analysis in this stage by reporting our findings together with the literature where they were held against, and by reporting the best possible explanation for the processes we found in the data.

(2) In a second stage we turned our attention to our unique and rare case. We sought to expand our initial learning from the first stage and to gather even deeper understanding of the process of creation and promotion of PSO in family businesses. To start with, findings from our case Torfs Shoes were organized in an ‘event history database’ (Garud & Rappa, 1994) by developing a chronology of activities and strategic choices that shaped the company, taken into account events in the external environment. The interviews with the CEO, the book on the company, field notes and secondary sources such as the quantitative questionnaires, served as a basis for a narrative on the background that shaped the formation and promotion of PSO over time.

(3) In a third stage interviews at Torfs Shoes were analyzed through abductive reasoning in order to refine and expand the insights from the main themes found in stage one. We documented PSO at Torfs shoes from the CEO and employee point of view, we traced the key conditional circumstances that led to PSO from the company’s key events and its present situation (i.e., temporal influences), and paid attention to spatial and situational influences that could play a part in PSO formation and its promotion in the family business. Specifically, the main themes from stage one initiated our search. We analyzed the data from our case Torfs Shoes from the lens of our three main themes. By

doing so, correspondence with our previous findings was sought. We carefully documented and analyzed the additional issues that emerged, and compared them with findings from previous stages and with previous research on family businesses. For example, theory led us to define relational processes we found in the data as 'quality of the relationships' (e.g., Bouwen & Hosking, 2000; Bouwen, 2001; Lambrechts, Bouwen, Grieten, & Corthouts, 2009; Lambrechts, Koiranen, & Grieten, 2009). During this process we went back and forth to existing literature using an abductive approach through systematic combining[16] (Dubois & Gadde, 2002), in which our research question served as a beacon. We looked for the best possible explanation of our findings, and we considered possible rivaling explanations. We concluded our analysis in this stage by reporting our findings, the corresponding literature, and the best possible explanation for the processes we found in the data.

To ensure the quality of our research we followed the guidelines by Lincoln & Guba (1985). The latter authors distinguish between credibility (i.e., the qualitative counterpart of reliability), dependability (i.e., internal validity), confirmability (i.e., objectivity), and transferability (i.e., external validity). Credibility of our findings was addressed through engagement in the research field at different moments in time (2009, 2010, and 2011) and by data triangulation as noted before. Issues of dependability were addressed by managing primary and secondary data in NVIVO, a computer-based qualitative data management program, which can be used for managing and coding the

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[16] 'Our attempt to propose systematic combining as a proper case study approach has been inspired by what is referred to as 'abduction' (Peirce, 1931; Kirkeby, 1994).' (…) 'A standardized conceptualization of the research process as consisting of a number of planned subsequent 'phases' does not reflect the potential uses and advantages of case research. Instead, we have found that the researcher, by constantly going 'back and forth' from one type of research activity to another and between empirical observations and theory, is able to expand his understanding of both theory and empirical phenomena. The preliminary analytical framework consists of articulated 'preconceptions'. Over time, it is developed according to what is discovered through the empirical fieldwork, as well as through analysis and interpretation. This stems from the fact that theory cannot be understood without empirical observation and vice versa. The evolving framework directs the search for empirical data. Empirical observations might result in identification of unanticipated yet related issues that may be further explored in interviews or by other means of data collection. This might bring about a further need to redirect the current theoretical framework through expansion or change of the theoretical model. This process is what we refer to as systematic combining (…)' (Dubois & Gadde, 2002: 555).

data. Furthermore, data in the first phase was collected by a research team of 7 members, and in the first and second phase results of analysis were shared and discussed with the supervisors of this thesis. Confirmability was addressed by searching for alternative explanations for the observed relationships, by providing literal citations from the interviewees, and by data triangulation (e.g., primary and secondary sources), researcher triangulation (e.g., 1st phase versus 2nd phase interviews) and context triangulation (e.g., family firms varying in size, industry, percentage of family ownership). To tackle issues of transferability in the next section a detailed portrait will be provided by means of a narrative on the formation and expansion of Torfs Shoes. In addition, tables 23 and 24 provide an overview of informants' characteristics from the first and second research phase, in order to provide for a thick description of the context and background of the interviewees (Geertz, 1973).

Although the central aim of qualitative research is not to reach a state of generalizability to the population, a qualitative researcher should make suggesting on how the research may be applied beyond the specific research context (Bryman, 2001; Yin, 2003). Given the dearth of systematic research on PSO in family firms, however, we suggest that our theoretical framework may serve as a heuristic for family firms that desire to manage PSO in their organization. Towards this end, we placed particular emphasis on understanding family firm-specific conditions for managing non-family employees' PSO.

4.4. Initial learning from 20 family businesses: Main themes on promoting PSO

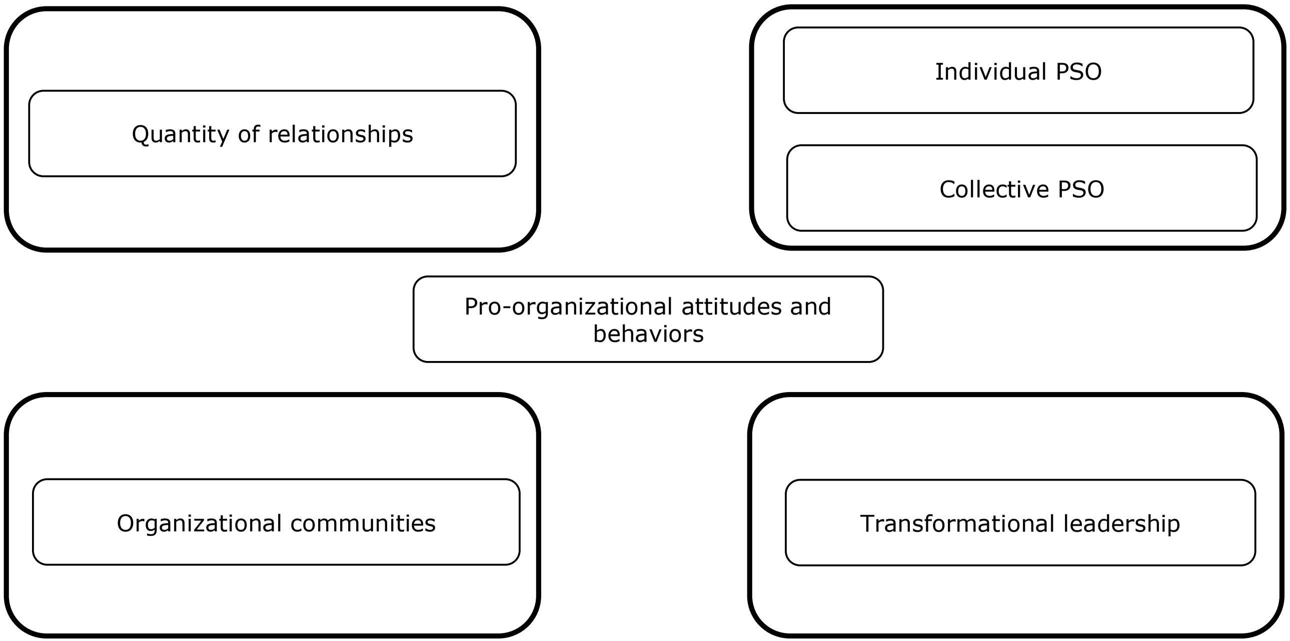
As mentioned, in a first stage the 20 interviews with family firm CEO's were analyzed through abductive reasoning to explore the main themes apparent in the data (Dubois & Gadde, 2002). The 20 interviews with family business CEO's served as an important source of information to develop deeper understanding of the creation and promotion of PSO in the family business. The main themes from phase one are shown in figure 5. In this section we present three themes that were derived from the interviews.

A first theme highlights the relational nature of PSO creation and promotion in the family business. In this subsection we examine the relationships between the CEO and non-family employees, arguing that when PSO is in place the CEO acts as a connector or 'network hub' in the distribution of information and as a 'broker' connecting family with non-family stakeholders.

A second theme considers the building of an organizational community as a means to create and promote PSO. In this subsection we consider how acquiring intimate knowledge about the organization led to a feeling of closeness and togetherness among non-family employees. We found that PSO, particularly its collective dimension, is witnessed when an organizational community is present.

A third theme focuses on the importance of the leadership style of the family firm CEO in order to create and promote PSO. In this subsection we elaborate on the dominant leadership style that we witnessed in our data. We found that when PSO is present, it was accompanied by a transformative leadership style, i.e., a CEO that offered large control options, responsibility and autonomy to organizational members.

Figure 5: Main themes on promoting PSO among non-family employees – first phase



4.4.1. The CEO as a 'hub' and 'broker': Relationships as building blocks

The dominant theme that is arising from the analysis of our interviews with 20 family firm CEO's is the importance of organizational relationships for the formation and promotion of PSO. Because PSO is relational in nature (i.e., a relationship between a subject and a perceived target of possession; Koiranen, 2007a; Pierce et al., 2001) and in family firms relationships are crucial (Arrègle et al., 2007; Dyer, 2003; Kets de Vries, 1996; Lambrechts et al., 2009a; 2009b; Milton, 2008; Mustakallio et al., 2002; Steier, 2001), we reason that relationships among family firm stakeholders, both family and non-family, are crucial for our understanding (Lambrechts et al., 2009a; 2009b; 2009c).

Considering relationships in family firms, literature shows that family firms are characterized by involvement of family in the organization and they have both productive and destructive relationships among family members, and between family members and non-family employees (e.g., Dyer, 2003; Kets de Vries, 1996). According to Dyer (2003: 408) 'the nature of relationships in an organization may create some unique advantages for the firm by providing a highly committed workforce with shared goals and values, along with a unique resource base of physical, human, and social capital (Fukuyama, 1995; Steier, 2001). Conversely, family relations may also be a source of nepotism and interpersonal conflicts that can be seriously detrimental to family firm performance (Dyer, 2003; Frank et al., 2011). Also, family firms with weak family relationships may more closely resemble non-family firms than family firms with strong family relationships (Arrègle et al., 2007; Pearson et al., 2008). Strong family relationships, however, lead to organizational advantages relative to nonfamily firms (Pearson et al., 2008). From literature is becomes clear that relationships play an important role in family businesses.

When we take a closer look at the occurring relational networks (i.e., the ongoing and repeated exchanges between people predicated on trust) observed in our data, we noticed that when PSO is in place the CEO's often had strong external networks:

What contributed to that? [to the company's success]. The fact that I have developed a huge network (CEO1; brackets added). We have many external networks. (…). All of our business opportunities sprouted one way or the other from our network (CEO2). I have a few good friends, fellow entrepreneurs, they offer me informal advice, and this supports my drive to perpetuate [the business] (CEO3; brackets added).

The importance of external networks for family businesses has been recognized by literature (Anderson, Jack, & Dodd, 2005; Arrègle et al., 2007; Jack, 2005; Lester, 2006; Miller & Le Breton-Miller, 2005; Steier, 2001). For example, Lester (2006: 759) states that 'for those [individuals] in family businesses, the community of other family firms likely provides social support and information about how to deal with issues germane to their often unique situations' (brackets added). According to Miller et al. (2009) family firms develop deeper, more extensive relationships with outside stakeholders than non-family businesses, and these close ties provide the family firm with valuable professional advice, information and external financing. They therefore may be apt to invest in external relationships more deeply to assure family firm's success and survival (Miller et al., 2009: Miller & Le-Breton-Miller, 2005). Also, family firm CEO's are likely to have strong external networks because external networks are often initially based on the family's networks (Anderson et al., 2005; Arrègle et al., 2007). As a result, family firm CEO's tend to build strong ties with external parties based on trust. This is because 'organizations tend to manage internal and external relationships according to the same principles, values and goals' (Rousseau & Wade-Benzoni, 1994; Zellweger, 2010: 58) and therefore intra-organizational relational principles based on trust find their way to external networks.

What is important, however, is the role that our family business CEO's play in these intra-organizational relationships. Focusing on internal networks, in particular the relationships between the CEO and non-family employees, we noticed in our data that the CEO often acted as a connector or 'network hub' for the distribution of information.

As we will soon argue, this finding can play an important role in our understanding of how PSO is created and promoted in family businesses, because the creation of intimate knowledge among non-family employees is a source of the latter's PSO (Pierce et al., 2001; 2003; 2009). First, we will focus on the role the family firm CEO plays as a 'network hub'. In network theory network hubs are individuals that have many direct connections to individuals inside and outside the organization (i.e., a high 'degree centrality'; Freeman, 1979). In addition, network hubs have great influence on the information flows in the network (i.e., high 'betweenness centrality'; Freeman, 1979), since the acquisition of information depends upon the strategic location of an individual in the network (Granovetter, 1974; Scott, 2000). Network hubs thus have the possibility to control the outcomes of a network, but in this they are dependent on the willingness of the information receivers to pass their information on to others (Freeman, 1979). In our cases, family firm CEO's acted as a carrier and disseminator of information and as such appeared to be creators and disseminators of knowledge in the organization:

Well, where lies the uniqueness [of a family business]? Possibly [it is] my drive, my need to have contact with what is happening in the world around me. I think this is an advantage; that is how I experience it. When something new is introduced, I usually know about it. I keep myself up-to-date. This is not a family business that does things in its own small circle. We are a family business, but we have a lot of contact with the outside world. I am very open to that. Everything that I learn is directly inserted into my company (CEO4; brackets added). Sharing (…), keeping people informed, informing them how the business is doing. We share with our people and that gives me my drive (CEO6).

The uniqueness of a family firm thus seems to lie in combining strong external networks with close internal networks. In this light, Arrègle et al. (2007) mention the influences of social network overlaps between the family members' network and the family business network. 'The social network brought to the firm by family members also includes external agents consisting of religious organizations and members, school ties, professional organizations, and community groups, for example. Accordingly, these external agents can be described as weak ties that bring other resources or knowledge to the firm (Jack, 2005)' (Arrègle et al., 2007: 82). However, for the purpose of information and knowledge sharing our CEO's under study built on their strong familial and non-familial ties, not on weak ties[17], nor structural holes[18], as suggested in social network theory (Burt, 2004; Granovetter, 1974; 1983), which led to greater contacts and access to information by non-family employees (Dyer, 2003; Jack, 2005). As Pearson, Carr & Shaw (2008: 960) note 'social relationships and strong ties provide the informal structure for efficient information flow':

We have contact moments; our yearly meeting with the whole group [of employees and staff], every week a project leader has a project meeting about his mastery. We have weekly kitchen meetings, and once a month a management meeting. We have 20 people around the table (…). This way we have many opportunities to communicate (CEO7; brackets added).

Strong relationships facilitate 'access to broader sources of information and improve information quality, relevance, and timeliness' (Adler & Kwon, 2002: 29). The ties with non-family employees were often emotional in nature:

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[17] 'Strong ties are associated to relationships that are developed in interaction over time, have emotional intensity, intimacy, and reciprocal services (Granovetter, 1973). These relationships can be, for instance, between family members and/or close friends. An individual can have only a certain amount of strong ties because of the maintenance costs associated with more intimate relationships (Singh, 2000). On the contrary, the number of weak ties can be high. These weak ties do not require high maintenance, but can significantly help the entrepreneur in accessing information. Granovetter (1973) argues that weak ties act as bridges to sources of information not necessarily contained with an entrepreneur's immediate (strong-tie) network: because entrepreneurs interact with weak ties only occasionally, it is likely that they provide more unique information than strong ties. This is also in accordance with the findings of Burt (2004) that new ideas tend to emerge through weak ties between separate social clusters. However, Granovetter (1985) argues that strong ties are more trustful as they consist of emotional bonds. This increases the willingness to offer advice and provide valuable information (Singh, 2000)' (Kontinen, 2011: 28).

[18] Structural holes are defined as holes in the information flow between groups (Burt, 2004)

This is a disadvantage of a family firm. I am emotionally much more tied to my people [i.e., non-family employees]. I am much more sensitive to critique, because it involves my own company, and I am responsible for it. In a larger firm people have a position; they have a management position in which responsibilities are strictly defined, but I am actually responsible for everything. When my people have problems, then I feel responsible for it. I sense it; this is really different [from non-family firms] (CEO4; brackets added). [The strength of the family firm is] that we know everybody in person. As a human being that is (CEO8; brackets added). I have employees who have been working here for 20 years, with whom I have a trustful relationship. I know their children. When the business grew this [individually following up on his employees] was harder to maintain, but I had my ways; having a talk here and there (CEO5; brackets added).

It seems not only the intimate nature of the information is important, but also its source. Some of our CEO's appeared to play a 'broker' role in bridging the family with non-family. Our analysis shows that information on family values and family history was often shared with non-family employees, thereby injecting family aspects into the business. For example:

An absolute advantage of being a family firm is the commitment and the emotional aspects (…) and the passion of the family. [Does this passion translate itself to the business?] Definitely. At certain departments there is a huge commitment. (…). When I notice how some departments treat their customers, the [department's] atmosphere, (…), this is definitely a Hubert's worthy operation (CEO9; brackets added). [Do you advertise yourself as a family business?] Absolutely. Our first presentation slide is an invoice drafted by Hubert, back in the days, a second slide, Hubert's degree he received in 1956 (…). That creates a lot of sympathy [among network contacts]. It would be unwise of us not to use this (CEO9; brackets added). We want to be authentic; we want to stand close to our values. And that is easier to defend when you are a family business, then when you are a large [non-family] business (CEO10).

CEO's who acted as a 'broker' brought information about their family to the business, in which they had a crucial and powerful position. Without them, non-family members were mostly cut off from information and knowledge from the family cluster:

We always tried to keep [everything related to] family strictly separated from business. Up to present we've always succeeded at that (CEO4).

In this light, Zellweger et al. (2010: 59) state that 'just as there is variability in the degree of family involvement and family essence in family firms, there is also variability in the degree to which a family firm chooses to integrate their family into their organizational identity. Some family firms may choose to ignore or downplay their family firm status, resembling non-family firms to stakeholders.'

Thus far, our data provided insight on familial and non-familial relationships and the role of the CEO in knowledge sharing. Because of their 'hub' and 'broker' role, our family CEO's to a large extent decided on the quantity of the information and on the nature of the information that flows into the family business. Our family CEO's can thus be considered as sources of intimate knowledge. What is important, however, is that the creation of intimate knowledge among non-family employees is a source of the latter's PSO (Pierce et al., 2001; 2003; 2009). By acting as a hub, family firm CEO's play a powerful role in the dissemination of knowledge. In this light Pierce et al. (2001: 301-302) state that: 'The more information and the better the knowledge an individual has about an object, the deeper the relationship between the self and the object, and, hence, the stronger the feeling of ownership toward it.' 'For example, when employees are given information about potential organizational targets of ownership (e.g., the mission of the organization, its goals, and its performance), they feel that they know the organization better, and, as a result, may develop PSO toward it.' Pierce et al. (2001) further state that not only the information itself but also the intensity of association (i.e., 'the number of interactions of the individual with the target') is important. A longer association is likely to lead to more intimate knowledge and as a result, a sense of ownership. For their sharing of information and knowledge our CEO's under study built on their strong familial and non-familial ties. These strong ties imply longer and intense association of the non-family employee with the firm, hence, a greater likelihood for the non-family employee to develop possessive feelings over the family firm.

Furthermore, by adding information on the family in the information flow, the likelihood grew that non-family employees would become to perceive the *family* aspect of the business as their target of possession. However, the dissemination of information was also dependent on the willingness of non-family employees to pass this intimate knowledge to others (Granovetter, 1974). Their willingness is likely to be dependent on the strength of their organizational ties and on their extent of PSO:

How one interacts with people, how one communicates with people, how to get people excited, how to get people behind you, this is something I struggle with nowadays. I know that when I meet with 1, 2, 3 or 4 people, (…), that within 15 minutes they are all behind me. But the downside is that when I leave, this ebbs away. This is what I struggle with. How do I think I'll get them this far? By convincing them they don't have to do it [their work] for me, but for their business, (…), for the people whom they work with. They have to do it for themselves, for the team (CEO7).

Our observations thus highlight the role of the CEO as a disseminator and creator of intimate knowledge – by means of acting as a 'hub' or 'broker' - which in turn led to PSO among non-family employees. They also bring to the attention how non-family employees come to feel that the family business – especially its 'family' component – is 'theirs'. While the creation of intimate knowledge is regarded as a route to both IPSO and CPO, the process described in this section mainly took its effect on an individual level (of PSO). In the next section we elaborate on how strong intra-organizational relationships contributed to a sense of community, which mainly induced the formation and promotion of CPO (but not excluded IPSO).

4.4.2. Building a sense of community

To introduce this section we return to the dominant theme that is arising from our analysis of the interviews with 20 family business CEO's; the importance of organizational relationships for the formation and promotion of PSO. Literature indicates that strong organizational relationships and networks are likely to lead to a sense of togetherness, cohesiveness or interdependence among the actors involved (Adler & Kwon, 2002; Arrègle et al., 2007). For example, one of our family CEO's under study expressed feelings of togetherness as follows:

I notice it, this group [of employees] feels connected (CEO18; brackets added).

Furthermore, family business literature shows that family firms often experience higher interdependence among their stakeholders compared to non-family firms (Arrègle et al., 2007). When togetherness is repeated over time and directed towards a common goal, this may lead to the development of an *organizational community* (Miller, Lee, Chang, & Le Breton-Miller, 2009; Miller & Le Breton-Miller, 2005; Mintzberg, 2009). An organizational community is defined as a group of diverse individuals unified toward the achievement of a shared goal (Masterson & Stamper, 2003), which offers its group members a sense of belonging that is not necessarily restricted to the organization (Wade, 1995; Wenger, 1999; 2000), and which is characterized by a sense of mutuality, care, connection, identity, awareness and obligation to others (Boyes-Watson, 2006). In this sense a community is considered to be a relationship, not a place (Boyes-Watson, 2006).

Continuing, successful managers 'bring the right people together, provide an infrastructure in which communities can thrive, and measure the communities' value in nontraditional ways' (Wenger & Snyder, 2000: 140). The bonds observed in a community motivate its members to organization promoting behavior, such as trust, mutuality, reciprocity and enduring relationships, innovation and entrepreneurial behavior, motivation, dedication and cooperation, and they bind employees to the organization (Boyes-Watson, 2006; Mezias & Kuperman, 2000; Miller et al., 2009). Miller et al. (2009: 802) confirm that family firms 'treat their employees with unusual consideration to form a cohesive internal community' (…) 'Community elements include loyalty to and caring for workers beyond immediate legal or bureaucratic requirements, and providing secure, satisfying jobs' (Miller et al., 2009: 804).

Focusing on our data, it appears that in our cases family business communities were in place, under development, or their existence was desired by family-owners:

Yes, they feel commitment [towards the company and their job], also towards each other. That has to do with their pride for their job, their commitment. They feel obligated towards fellow employees, also towards us [family owners], they just go for it (…). I am actually a bit like the conductor of an orchestra (CEO11; brackets added). [What gives me the drive to continue the business is] the enthusiasm of my colleagues, the possibility to share in difficult times, the possibility to share my problems (…) (CEO12; brackets added). I think that small entities should exist that contribute to the well-performing larger entity. You also need the larger entity, to have a sense of communality. This is ideal. Then communication is guaranteed between the smaller entities. (…) And when there is better communication [overall] then this is an added value [for the company]. It is a question of continuously keeping everyone aboard, motivating them, and making clear to everyone that this is where we want to go. We go for it [our targets], and we make sure we have a satisfied customer. That is the common purpose; a happy customer but also happy employees (CEO13; brackets added).

Our analysis suggests that family business communities and PSO among its members are often intertwined:

We noticed that (…) when we make smaller groups – for example between the warehouse keepers – that the [firm's] results and targets are much better [accomplished]. These people have the feeling that they are 'the warehouse keepers', they have [a feeling of] 'ours', of having their own reports [i.e., personalized outcome reports], and as a result efficiency, creativity and feelings *of responsibility are hugely stimulated (CEO14; brackets added). We have selected 15 key persons in our organization (…). We are now consulting with these 15 key persons: Can we do it like this? What is your opinion? How can we do it in this manner so that they become owner of their work? (…) These persons were selected by our management team, because they have passion and talent, expertise, inherent leadership qualities, experience and modesty. (…). This is something I have a good feeling about; this is going to work (CEO15).*

An explanation for the relationship between family firm communities and PSO can be found in the process of CPO formation. Pierce & Jussila (2011) and Rantanen & Jussila (2011) argue that for CPO to develop necessary boundary conditions are a sense interdependence, collective identification, group cohesion, and team chemistry among group members (Pierce & Jussila, 2010; 2011; Rantanen & Jussila, 2011). Taken into consideration the core of an organizational community which is connectedness and communal goals achievement, the boundary conditions for CPO are quite likely to be found in organizational communities. CPO, however, does not exclude individual level PSO among community members. The latter's self-investment in their organizational community may serve as an explanation. Communities provide individuals with an environment to fulfill their needs to be efficacious, to belong somewhere, to express their self-identity, and to act as a source of stimulation (Pierce & Jussila, 2011). The latter are human needs that facilitate (but not cause) the development of IPSO (Pierce et al., 2001). When these human needs are fulfilled, the likelihood increases that individuals will invest themselves in their organizational community. Self-investment on its turn is considered one of the routes that lead to IPSO formation (Pierce et al., 2001).

We suggest advancing organizational communities in the family business when the creation and promotion of PSO among non-family employees is desired. Promoting organizational communities in family firms may also benefit their performance. For example, Miller et al. (2009: 802) found that community relationships in family firms benefit their performance more than non-family businesses. They reasoned this to be case because 'in these personally intimate settings employees and external partners will be especially likely to return the generosity of a visibly active owning family, or to penalize its selfishness.´ As shown, our findings offer an additional explanation in the form of employees' IPSO and CPO.

Building organizational communities, however, is not without its problems. According to Lester (2006: 759; brackets added) 'strong intergroup relations, such as those found in highly unified communities [in family businesses], may give rise to unintended consequences'. A possible problem that arises is the insider-outsider effect which is inherent to the nature of communities (Boyes-Watson, 2006). Comparably, family firms are often linked with insider-outsider perceptions because of the presence of family-insider and non-family-outsider contradictions which can be perceived as two separate organizational communities (Schein, 1983). Additionally, insider-outsider effects may be created by a difference of values, norms and culture among members of different communities (Pavlich, 2001). Competition, conflict, and other negative outcomes may be the result (Fukuyama, 2004).

However, our data suggest that the formation of PSO among non-family employees mitigates this insider-outsider problem:

We make sure that people feel at home [in the firm], that they feel at ease and that they can express themselves. (…). When you do well with your employees, in the end it is all one big family. Employees are appreciated as a human being and not treated as a number. That is a huge advantage (…) when the owner is also CEO (CEO16; brackets added). We want our employees to be part of the family, so that we are one family. I believe my own approachability and availability are beneficial towards that end (CEO17).

Literature indicates that other forces may exist in the firms that work against an awareness of community, such as the structures and routines of organizational life, and the habits and attitudes of individuals in the organization (Boyes-Watson, 2006). For example, most organizations are structured around tasks rather than persons (Coleman, 1982). In this case, family firms may have a competitive advantage because they often show a real care for non-family employees in their organization (e.g., Karra, Tracey, & Phillips, 2006). A final feature that may undermine the formation of a community in organizational life is the lack of autonomy and hierarchical decision making that is apparent in many organizations (Boyes-Watson, 2006). This is where the role of leadership comes to the foreground.

4.4.3. The role of leadership

In the previous sections the role of the CEO in the development and promotion of PSO among non-family employees has been repeatedly emphasized. Our cases showed that when PSO was observed CEO's offered autonomy, responsibility and control options to their employees. More broadly, our CEO's adapted a transformational leadership style.

Literature has identified three major organizational leadership styles: transformational, transactional, and passive (laissez-faire) leadership[19] (Bass, 1985; Conger & Kanungo, 1987; Podsakoff et al., 1990). Transformational leaders enhance employee value-creating attitudes and behaviors by offering them access to control, challenging them to take ownership for their work, finding solutions and developing own ideas, creating a sense of organizational identity, and by acting as a role-model who displays stewardship behavior towards the organization and understanding employees' needs and wishes (Bernhard & O'Driscoll, 2011). Bass & Avolio (1994) summarized transformational leadership attributes into four dimensions: Idealized influence, intellectual stimulation, inspirational motivation, and individualized consideration.

[19] 'Transactional leadership is described as motivating employees primarily through contingent reward-based exchanges and management by exception (Burns, 1978). Transactional leaders concentrate on clarifying expectations, setting goals and limits, and rewarding good performance (Bass, 1985)'(Bernhard & O'Driscoll, 2011: 353). By transactional leadership followers are motivated by appealing to their self-interest. 'Passive leadership (often referred to as laissez-faire leadership) marks the negative end of the leadership range (Bass, 1985). A laissez-faire leader exhibits a lack of involvement during critical junctures, resulting in a delay of decision making. Passive leaders do not proactively counter future challenges by developing and training employees. Likewise, they tend to delay providing goals to employees and guidance on how to accomplish them, but rather leave them to their own resources' (Bernhard & O'Driscoll, 2011: 354).

'*Idealized influence* is the degree to which leaders behave in charismatic ways that cause followers to identify with them. *Inspirational motivation* is the degree to which leaders articulate visions that are appealing to followers [thereby generating enthusiasm, energy and optimism among the latter]. *Intellectual stimulation* is the degree to which leaders challenge assumptions, take risks, and solicit followers' ideas. *Individualized consideration* is the degree to which leaders attend to followers' needs, act as mentors or coaches, and listen to followers' concerns' (Piccolo & Colquitt, 2006: 328; brackets from: Vallejo, 2009).

According to Bernhard & O'Driscoll (2011) each of these dimensions can influence the routes to PSO (i.e., control, intimate knowledge, and self-investment). Thus, a transformational leadership style under certain conditions leads to employees' PSO. In the context of the leadership style – PSO relationship in family firms, Bernhard & O'Driscoll (2011) found that PSO mediated the relationship between leadership style and affective organizational commitment, job satisfaction, and turnover intentions, and PSO for the family business mediated the relationship between transformational leadership and organizational citizenship behavior.

Our cases showed that although the owner-manager legally has the final decision power, transformational leadership seemed to be more norm then exception in our family firms:

In the end I make the decisions, but they [the branch managers] will suggest the solution to me. [They will say:] look, this is what we want to do, and we're going for it. Then of course it is too late for me to block that decision. I only block a decision when I think it is really inappropriate. So, am I taking the decisions? No, they are (…). (CEO1; brackets added). [The family] can be a restriction when the [family] CEO thinks he is the only one who holds the truth. (…). I can imagine this is sometimes the case in family firms [Some family CEO's will say:] 'If it's not my idea, then it's not a good idea'. But here [in our firm] this is not the case. I definitely prefer that ideas arise from the bottom [of the organization] (CEO8; brackets added). It is of no use to have competent people *in your organization if you don't listen to them. You have to make sure that you set aside your own ego, and just listen to what they have to say. And if it is really better, then you just have to follow them (…) (CEO2). I prefer to give as much freedom as possible to my people, (…) [I tell them:] think, come with ideas, work them out (…) (CEO13).*

Our cases offer support to Vallejo's (2009) finding that leadership is more transformational in family businesses than in nonfamily businesses. Vallejo (2009) found that transformational leadership adds to group cohesion and to family firm's longevity. Our cases also support scant empirical evidence that finds that a transformational leadership style and PSO combine well (Bernhard & O'Driscoll, 2011):

I am not the one who wants to be in the spotlight. I am not going to outrank him [the sales manager] and say, this is something I achieved, because it isn't (…). The gratification he [the sales manager] gets from conveying the success [of the product], that is something I'm not going to appropriate. (…). Wouter is extremely pride that we have such beautiful products (CEO2; brackets added). We give people a lot of freedom to take responsibility. We expect them to take initiatives, to make the necessary improvements, to take charge of the effectuation, to come forward with new ideas. And they act as a team; it is a joint 'theirs' (CEO16). I asked him [a fellow entrepreneur] how he stimulates innovation. (…) Very simply put he said to me: Select some people who have passion and talent for innovation, remove them from your core process and have them experiment for 5 or 6 months. Let them do what they are good at and, this is my conclusion: let them act as if they were starting their own business. This is what I eventually did, too (CEO15; brackets added).

We suggest that an effective transformational family business leader who has the desire to manage non-family employees' PSO should therefore pay attention to leadership style, with a transformational leadership style most likely to enhance non-family employees' possessive feelings over various organizational targets (e.g., products and services, the organization, their job). As noted, this was confirmed by the study by Bernhard & O'Driscoll (2011). We extended their findings by offering insight on *how* this process works. In the next section we turn our attention to Torfs Shoes as a unique case that can shed significant light on our research question, and that can extend our learning on PSO formation and promotion in family firms. We start with describing a chronology of activities and strategic choices that shaped the company, taken into account events in the external environment (cf. our second stage of data analysis; Garud & Rappa, 1994).

4.5. Torfs Shoes: A family owned venture with a large focus on customers and employees

Torfs Shoes was found in 1948 by Louis Torfs and Jeanne Meulemans, Wouter Torfs' grandparents. The founders started their business opening a small shop in the center of Lier in Flanders, Belgium. By focusing on quality shoes and customer friendliness, Jeanne and Louis seemed to have found their gap in the market, resulting in a very successful business, which was soon accompanied by two additional shops. A major turnaround was experienced when two brothers – Wouter's father and his brother – came into the business in 1956. The brothers, Herman and Karel, had university degrees, and they had a more professional view on conducting business than their parents. Herman and Karel expanded the business from 4 shoe stores at that time, to 25. The business model, however, remained quite stable: These were city center shoe stores, positioned at middle class customers, with a range of quality shoes mainly produced in the homeland. By the mid 70's of last century, shoe factories in Belgium began to close down mainly because of labor costs, and Italy became the new low-cost shoes supplier. Later on, supply relocated again from Italy to the Far East.

By the mid 1980's, Wouter Torfs and two of his nieces were introduced into the family business management. The company at that time had a turnover of 12 million Euros, making it a midsize company according to Belgian standards. Stores were profitable and the future looked bright. However, by the beginning of 1990, a major competitor entered the market which Torfs targets. In ten years' time the competitor expanded from ten stores to a hundred and thus became a major threat to Torfs Shoes. The competitors' stores were located at the city periphery which for Torfs Shoes was largely unknown territory. As a result, turnover stabilized and growth stagnated. Additional competition came from small specialized shops in the city center that professionalized and focused on the higher end of the market. Shoes Torfs thus was attacked on two frontiers. By the end of the 1990's Wouter decided to turn around strategy, he hired a consultancy firm and changed strategy from 'doing things right' to 'doing the right things'. Torfs management decided to relocate 15 of their stores to the city periphery and upgraded their trade by refocusing on quality, brands, and fashionable products. They made a strategic choice to set Torfs Shoes apart from competition by means of the highest customer satisfaction. Refocusing on customer satisfaction meant augmenting standards set to employees.

Wouter believed he needed a happy and satisfied work force to achieve his goals and he therefore invested in what he called a 'great place to work'[20]. His focus on employees and on non-family employees' PSO was rooted in lessons he had learned from his grandmother: *We really were submerged by this idea. My grandmother always used to say: A good shop manager is someone who acts as if she is working for her own account. This message is deeply rooted. This is what I have been taught (Wouter Torfs, CEO)*. Torfs' employee focus led to participation in the national 'Best Employer' challenge, which Torfs Shoes won four consecutive years (2009-2012). Participation in the 'Best Employer' challenge eventually became a strategic choice. Additionally, Torfs Shoes won six times the competition for 'Best Shoe Retailer' on customer friendliness. The turnaround in strategy resulted in a wave of expansion between 2000 and 2010, with a tripled turnover from 21 to 93 million nowadays, and a growth in the number of shops from 25 to 67, including the relocations. To complement the three headed family Board of Directors five non-family directors were attracted. The critical events in Torfs Shoes' history are depicted in table 25.

[20] This was presumably inspired by the well-known annual surveys of the Great Place to Work Institute in 34 countries around the world. Companies on the list of best places to work go to great lengths to enhance employee well-being at work. As a result, in the US these companies tend to outperform comparative indices in returns to shareholders (Pfeffer, 2010).

Table 25: Critical events in the development of Torfs Shoes

Period	Key events
1948-1956	Foundation of the business by Louis Torfs and Jeanne Meulemans, Wouter Torfs' grandparents. Expansion from 1 to 4 shops located in city centers.
1956-1986	Two brothers, Wouter's father and his brother, come into the business. Both the brothers, Herman and Karel, have university degrees, and they have a more professional view on conducting business than their parents. Herman and Karel expand the business from 4 shoe stores to 25. The store concept remains identical: city center shoe stores, positioned at middle class customers, with a range of quality shoes mainly produced in the homeland.
1986-1997	Wouter Torfs and two of his nieces are introduced into the family business management. Expansion to 30 shops by the beginning of the 1990's. The seeds are planted for a turnaround from 'business as usual' to professionalization (e.g., introduction of external managers in the management team, strategic medium-term planning, defining management responsibilities)
1990-1999	A major competitor enters the market which Torfs targets with shops located at the city periphery. In addition, small specialized competitor shops in the city center professionalize and focus on the higher end of the market. Torfs Shoes' profits decline.
2000-present	Relocation of 15 Torfs Shoes stores to the city periphery and upgrading of the trade by refocusing on quality, brands, and fashionable products. A strategic choice is made to aim for highest customer satisfaction in the sector. Standards set to employees are being augmented. Expansion to 67 shops, including the relocations. Expansion of the Board of Directors. (Re)Focus on employees' satisfaction, wellbeing, and personal development.

4.6. Extended learning from Torfs Shoes

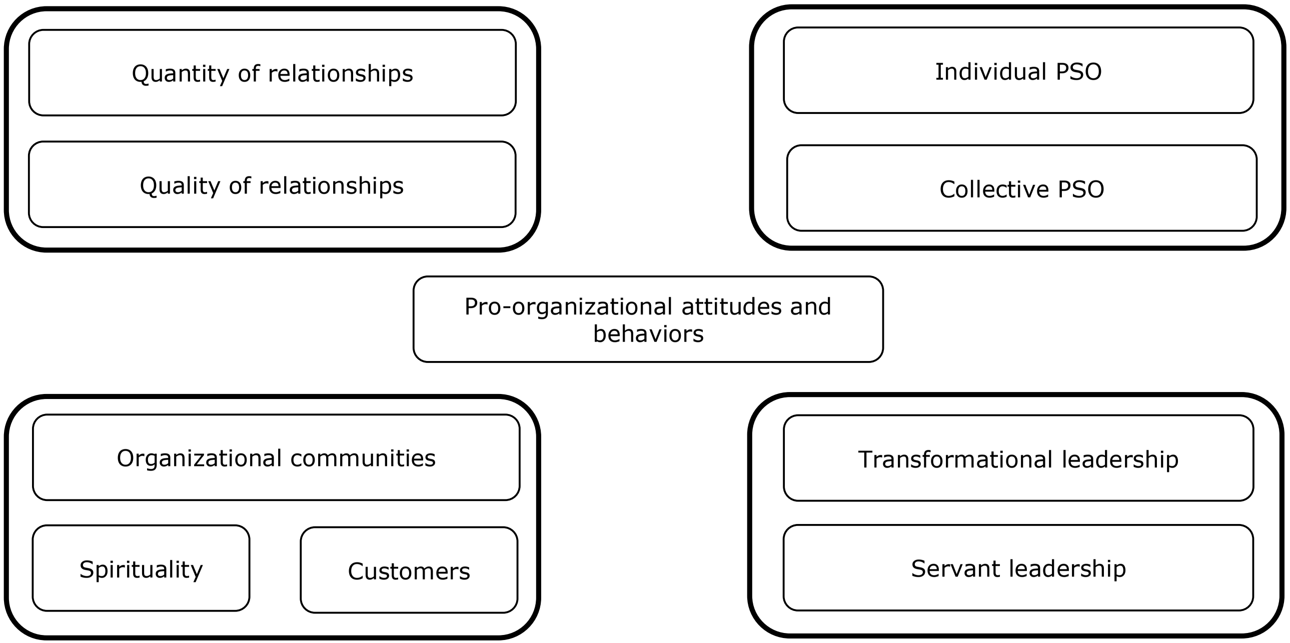
As noted before, in a third stage of data analysis we turned our attention to our rare and unique case Torfs Shoes. We conducted 9 additional interviews with non-family employees in various layers in the organization and one with the CEO. The interviews were analyzed through abductive reasoning to develop deeper insight in the creation and promotion of PSO in the family business. The main themes from phase two are shown in figure 6. In this section we elaborate on three main findings that were derived from the interviews.

Our first theme expands the quantity of relationships to the quality of organizational relationships. In this subsection we examine the role of the quality of the relationship (e.g., Bouwen & Hosking, 2000; Bouwen, 2001; Lambrechts et al., 2009a; 2009b) between the family firm CEO and non-family employees. We argue that when PSO was in place strong relationships that have high quality were recognized as central by our key informants.

The second subsection extends the organizational community theme. In this subsection we consider how communities among Torfs Shoes non-family employees are related to their feeling of PSO. We found that non-family employees' PSO and their membership of organizational communities were intertwined. What is different, however, is that communities at Torfs Shoes were wider (i.e., they include customers) and deeper (i.e., they add the aspect of spirituality to the community feel) than in our other firms.

The third theme – the role of leadership – is extended by examining a specific type of transformational leadership. In the third subsection we examine the role of leadership style in the formation and promotion of PSO among non-family employees. We found that not only Torfs Shoes' CEO displayed a transformational leadership style, but also displayed 'servant leadership' (Greenleaf, 1977; Schein, 1983), which added to the creation of a feeling of 'us' among non-family employees. It is this feeling of 'us' that is a condition for the development of a feeling of 'ours'.

Figure 6: Main themes on promoting PSO among non-family employees – first and second phase



4.6.1. From relationship quantity to relationship quality

Our data indicated that at Torfs Shoes relationships among family members and family with non-family members were manifold. First, there existed strong relationships between family members that are either involved in the business or supportive of it. Second, relationships with customers had always been in the center of attention. Third, Torfs Shoes has built strong relationships with suppliers. Fourth, relationships with non-family employees had been perceived as essential for the firms' success.

I think the foremost aspect [of our culture] is that it is characterized by the fact that it is people driven. People are central. It is not our product, or a concept or a business model that is central. We sell shoes in stores but people are central: Our customers and our employees. If that is your starting-point, then your culture will be characterized by values that are humane values. When it comes to customers it is about: Feeling totally welcome, genuine kindness, authenticity (…). Towards employees [it is about]: Respect and appreciation, which is much more rewarding than controlling and correcting. And a belief in a person as a complete human being, a human being who can learn and grow, and thereby become happier and enriched. (…). This can be perfectly translated into a Human Resources strategy: Training and personal development (…) and everything that has to do with interpersonal and inter-human relationships, because that is the core of the business. That is our core, our USP [Unique Selling Proposition or Unique Selling Point]' (Wouter Torfs, CEO; brackets added).

Note that the conception of relationships has shifted from a quantitative dimension to a qualitative one.

Literature provides us with insight in the qualitative dimension of relationships. The core of the quality of relationships is their nature of mutuality, reciprocity, 'joint-ness' or co-ownership, openness, and a mutual creation of energy or continuing motivation (Bouwen & Hosking, 2000; Bouwen, 2001; Lambrechts et al., 2009a; 2009b; 2009c).

We found attributes of the quality of relationships at Torfs Shoes in the above citation, and expressed by several employees, for example:

I think when you work at Torfs, and you are there for a longer period, I think people are really collegial, they are flexible, and there is this feeling, like, when I have a problem, if something happens in my personal situation, then I tell Nancy [the shop manager] and I will immediately be able to speak to Sanne [the HR-manager], and she will talk with me. They are really open to that (Emma, Sales assistant). I try to respond to my people's needs. (…). My people ask things from me, but this also makes it possible for me to ask them [to return the favor] when needed. When it is a busy period and I need someone extra [in the shop] then there is always someone willing [to help out]. (…) We sometimes have people who have worries and they share them and we listen to them without judging (Amber, shop manager; brackets added).

However, employees also mentioned that not all relationships at Torfs Shoes were of high quality. For example:

This has to do with the way that people communicate with us. For example, some of the sales coaches should be sent to a course on communication, so that they learn how to communicate with our sales people. I think that with friendliness more is achieved than with jelling and shouting. A message should be brought in a humane fashion. The communication between the sales coaches and the shops [the sales women] sometimes troubles me. They arrive here at the store and then demand immediate changes. Of course, they are under tremendous pressure. I understand that. I think it has to do with the fact that Torfs expands too rapidly as a company. I understand it when a lot of my colleagues get burned out (Emma, sales assistant)

Based on the above examples we suggest that attention should be paid to highly-involved non-family employees in the business. Our data suggests that high quality relationships between the family CEO and non-family employees may lead to overly committed employees. Apparently, this excess of commitment may result in negative effects such as burn-out, stress, and miscommunication. This is in line with findings in literature that an excess of organizational commitment may result in negative outcomes both for the organization and the individual (see: Randall, 1987 for an overview of positive and negative effects of commitment). As it comes to the latter negative effects, we will soon argue these may not only be related to non-family employees' level of commitment but also to their extent of PSO.

Focusing on the nature of the relationships with non-family employees, at Torfs Shoes we found close relationships between the family CEO and non-family upper echelon employees (e.g., with the CFO and the HR manager). Judging by previous research on close non-kin family business relationships, we would suggest that the latter were regarded as 'quasi family' (e.g., Karra et al, 2006). Quasi-family Karra et al. (2006: 874) defined as 'a set of relations that overlap and are intertwined with the biological family'. Karra et al. (2006: 874) observed a family business owner-manager which treated family and nonfamily in a similar fashion, exhibiting 'a similar set of altruistic behaviors toward blood and non-blood relations, and was "rewarded" with a reciprocal set of altruistic behaviors in return.' This further reduced problems of agency, and was crucial for the firm to expand into new markets. Building fruitful quasi-family relationships, it is suggested by literature, is dependent upon: Personal relationships between the non-family employee and the family owners (Ward, 2004), generosity and loyalty by family members which evoke reciprocity by non-family employees (Miller et al., 2009); shared ties or shared experiences (Karra et al., 2006), and generative relational practices that are characterized by a high degree of joint PSO (Lambrechts et al., 2009a; 2009b). In Karra et al.'s (2006) case study creating quasi-family had the effect of inducing PSO towards the organization and the job. Our case Torfs Shoes seems to confirm this finding. Therefore, we suggest that broadening close relationships to non-family upper echelon employees is an effective way to increase their PSO towards the family business (Lambrechts et al., 2009a; 2009b). To Lambrechts et al. (2009a; 2009b) 'fruitful relationships [among family members and between family and non-family actors] are seen as essential building blocks for family firms that want to excel in continuous renewal' (Lambrechts et al., 2009a: 21) (brackets added).

What is also important to our research question is that our interviews showed that other non-family employees were not regarded as quasi-family. Peculiarly, at Torfs Shoes relationships among the latter were created in a 'family-like' way. By the latter we mean that the nature of the relationships in the family circle (i.e., how family members treat each other) is transferred to non-family employees, without regarding them as 'quasi-family':

From our questionnaires of 'Best Employer' we learned that people love to work at Torfs because of the familial character. That is the first thing that comes to the forefront. This familial character means that people are respected as a person, they are given a 'place', and they are being respected. [What is important is] the value of giving and receiving, the solidarity, being there for each other. This is where the metaphor of 'the family' works. (…) You could also use the metaphor of a cozy marketplace, or a family party (Wouter Torfs, CEO).

There has to be respect for each other. Being helpful, doing things together, colleagues offering their help voluntarily. That is 'family', but also friendship, although we are not visiting each other at home nor do we go out together. We are 'family, but not like family like my brother and sister and a 'nest' to fall back on. It is a different kind of family. It is being together and achieving goals together. (…) This 'family feel', that is really important (Kim, shop manager).

Our analysis suggests that creating this kind of family-like relationships among non-family employees had the advantage of creating a similar mind-set, which made it easier to connect the family system with the non-family system. The ability to leverage family relationships to benefit the family business 'reflects a concept known as appropriability, which represents how the relationships in one social structure can be easily transferred to another structure (Carr et al., 2011: 1210; Coleman, 1988). Research indicates that 'family members within firms are able to take advantage of their own family ties and build upon their existing patterns of relationships to benefit the family firm' (Arrègle et al., 2007; Carr et al., 2011: 1210). However, comparing our case Torfs Shoes with our prior findings on the 20 family businesses, and building upon family business literature (e.g., Carr et al., 2011; Karra et al., 2006), it is suggested that there is variability in the degree to which patterns of family relationships are transferred to the family business. Some family firms may choose not to extend family relationships beyond kinship ties (and thus may resemble more the intra-organizational relationships found in non-family businesses; Pearson et al., 2008), others may choose to incorporate upper-echelon non-family employees as quasi-family (Karra et al., 2006), while others – like Torfs Shoes – choose to extend family-like relationships to the whole organization. Treating non-family employees in a family-like way at Torfs Shoes seemed to be a strategic choice guided by family values and family history:

The value of being part [of the organization] is essential here, just as the conception that every employee has his or her responsibility in the organization and takes care of the whole. Torfs practices an outspoken 'clan culture' and 'market culture' in which the family feel dominates. By doing this we create an atmosphere that encourages among our employees a sense of being at home, and of being part of a strong, authentic Torfs tribe (Torfs, 2010: 182; brackets added).

Torfs Shoes' case indicates that both quasi-family relationships and family-like relationships promoted PSO among non-family employees. We suggest that for a fruitful promotion of PSO among non-family employees the quality of the relationships among family members and between family members and non-family employees is a decisive factor (Lambrechts et al., 2009a; 2009b). At Torfs we mainly found positive, high-quality intra-organizational relationships among family members and between family and non-family members, based on trust, reciprocity, altruism, clan-based collegiality and dialogical interpersonal behavior between the actors involved (cf. Corbetta & Salvato, 2004; Lambrechts et al., 2009a; 2009b). The case Torfs Shoes indicated that in the occurrence of PSO, relationships that are high-quality in nature were recognized as central to our interviewees:

At our company, [people with high PSO] are definitely people managers. In our business these are not people who sit behind their computer the whole day making analyses. These are people who love to lead people, and they are good at it. Those are people that easily connect with others, also with customers, and they love the 'market place' atmosphere [in the shop] (Wouter Torfs, CEO; brackets added).

Organizational literature supports the notion that the quality of interaction and relationships is actually the most active carrier of the quality of organizing and change processes (e.g., Bouwen, 1998; Lambrechts, 2009a; 2009b; Shotter, 1993) and is therefore beneficial for the organization. For example, Lambrechts et al. (2009a: 10) state that: 'If actors are able to continuously engage in high quality or generative relational practices, characterized by dialogical interpersonal behavior and supportive meaning making, they will experience a high degree of joint PSO, and an ongoing willingness to invest in continuous improvement, innovation and learning'. Nevertheless, there exists a dearth on research on relationship quality both in organizational and family business literature although in the latter literature stream obtaining insight on relationship quality should be crucial taken into consideration family firms' relational nature (Lambrechts, 2009a; 2009b; Milton, 2008). At Torfs Shoes we found that non-family employees tended to continuously invest in change, innovation and learning (Lambrechts et al., 2009a; 2009b). These kind of relationships are thus essential building blocks for family firms that want to excel (Lambrechts, 2009a; 2009b).

Our analysis showed that the quality of their relationships offered our interviewees the possibility to develop a sense of 'ours' or 'joint-ness' (Lambrechts et al., 2009a; 2009b; 2009c), but also a sense of 'mine' (i.e., IPSO) because they were treated in a family-like way. Similarly to a family, individuality goes hand in hand with collectivity. Because of the nature of the relationships, they were able to individually gain possessive feelings over family business targets as well as experience a joint ownership over the family business. However, a critical footnote has to be made. Our analysis showed that relationships were not always of high quality, because of pressure and stress. It can be reasoned that an excess of PSO led to feeling overly committed and responsible for the wellbeing of the organization, which is some cases led to individual's burn-out and faulty communication.

However, in both cases – the positive and the negative - the quality of relationships provided non-family employees with the feeling that the family business was 'theirs' as well as 'ours'. In this, the quantity of their relationships was less decisive for the extent of PSO felt than the quality of their interactions with the people involved in their direct working environment, their store, and their organization. Therefore, we add *the quality of relationships* among family and between family and non-family members in the business, to the key elements for development and promotion of (individual and collective) PSO in the family firm.

4.6.2. Deepening and widening the organizational community

A sense of organizational community is embedded in Torfs' Mission Statement:

Community and commitment: Torfs Shoes is a company with a heart for employees. At the same time it is our ambition to excel in customer relations and customer service. Our employees display love for their profession and our product. (…) Employees are our partners and they shape a community with direction and vision: 'A purposeful us'. (…) We acknowledge that besides a 'purposeful us' also individual needs are to be accounted for (e.g., work/life balance). We believe that professional growth and personal growth go hand in hand (Torfs, 2010: 141). 'Torfs' has an outspoken 'clan culture' and 'market culture' in which the family feel prevails. Hereby, we create an atmosphere that encourages amongst our employees the feeling to be at home, and of being part of a strong, authentic Torfs tribe (Torfs, 2010).

At Torfs Shoes we found indications for the existence of strong organizational communities linked with IPSO and CPO:

Talking about 'us' and 'mine' I would use 'mine' for the store level: People talk about 'my' store. But when we meet with employees 3 times a year at employee days, then there we hugely invest in a feeling of 'ours'. 'Our' company, which is all the business units brought together. And then we experience the 'ours' dimension, the community dimension. I think at these moments the identity of the company reveals itself. The DNA of the company is greater and of a different order then the identity of one store. Then you experience the mission of the company, the value component, wherein employees, and employee satisfaction, and customer satisfaction are central. The company as a community (…), people who treat each other in a respectful and appreciative way, a company that takes care of doing good for society, [a company] that takes responsibility for the planet, (…). That is actually 'living the mission' (Wouter Torfs, CEO).

Non-family employees at Torfs Shoes seemed to have a sense of belonging to their community, they displayed a helping culture towards each other and towards customers and they acted in an engaged way. Additionally, it seems that non-family employees at Torfs Shoes had 'a shared faith that [community] members' needs will be met through their commitment to be together' (McMillan & Chavis, 1986: 9; brackets added). Working at Torfs Shoes fulfilled to a large part their need for meaningful work, and gave rise to strong feelings of connectedness with each other:

My husband always says that I joined a 'cult'. At this family party, see I already said it, I mean at the Torfs party [employee days], we all know each other. During the years you get to know a lot of people. And that evening (…), that is actually quite special. When I tell this at home, it seems really crazy to me, how we are so much bound together. That shows we are a very special company. People talk about the 'vision' of Torfs and the feeling that has to be there at Torfs. It is not a surprise to me that [Torfs Shoes] is best employer. I cannot really explain it, but it is something special. (…). Wouter knows that I am super *positive and he knows [that my work] is my life, and that I am very happy with it (Amber, shop manager; brackets added)*.

These kinds of attitudes by Torfs Shoes' non-family employees bear attributes of what organization literature calls organizational spirituality[21]. Over the past few years, organizational spirituality has gained increasing popularity (Bell & Taylor, 2004; Casey, 2004; Cavanagh, 1999; Driver, 2005; Giacalone & Jurkiewicz, 2003; Heaton et al., 2004; King & Crowther, 2004; Kinjierski & Skrypnek, 2004). It is most often defined as employees seeking connectedness in their organizational community through an exploration of their inner selves (Duchon & Plowman, 2005; Zaidman & Goldstein-Gidono, 2011), although there is still a lack of consensus in defining workplace spirituality (see: Giacalonev & Jurkiewicz, 2003, for an overview). According to Ashmos & Duchon (2000) organizational spirituality encompasses three major themes: The importance of a person's inner life, the need for meaning at work and the importance of a sense of connection and community within organizations. Following Giacalonev& Jurkiewicz (2003: 13), we define organizational spirituality as 'a framework of organizational values evidenced in the culture that promotes employees' experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy.' Following, spiritual leadership involves 'creating a vision wherein organization members experience a sense of calling in that their life has meaning and makes a difference' (Fry, 2003: 711).

Literature indicates that communion among employees can give rise to organizational spirituality. 'Communion demonstrates a desire to go beyond one's self-interests, a need to contribute to the betterment of others' (Bakan, 1966; Giacalone & Jurkiewicz, 2003: 17; Helgeson, 1994). People value at work 'being able to feel part of a larger community or being interconnected' (Pfeffer, 2003: 31).

[21] Alternatively, the term 'workplace spirituality' has also been commonly used (Giacalone & Jurkiewicz, 2003). We refer to the same concept.

They also value at work being able to live and work in an integrated fashion[22], which is quite consistent with building the spirit in the organization (Pfeffer, 2003). Building a spiritual organization requires leadership that allows people to experience work autonomy, and to make important decisions about organizational direction and resource allocations (Pfeffer, 2003).

The employees we interviewed considered Torfs' CEO as a leader true to his convictions and acted accordingly, who had a strong vision, could be trusted and treated employees as human beings in a complete sense. Our non-family employees were proud to have him as their CEO. The sense of support and respect they experienced from their CEO, allowed them to feel highly committed and involved in their organization (Whitener, 2000):

I asked Wouter once, what is your goal? Do you want to become a Messiah? No, no, he said. (…). In the end, what Wouter says holds a lot of truth. He is a very humanistic person, (…), he has a special gift. I cannot explain it properly. He is honest, emphatic, but he can also take his position as a CEO. This human side of his, how he approaches people, his family, [being] third generation [family CEO], this means something to me, this gives me a lot of pride, that I have such a boss. This is what I also want to convey to others (Lien, sales coach; brackets added). Wouter is the perfect intermediate, I never saw him angry (…), he is just a good boss (…), he always looks at things from a bright side, and he loves talking to customers (Amber, shop manager).

What is interesting is that at Torfs Shoes there existed a particular openness to non-family employees' personal and spiritual development. Torfs Shoes' CEO expressed this as follows:

[22] According to Pfeffer (2003: 31) living and working in an integrated fashion refers to 'the ability to live an integrated life, so that one's work role and other roles are not inherently in conflict and so that a person's work role does not conflict with his or her essential nature and who the person is as a human being.'

I deeply believe that personal development and personal growth is of great value to the individual, to people [in general], but also of great value for the company. The company has a huge interest in stimulating personal growth and development. I also practiced this in my personal life: I have learned NLP [Neuro Linguistic Programming], I became a NLP trainer, I delved into Buddhism, meditation, Energy Work. That is my life outside of Torfs Shoes. (…). The next step is that I want to create an open training offer for employees, of 1 or 2 trainings a year, for example, [about] coping with stress (…), [about] living a more aware life, [about] personal communication, (…) (Wouter Torfs, CEO; brackets added). We offer our employees a day-training in Tai Chi, improved communicating through NLP, coping with stress and burn-out, and focusing on feelings (Wouter Torfs, CEO). At Torfs Shoes we consider our employees as authentic people, with whom we work together, learn together, and with whom we share our life. Such an approach is broader that the one-dimensional colleague perspective (Torfs, 2010).

We are connected to Torfs. But I don't tell that to everyone in my environment. I am proud of what I do, (…), but people can respond like, 'are you being brainwashed'? We don't feel it that way, but when I tell a stranger, they can sometimes perceive it this way. For example, [I participated in] a teambuilding in which we explored our inner self, (…), or a weekend in which we made our thoughts one with our heart. These are things that reach further then what some people experience [in their life]. You can choose [to experience] these things, but here [at Torfs] our employer offers it to us spontaneously. Then people sometimes ask me: 'Aren't you supposed to sell shoes?' (Lien, sales coach; brackets added).

The outcomes of organizational spiritualty have mainly been identified as beneficial, organization promoting: Improved organizational learning, strong organizational communities, a greater feeling of inter-connectedness among employees, and increased corporate social responsibility (Bierly et al., 2000; Cavanagh et al., 2001; Maxwell, 2003). Organizational spirituality's ultimate value is to foster 'higher levels of employee well-being, organizational commitment, financial performance, and social responsibility' (Fry & Cohen, 2009: 267). Torfs CEO expressed this as follows:

Happy cows give more milk. I don't have to spell that out to you. It may sound disrespectful, but investing in 'Best Employer' has certainly something to do with that. Giving people real responsibility and addressing and rewarding them on their responsibilities, 'makes cows happier' (Wouter Torfs, CEO).

In search for an explanation *why* spirituality played a significant role at Torfs Shoes, we build upon Peredo's (2003) concept of spiritual kin-based businesses. These businesses can be distinguished from 'blood and marriage kin-based businesses', which are commonly studied in family business literature (Karra et al., 2006). Peredo (2003: 398) suggests that spiritual kin-based businesses expand the biological family by using ritual as a mode of affiliation. 'Families recreate themselves as public representations of connections' thereby using social, cultural, or religious rituals. Peredo (2003) suggests that spiritual kin has rights and obligations towards one another. 'The costs associated with spiritual kinship include ritual expenditures and moral and long–term obligations for protection. The main benefit for the enterprise is a morally committed and flexible labor force' (Peredo, 2003: 398). Torfs Shoes invested in what we suggest to be ritual expenditures (e.g., Torfs' employee days for all employees, and the activities with managers that went beyond traditional team-building). By providing his employees with secure and satisfying jobs, moral and long-term obligations for protection were met. A reinforcing strategy was the '*huge interest in stimulating personal growth and development*' *(Wouter Torfs, CEO)*, also in the form of spiritual development, and a culture that promoted employees' experience of transcendence through the work process (Giacalonev & Jurkiewicz, 2003). This led to more complex forms of kinship alliances where family and non-family employees seemed to be "glued" together by their communities (Peredo, 2003), the Torfs values, and their common history at Torfs, thereby creating social capital. The sense of togetherness, collectivity, and social capital clearly acted as 'an engine for continuous learning, innovation, and adaptation to market opportunities (Peredo, 2003: 399).

However, critically analyzing our case we can also argue that in these spiritual-kin based businesses, group pressure plays an important part. This was illustrated by some of our interviewees:

With these Tai Chi classes I felt obligated to participate, but that is something I have great difficulties with. Then I back away. But I feel that 'they' [higher management] are watching me (Amber, shop manager; brackets added).

I received many comments [from my family and friends] when at the employee days we danced on a square in the middle of town. Everybody could watch it on YouTube; 200 people dancing the Waka Waka by Shakira on the Astrid square [a large square in Antwerp, Belgium]. People asked me how Wouter convinced us to do this. I replied: 'This is not that bad, is it?' I didn't think so. I made clear to them that in our company we don't make a fuss over it. Of course, there were colleagues who didn't participate, but I believe people cannot be forced into doing these sorts of things (Emma, sales assistant).

I think that I sometimes have to reveal more about my private life than I wish to. For example, a sales coach addressed me when I made a mistake at work. She asked me if something was the matter in my private life. That went too far for me. If I want to share something then I decide that for myself. I don't think a company has a right to ask such questions. And I'm not an introvert person, but when something happens in my private life I keep that to myself. I won't show it, I'll act happy and friendly towards customers, because I like my work (Emma, sales assistant).

In some cases a lack of compliance also led to a feeling of guilt:

This is a negative side of mine: That I don't want to take part in certain activities at the employee days or at workshops. For example, at this Tai Chi evening, when 250 people are doing exercises together, well, that is something I cannot do. That is too much for me. I'm struggling with that. To me, that is forcing a group to do things against their will. When I watch this man in front of the group giving a command and then the whole group follows, well, that makes me think:

'How is this possible?.' In that sense we are all part of the herd and we follow the leader (Amber, shop manager).

Also, we can argue that a certain selection bias was in place, i.e., only employees were selected who were willing to participate and contribute to the spiritual community. For example, an interviewee stated that:

Standing behind the convictions of our leader, I believe this to be important. Not only what he says, but also what other managers say. Being convinced that what they [higher management] tell us is the truth. I believe this to be the strength of the firm. For some people who start at our company it [this spiritual kin] doesn't feel right. But eventually they start to think and feel differently and they are appreciated for that. But others cannot come to feel this connection and they quit (Lien, sales coach; brackets added).

Critics argue that spirituality has no place in the workspace, as it may be in fact harmful to employees' wellbeing when used as a leader's tool to gain hegemony (Bell & Taylor, 2003; Lips-Wiersma et al., 2009). As our interviews indicated spiritual-kinship can result in group pressure and selection bias. It is hard to evaluate whether the latter processes should be labeled as negative for the individual or the organization. For example, some non-family employees at Torfs Shoes mentioned negative effects while others were more moderate and suggested it to be part of the identity and uniqueness of Torfs Shoes. We suggest that the uniqueness of Torfs Shoes lies in the fact that non-family employees were offered a wide diversity of opportunities for personal development which could also benefit organizational development (e.g., Senge, 1990[23]). What seems to be the case is that these opportunities were also intended to strengthen spiritually enriched communities at Torfs Shoes. Relationships "glued" non-family employees together and several strategies were used to reinforce this "gluing" process (Peredo, 2003).

[23] For example, Senge (1990: 139) states that 'organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning. But without it no organizational learning occurs.'

Our analysis indicates that in the long-term generalized reciprocal relationships (Stewart, 2003) between the family and Torfs' non-family employees PSO played an important part. In the presence of PSO among Torfs Shoes' employees, spiritually enriched communities were in place. An explanation for the connection between spiritual communities at Torfs Shoes and PSO can be found in the following roots and routes of PSO: The need for a sense of belonging or 'home', the need for self-identity, perceived control, self-investment, and shared intimate knowledge. A spiritual community offers individuals a 'home' where they can be a complete person, it offers them a sense of identity and allows the individual to experience causal efficacy and control (Pierce & Jussila, 2011; Rantanen & Jussila, 2011). When individuals *believe* in a common goal, they are likely to invest themselves in this target and develop a feeling of ownership over this goal. When they experience *meaning at work*, they acquire a greater sense of control over their work environment, which under certain conditions leads to PSO. When they *feel connected*, they are more likely to share intimate information about themselves, the organization, and the community, which under certain conditions leads to PSO of the target of possession. At Torfs Shoes these three aspects seemed to have led to the development of strong PSO among non-family employees.

What is very interesting is the finding that Torfs Shoes also widened its community to their customers:

Not only employees but also customers are a part of the [Torfs] community' (Torfs, 2010: 141 - Mission Statement). Absolutely, that is what we want. That is a marketing dream. For example, in my twitter account I said something like: 'We are reshaping our company into a community'. It is absolutely my dream to achieve other goals with this company then just being a [economic rational oriented] firm. I want to create a place where people treat each other in a different and qualitative way, also customers, also suppliers. And I notice that society is picking up this message (…). I don't have numbers on it, but our company is far less anonymous than others. Why? Because in the best case scenario our customers are permeated or absorbed with our company's values and they get attached to it. [Torfs Shoes] became 'theirs'. Thus, PSO is created, *in a sense of 'I feel connected', because [Torfs Shoes] means well and I [as a customer] support that (Torfs, 2010; brackets added).*

Wouter Torfs confirmed that it was the company's intent to develop a sense of ownership among their customers towards the family business' product and services by making them part of the Torfs community. In support of *de facto* creating customers that are psychological owners by including them in the organizational communities, a growing body of marketing research includes the value of customer co-ownership, value co-creation, and managing customers as if they were employees of the firm (e.g., Bowers & Martin, 2004; Halbesleben & Buckley, 2003; Vargo & Lusch, 2004).

Customer satisfaction had always been in the center of attention at Torfs Shoes, which is reflected in its history and in its current organizational practices. Torfs Shoes' strategy to make their customers part of their community was demonstrated in following organizational practices: Sharing personal and organizational values with customers, regarding them as individuals whom should be treated with respect, by displaying a friendly and welcoming attitude, and by being open and honest:

My way of treating customers is possibly also the Torfs way. We have to be friendly to people, to have respect for their uniqueness, and respecting their opinion. Also when I don't have something [in my store to sell to them] I direct them to the competitors, and then [the customers] look at me as if [I'm crazy]. But I just want to help them. This honesty towards customers is very important. (…). That is the Torfs vision. I received boxes of chocolate and flowers from grateful customers. (…). To me customers are individuals and I treat them equal regardless of the amount of money they are spending. The person that is only spending 20 euros and is treated in a friendly way is bound to come back to [the store] (Amber, shop manager; brackets added).

It is hard to evaluate the family aspect in the extending of organizational communities, but the role of strong relational ties in this process can hardly be ignored. As noted, building strong relational ties with their internal and external stakeholders is what family businesses seem to be good at (e.g., Miller et al., 2009; Milton, 2008; Steier, 2001). Extending our insights gained from Torfs Shoes' case, family firms should have a competitive advantage when deepening and widening their organizational communities. We therefore suggest that an effective family business manager may want to take into consideration deepening and widening the existing organizational communities with the intent of inducing strong PSO among non-family employees, and creating a co-owner customer base (i.e., a customer base that feels joint ownership over the family business' products and services).

4.6.3. From transformational to servant leadership

At Torfs shoes we found that strong PSO was intertwined with a transformative leadership style:

The connection for me [between leadership style and PSO] is that a leadership style should people give confidence and autonomy and freedom. This is a fertile soil for the development of PSO. Because, if you don't do this, and you keep control, (…), then you can't expect people to say: 'This is like working for my own profit'' (Wouter Torfs, CEO; brackets added)

However, Torfs Shoes CEO also demonstrated so called 'servant leadership', i.e., a leadership style that perceives the leader as a giver and receiver of help (Schein, 1983). According to Schein (1983) leaders are confronted with a world of complexity in which they are dependent upon the knowledge and skills of colleagues, employees, and networks, in order to find answers for complex problems. To address complex situations servant leaders create a helping situation in which they and others solve the problem together (i.e., mutual helping) and acknowledge that their employees are actually the specialists. Servant leaders understand the strengths and weaknesses of followers so they can align followers with tasks that optimize their performance and help employees to solve their own problems. Servant leadership as a management philosophy implies a comprehensive view on people's qualities and strengths, on their work and on a spirit of community (Greenleaf, 1977). Laub (1999: 81) defined servant leadership as: '(…) an understanding and practice of leadership

that places the good of those led over the self-interest of the leader. Servant leadership promotes the valuing and development of people, the building of community, the practice of authenticity, the providing of leadership for the good of those led and the sharing of power and status for the common good of each individual, the total organization and those served by the organization'. On the outcome side servant leadership creates among employees trust in the leader, organizational trust, and employee empowerment (Joseph & Winston, 2004; Stone et al., 2003). Servant leadership might stimulate more team helping behaviors, which increase team performance (Chen, Lam, Naumann, & Schaubroeck, 2005; Chi et al., 2011; Walz & Niehoff, 2000).
What differentiates servant leadership from a transformational leadership style is a primary focus on the organization and its outcomes (transformational) as opposed to a focus on the leader's followers with the achievement of organizational outcomes as a subordinate outcome (servant)[24] (Stone, Russell & Patterson, 2003), the latter which is exactly what we noticed at Torfs Shoes:

We believe that by consequent and sustained and intensive investment in people – and by people I mean customers and employees – we contribute to the long term strategy of Torfs. By emphasizing the human aspects we believe that, one, we add in a sustainable manner to a better world, and two, we believe this is profitable for a company on a longer term of 2 to 3 years. Can I prove this? No, I can't. I can only tell you to look at our results of the last 10 years and those were not bad at all (Wouter Torfs, CEO).

[24] In our view, servant leadership can be categorized as a specific form of transformational leadership in which the primary focus on the organization and its outcomes (transformational) shifts to a focus on the leader's followers with the achievement of organizational outcomes as a subordinate outcome (servant)(Stone, Russell & Patterson, 2003; see also: Nandram & Vos, 2010). Transformational leadership and servant leadership hold many similarities, for example their common emphasize on 'the importance of appreciating and valuing people, listening, mentoring or teaching, and empowering followers' (Stone et al., 2003: 354). 'The extent to which the leader is able to shift the primary focus of leadership from the organization to the follower is the distinguishing factor in classifying leaders as either transformational or servant leaders' (Stone, Russell, Patterson, 2003: 349).

As Laub (1999) indicates investment in people is also shown by valuing them for their efforts:

Being appreciated [for your work that is what matters]. Sometimes that is shown in small things. For example, when we received an e-mail [from Wouter Torfs] stating: 'Guys, you did well. You can all go for an ice-cream on my account (…).' Or that time when we received a flower bouquet. For the company these are small things but for us they have great value (Kim, shop manager; brackets added).

At Torfs shoes we found that strong PSO was intertwined with a servant leadership style:

I think at Torfs Shoes we have a culture of thanking people [for their effort, their commitment]. And people have to know that they can come to me when there is a problem (…). Then we will take care so that everything will turn out OK. (…) This shows that when needed I'm there for you [the employees] (Wouter Torfs, CEO; brackets added).

Literature suggests that family businesses with servant leaders are in a good position to promote PSO among their non-family employees. A feeling of mutuality and connectedness tends to increase a feeling of 'us' which is necessary boundary condition for the development of CPO (Pierce & Jussila, 2010). When valued as an expert, as a giver of help, that provides employee with a higher level of autonomy and personal control, in which case individual level PSO tends to increase (O'Driscoll et al., 2006; Pierce et al., 2004):

I have the feeling that we are not individual-centered at Torfs. We use the word 'we' and 'us' very often. At Torfs we are a collective. And I cannot be responsible for the collective, but I can be responsible for the part I play in it. 'My' responsibility and 'our' responsibility go hand in hand (Lien, sales coach).

According to Ward (1997: 324) developing servant leadership in family firms is one of the major challenges, among others, for their success and survival. As he puts it: ‘Children growing up in a family dominated by a successful, hard-working, self-reliant, decisive entrepreneur do not learn vital social skills of cooperation, shared decision-making, and unselfish collaboration. They also lack a parental role model for the teamwork and servant leadership skills so necessary for the next generation to work together or even to own a business together as a partnership of siblings.’ The latter is apparently what Torfs Shoes succeeded at. We therefore suggest that an effective family business manager may want to take into consideration paying attention to a servant leadership style with the intent of inducing strong PSO among non-family employees and thereby adding to the odds of success and survival of the family business.

4.7. Research contributions, implications, limitations & future research

In this article we explored the conditions that allow for the development and promotion of PSO among non-family employees in family businesses. This article joins a new research stream on PSO in family firms. Our findings enable for a better understanding of a construct that adds key insight in the nature of family firms, and that has the potential for improving their management. To substantiate this claim in this chapter we built on two case studies. One comprised of interview data from 20 family business CEO’s and the other built on 9 interviews with non-family employees in a successful family-owned business with a large extent of PSO among it’s CEO, family members, and it’s non-family employees. We suggest our effort has a variety of contributions and implications, which we discuss in the next section.

4.7.1. Research contributions

We suggest our contributions to family business literature are threefold.

Our first contribution is to show that the development of PSO in family firms is tied to the quantity and the quality of organizational relationships. In line with previous family business research we observed that relationships are the building blocks of family firms, and they are crucial for its organizational outcomes (Arrègle et al., 2007; Dyer, 2003; Kets de Vries, 1996; Lambrechts et al., 2009a; 2009b; Milton, 2008; Mustakallio et al., 2002; Steier, 2001). Our observations extended this insight by highlighting the role of the CEO as a disseminator and creator of intimate knowledge which in turn led to PSO among non-family employees. We referred to the latter as the role of the family firm CEO as a 'network hub'. Non-family employees potentially lack intimate information on the family system because they are not bound by family ties or kinship, therefore, our CEO's under study often played a 'broker' role connecting their family system with non-family members. We thus extended existing literature by showing that adding information on the family in the information flow, the likelihood grew that non-family employees would become to perceive the *family* aspect of the business as their target of possession. This created the potential to mitigate insider-outsider perceptions among non-family employees by their feeling connected to the family system. In doing so, our CEO's built on their strong familial and non-familial ties, which were often emotional in nature. However, the dissemination of information was also dependent on the willingness of non-family employees to pass this intimate knowledge to others (Granovetter, 1974). Their willingness is likely to be dependent on the strength of their organizational ties and on their extent of PSO. Our observations thus highlighted the role of the CEO as a disseminator and creator of intimate knowledge – by means of acting as a 'hub' or 'broker' – which in turn led to PSO among non-family employees. They also bring to the attention how non-family employees come to feel that the family business – especially its 'family' component – is 'theirs'.

Our case Torfs Shoes expanded our insights even further by drawing attention to the quality of inner-family firm relationships. Among other factors, high quality relationships among non-family employees and between the latter and family members, offered them the possibility to develop a sense of 'mine' and 'ours' toward their job, their immediate working environment and towards their organization as a whole (Bouwen & Hosking, 2000; Bouwen, 2001; Lambrechts et al., 2009a; 2009b; 2009c). As noted in literature, this may have been a reciprocal relationship, because high quality relations are, among other factors, highly related to the creation of co-ownership (e.g., Lambrechts et al., 2009b).

By fostering high quality relationships among family firm stakeholders, Torfs Shoes brought to practice what O'Reilly (2002) formulated as: 'The real issue is whether there is in place a set of policies and practices that actually treat employees as if they were owners.'

Drawing upon our analysis, we argued that the quantity and more importantly the quality of relationships between the family CEO and non-family employees (e.g., Bouwen & Hosking, 2000; Bouwen, 2001; Lambrechts, 2009a; 2009b) mitigates insider-outsider and injustice perceptions by means of creating PSO among non-family employees. To our interviewees the quality of their relationships offered them the possibility to develop a sense of 'ours' or 'jointness' (Lambrechts et al., 2009a; 2009b; 2009c), but also a sense of 'mine' (i.e., IPSO) because they were treated in a family-like way. Because of the nature of the relationships, they were able to individually gain possessive feelings over family business targets as well as experience a joint ownership over the family business. The quality of the relationships thus provided non-family employees with the feeling that the family business was 'theirs' as well as 'ours'.

Our second contribution is found in the role that is played by organizational communities in the formation and promotion of PSO in the family firm. Our analysis suggests that qualitative relationships (e.g., Lambrechts, Koiranen & Grieten, 2009) have the potency to create strong organizational communities (Miller, Lee, Chang, & Le Breton-Miller, 2009; Miller & Le Breton-Miller, 2005; Mintzberg, 2009) thereby adding to PSO. Organization communities are characterized by qualitative relationships among its members, by a sense of belonging, and by a sense of mutuality, care, connection, identity, awareness and obligation to others (e.g., Boyes-Watson, 2006). We showed that through their organizational communities non-family employees take ownership over the family business values, the family history, and the family business goals. As a result, this stimulated their pro-organizational attitudes and behaviors. We showed that organizational communities because of their nature are breeding grounds and disseminators of PSO. Torfs Shoes' case complemented our findings on family firm organizational communities in two ways. First, organizational

communities may be deepened by adding an aspect of spirituality. Working at Torfs provided non-family employees with a feeling of connectedness, added meaning to their work and they felt appreciated as a human being. This induced further their PSO, commitment and identification to the firm.
Second, organizational communities should not be limited to organizational borders, but may include customers. Customers, as a result, may come to feel PSO for the company's goals and values or its products and services. The dominant logic at Torfs Shoes was a service-centered view that was relational and customer oriented in nature (see: Vargo & Lusch, 2004).

Miller et al. (2009: 802) found that community relationships in family firms benefit their performance more than non-family businesses. They reasoned this to be case because 'in these personally intimate settings employees and external partners will be especially likely to return the generosity of a visibly active owning family, or to penalize its selfishness.´ As shown, our findings offer an additional explanation in the form of employees' IPSO and CPO.

Our third contribution is to show that leadership style is critical in the emergence and promotion of PSO. In our cases we found that CEO's with high PSO in their organization demonstrated a transformational leadership style that offered large autonomy and control options to their non-family employees. This confirmed Bernhard & O'Driscoll's (2011) finding that in family firms transformational leadership style and PSO combine well. This chapter added additional insight on *how* exactly this process works. Our results indicated that the role of the CEO in family businesses is essential in order to promote pro-organizational, value-creating behavior among non-family employees. Adapting a transformational leadership style provided non-family employees with the conditions for developing PSO over 'their' organization and 'their' job, which in turn contributed to responsible, stewardship behavior.

Our case Torfs Shoes expanded our insights even further as it pointed to an effective way to integrate PSO in the organization by means of servant leadership. With servant leadership the power balance shifts from an expert CEO to an expert employee with the emphasis on a two-directional attitude of helping

(Schein, 1983). According to Ward (1997) developing servant leadership in family firms is one of the major challenges, among others, for family firm's success and survival. By acknowledging the expertise of employees, Torfs' family CEO further broadened the opportunity for non-family employees to develop a feeling of mutuality and connectedness which tends to increase a feeling of 'us' and that is a necessary boundary condition for the development of CPO (Pierce & Jussila, 2010). When valued as an expert, as a giver of help, that provides employees with a higher level of autonomy and personal control, in which case individual level PSO tends to increase (O'Driscoll et al., 2006; Pierce et al., 2004).

Our analysis suggests that with servant leadership non-family employees enjoy a feeling of being appreciated to their full potential, which in turn adds to their value-creating attitudes. We therefore suggest that an effective family business manager may want to take into consideration paying attention to a servant leadership style with the intent of inducing strong PSO among non-family employees and thereby adding to the odds of success and survival of the family business.

4.7.2. Implications

In this chapter we touched upon themes that potentially have broader implications for organizational literature and for family business literature.

A first theme that was touched upon and which may have broader implications for organizational as well as family business literature is the relationship between PSO and family firm performance.

The results from our case studies indicate that PSO adds to the non-family employees' value creating attitudes and pro-organizational behavior. Moreover, family business and PSO literature indicate that pro-organizational behavior and firm performance are connected in a positive sense (Corbetta & Salvato, 2004; Davis et al., 1997). However, our case studies also revealed some potential negative outcomes of an excess of PSO among non-family employees. In some cases this led to stress, burn-out and miscommunication, factors which do not serve individual nor organizational interests. It may therefore be questioned that the outcomes of PSO are under certain circumstances beneficial for family firm performance.

Also, the idea that the harmony and togetherness created by PSO is always beneficial for the organization has been challenged in literature. For example, Hill (2012) states that 'the presumption that harmony is all-important can even undermine performance if talented team members self-censor their contributions to keep the peace'. In organizational literature we find the phenomenon of so called groupthink which is related to harmony and its potential negative effects.
Groupthink refers to a situation where a group displays a pattern of collective defenses which prevents from effective decision making, due to group pressure to maintain group harmony (Janis, 1982). This situation arises when people are deeply involved in a cohesive in-group. For example, in high performing businesses groupthink allows the board and management to rely on past successes and increase collaboration, rather than recognize the need for change and greater control. In low performing businesses groupthink leads to threat-rigidity responses which exacerbates faulty decision making and failing strategies (D'Aveni & MacMillan, 1990; Sundaramurthy & Lewis, 2003). In family firms this situation is likely to exist because of the tendency to avoid familial conflict, due to a deep involvement of family members in the business and to a strong cohesion in the top management team of the firm (Pieper, 2007). We deduce that the strong feeling of 'our-ness' (i.e., CPO) that exist in family firms and that are shared by a cohesive in-group, may lead to groupthink which potentially has a negative effect on firm performance since it prevents from effective decision making.
However, our case Torfs Shoes showed that this relationship between CPO and performance may also be reversed. In this perspective, Wouter Torfs stated that:

[In case the family business is underperforming] I think psychological ownership can be a strong asset. That is, being able to address people on their responsibility when times are dark and making clear that we are going to make

it through if we stick together and if everybody takes their responsibility. That is in everybody's interest.

The relationship between PSO and performance he described as follows:

I can tell by the output. I notice that our highest performing shop managers have a high degree of PSO. They work as if it is their business and the harder they work the higher the profit. I notice this by the performance results.

Thus, the relationship between PSO and family firm performance may be a double-edged sword. On the one hand, it contributes to pro-organizational attitudes and behavior by non-family employees which may lead to higher family firm performance. On the other hand, PSO may indirectly lead to negative performance outcomes by means of its potential negative effects on the individual (e.g., stress, miscommunication, defensive behavior) or the organization (e.g., group-think, harmony). We therefore suggest that family business managers pay attention to the effects of PSO among their non-family employees in order to induce pro-organization behaviors that benefit family firm performance. For this purpose they should critically evaluate among their non-family employees potential negative effects of PSO (see also: chapter 5, section 5.4.2).

A second theme that was touched upon and which may have broader implications for organizational and family business literature is PSO as a potential source of sustainable competitive advantage. The results from our case studies combined with (PSO and family business) literature indicate that the way family firms develop and promote PSO among their non-family employees meets the VRIN (Valuable, Rare, Inimitable, Non-substitutable) conditions developed by Barney (1991). Barney's (1991) VRIN framework can determine if a resource is a source of sustainable competitive advantage. Applying Barney's (1991) framework, PSO in family firms is very hard to imitate by other, non-family firms (since its relational nature in 'the family firm is tacit in nature and extremely difficult for competitors to imitate'; Dess & Shaw, 2001; Pearson et al., 2008: 955); it is valuable (as it promotes pro-organizational, value-creating behavior among non-family employees; e.g., Bernhard & O'Driscoll, 2011); rare (due to the unique family firm context); non-substitutable (as it substantially differs from, for instance, commitment or organizational identification; Pierce et al., 2001), and it is a potential source of sustained advantage (when internal organizational relationships are supportive of PSO). IPSO and CPO should therefore be regarded and treated as a source of sustainable competitive advantage for the family firm (Barney, 1991; Habbershon & Williams, 1999; Habbershon, Williams & MacMillan, 2003). 'A dedicated and motivated workforce may act as a valuable, scarce, inimitable resource than can help firms to execute a strong innovation strategy' (Lee & Miller, 1999; Miller et al., 2009: 805), and contribute to its performance (Miller et al., 2009). In this, relationships among family business stakeholders we showed in this chapter to be essential. A relational perspective on the family business is therefore requisite, however, to this date underdeveloped (Milton, 2008).

Since relationships and interactions are the essence of 'familiness' (Habbershon, Williams & MacMillan, 2003; Habbershon & Williams, 1999; Milton, 2008; Pearson, Carr & Shaw, 2008) taking a relational perspective adds to the development of the familiness construct. In the context of high quality relationships we elaborated on kinship, quasi-family and family-like relationships. In our view, we uncovered a process of expanding the biological family relationships beyond kinship ties which has the potential to illustrate what familiness really is. We argued for the understanding that there is variability in the degree to which patterns of family relationships are transferred to the family business. Some family firms may choose not to extend family relationships beyond kinship ties (and thus may resemble more the intra-organizational relationships found in non-family businesses; Pearson et al., 2008), others may choose to incorporate upper-echelon non-family employees as quasi-family (Karra et al., 2006), while others – like Torfs Shoes – choose to extend family-like relationships to the whole organization. We propose this variability in expanding kinship-based relationships to the business to be tightly linked to the variability in familiness that is found in family businesses. It lays at the core of the systems interactions between the family and the business (Habbershon & Williams, 1999). The concept of spiritual-kin based businesses proved to be useful to explain this process. Based on our findings, we propose that by recreating and expanding the logic of the biological family by means of social, cultural, or quasi-religious rituals, family firms build familiness. That is because by treating non-family employees as quasi-family or in a family-like way, more complex forms of kinship alliances are build. The latter glue together family and family with non-family by means of their PSO of the family business, they bind family business stakeholders to the family values, and contribute to the creation of unique bundle of resources and capabilities (Habbershon & Williams, 1999; Habbershon, Williams & MacMillan, 2003; Peredo, 2003).

Family businesses, however, are not a homogeneous group of organizations (Corbetta & Salvato, 2004). Different ownership and management models can be in place. For example, there are businesses which are still fully owned and managed by the family, whereas in other businesses ownership and control are shared with non-family managers (Corbetta & Salvato, 2004; Salvato, 2002). There may be lower level family or non-family managers employed in the business. Or, family members may be involved as executive employees. Evaluating PSO creation and promotion processes in family firms, it seems that further specification is needed according to the specific ownership and management model in place. Based on our case studies we would argue that family bonds and PSO form a natural coalition, and therefore our findings could be applied to a broader context of diverse family firms. However, family bonds do not *guarantee* PSO and there may be variability in the extent of PSO felt by different actors. For example, a start-up business owner may have stronger feelings of PSO than an owner in a mature business, formalization creating a gap between the invested labor and its visible fruits and thus inhibiting psychological attachment to the fruits of labor. PSO feelings based on kinship and family bonds are not static. The possibility to control, the intimate knowledge of the family business, and/or the extent to which generations invest themselves, varies along the sequential developmental stage of the family. Apart from blood and marriage kinship ties, in the family businesses we studied it is the nature of organizational relationships that comes to the foreground in the formation and promotion of PSO. Copying these relationships to a non-family business context would be very hard to accomplish, and would not include quasi-family and family-like relationships which contribute to the creation of a unique bundle of resources and capabilities for the family firm (Habbershon & Williams, 1999).

4.7.3. Limitations

It is reasonable to question whether our findings can be generalized to a broader population. Although generalizability of case study research is potentially problematic, this study has a number of features suggesting that PSO conditions we found operating in our 20 cases and at our in-depth case study at Torfs Shoes are likely to share commonalities with other family businesses. PSO is an established concept in organizational literature and a promising construct in family business literature, and we suggest that it is likely to manifest itself in similar ways in other family businesses. However, our findings at Torfs, specifically on organizational spirituality and servant leadership style, may be less generalizable, because they are representative of a specific family CEO's personality and life experiences.

4.7.4. Areas for future research

Our study indicates some directions for future research. Future research could pay particular interest to the relational aspect of family firms and of PSO. Although both are in essence relational (Koiranen, 2007a; Pierce et al., 2001), little attention has been paid to the quality and quantity of relationships in family firms (e.g., Lambrechts et al., 2009a; 2009b) and under which circumstances these give rise to PSO and to a family firm's competitive advantage. Thus, more research is needed on the role of PSO in family businesses, on its antecedents and consequences in the latter context, and on its potential positive and negative effects. Further empirical evidence may provide additional arguments on the importance of PSO for research on the nature of family businesses.

4.8. Conclusion

We demonstrated that, by acknowledging that PSO in family firms is relational in nature, it is possible to develop greater insight in its development and promotion, and as such, in the relational nature of family firms itself. Based on our case study we suggest that high quality relationships among family and non-family stakeholders are of critical importance as a source of family firms' unique competitive advantage but they may be insufficiently recognized as such. Moreover, high quality relationships may give rise to an organizational community in the family firm and this may be a crucial competitive advantage in light of the current network society. The role of the CEO in this process can hardly be overestimated, in particular, a leadership style that is transformational and servant in nature will help to facilitate PSO among non-family employees.

We hope that our study will serve as an inspiration for future research into the nature of PSO in family businesses. We also hope that family business practitioners obtained some insights on how to manage PSO in their family firm.

Chapter 5: Implications, extended learning, & conclusion

5.1. Introduction

The aim of this thesis was to generate a broad perspective on the role of IPSO and CPO in family firms. This thesis aimed to provide insight on the role of IPSO and CPO on family and non-family executives' and non-family employees' value-creating and pro-organizational behaviors. Our overall research question read as follows: '*What is the role of IPSO and CPO in family businesses and how do they contribute to enhancing value-creating, pro-organizational behaviors among family and non-family executives and employees in family firms?*' A combination of qualitative and quantitative methods were applied to reach the level of statistical or theoretical generalization, thereby extending and contributing to existing research on family businesses and to organizational literature. The next section discusses research implications that follow from our findings, and highlights contributions to the literature. The sections thereafter elaborate on implications for practice, limitations and future areas of research, and on the extended insights that were derived from our findings.

5.2. Research implications

5.2.1. Stewardship behavior

In chapter 2 we started our research quest by examining at a CEO level the relationship between family firm CEO's (job) autonomy and their stewardship behavior, taken into regard their IPSO and CPO over the family firm.

In previous research, family firm CEO's are often depicted as stewards who should be offered substantial freedom in their job because it is beneficial for their actual stewardship behavior (Davis et al., 1997; Davis, Allen & Hayes, 2010). Literature also suggests a stewardship philosophy to be common among successful family businesses (Corbetta and Salvato, 2004; Eddleston & Kellermanns, 2007: 549) and this stewardship philosophy leads to (family and non-family) CEO's PSO which encourages CEO's stewardship behavior (Corbetta & Salvato, 2004; Eddleston & Kellermanns, 2007; Hernandez, 2012; Le-Breton Miller & Miller, 2009). The relationships between family firm CEO's stewardship behavior, IPSO and CPO, and CEO's autonomy, however, have been postulated, but have never been brought together in a comprehensive model, nor have the relationships been tested.

In this chapter we developed and tested a model that can help explain family firm CEO's stewardship behavior by bringing to the foreground the extent of IPSO and CPO perceived by the CEO. We followed suggestions by Eddleston & Kellermanns (2007) – although not the main theme of their paper – who connected a stewardship philosophy with stewardship behavior by means of mediation by PSO. We also followed recent theoretical insights by Hernandez (2012) who suggested PSO as a mediator between psychological and structural factors (e.g., cognitive and affective mechanisms, control and reward systems) on the one hand and stewardship behavior on the other hand. We tested our hypotheses that IPSO and CPO mediated the relationship between CEO's autonomy and their stewardship behavior. Our model is hypothesized to work best under the condition that both family owners and family firm CEO's perceive the family firm from a stewardship perspective (cf. the steward-steward situation in Davis et al., 1997).

Our results showed that family firm CEO's with high levels of autonomy assigned to them were more likely to behave as stewards, which is in line with Davis et al.'s (1997) hypothesized relationship between autonomy and stewardship behavior. Since family firms differ from their non-family counterpart by their unique potential to promote a culture of trust among their stakeholders (Davis et al., 2010; Tagiuri & Davis, 1996), this is not surprising. What is surprising is that this relationship has previously not been tested – a gap in the literature which we addressed in this thesis. Our effort has the advantage of testing previously fragmented theoretical insights. Specifically, our results indicate that it is important to take into regard the psychology of ownership (in all its dimensions) when questioning the factors that influence family firm CEO's stewardship behavior. We also extended insights on the CEO autonomy –

stewardship behavior relationship by differentiating IPSO from CPO. This was an important distinction because group level phenomena may have different dynamics than those on an individual level, and these dynamics are not necessarily interrelated (Pierce & Jussila, 2010; 2011; Smelser & Swedberg, 2005) (see also: section 5.4.1.). For example, an individual sense of control may lead to an individual feeling of ownership over the organization, but this feeling is not necessarily shared with others. For the latter it is needed that the CEO feels part of a significant group ('us') that comes to feel a collectively shared 'ours' (Pierce & Jussila, 2010; 2011). When studying family businesses – which are businesses based on a collectivity that is called 'family' (Dyer, 2003) – our awareness is raised for collectivistic processes that lead to pro-organizational behavior. Hence, it is of special relevance in family business research not only to consider individual attitudes and feelings (e.g., IPSO) that may lead CEO's to behave in the best interest of the firm but also to take into consideration collectively based behaviors of family firm CEO's (such as those based on CPO).
Our findings at least lend support for a key role of IPSO in the CEO autonomy – stewardship behavior relationship, while CPO may play a role when family firm CEO's feel as part of a significant 'us' (e.g., the top management team, family owners) which collective shares a feeling of 'ours'.

We suggest our effort strengthened stewardship argumentations of the family business and offered insight on how CEO autonomy facilitates stewardship behavior (Corbetta & Salvato, 2004; Davis et al., 1997; 2010; Eddleston & Kellermanns, 2007; Le-Breton Miller & Miller, 2009). We also refined the stewardship model by adding IPSO and CPO. We enriched the PSO literature stream by examining IPSO and CPO in the context of stewardship theory, and by empirically distinguishing between two dimensions of PSO.

5.2.2. Organizational identification

The attention for organizational identification in family business research has grown over the last few years. (e.g., Gómez-Mejía et al., 2007; Mahto et al., 2010; Milton, 2008; Zellweger et al., 2010). Family firms carry with them discrete characteristics, such as the family name and history, social status, and as a result often induce enduring attachment of its (family) members (Gómez-

Mejía et al., 2007: 108; Kets de Vries, 1993; Littunen, 2003; Westhead, Cowling, & Howorth, 2001). Moreover, top level executives' identification with the family business has been recognized as crucial for the success of the family firm (Sharma & Irving, 2005; Zellweger, Eddleston & Kellermanns, 2010). It is therefore surprising that so little is known about the processes that connect family and non-family CEO's organizational identification with their value creating attitudes and behaviors.

In chapter 3 we presented a model that connects family firm CEO's identification with the family firm, their stewardship behavior, joy of work, affective commitment, and IPSO and CPO. We quantitatively tested the supposed relationships by means of ordinary least square regression analysis and mediation analysis (Baron & Kenny, 1986).

We found that family firm CEO's identification with the family firm is positively related to their IPSO and CPO. Thus, family firm CEO's who identify with the family business are more likely to consider the family firm as 'theirs' or 'ours'. Furthermore, we demonstrated that the extent to which the family business CEO identifies with the family firm, this has a positive effect on their stewardship behavior, affective commitment and joy of work. With a few exceptions, we found that the CEO' IPSO and CPO mediated the mentioned relationships. Hence, IPSO and CPO play an important part connecting CEO's organizational identification with value-creating, pro-organizational attitudes and behaviors.

Some hypothesized relationships were not supported. For example, we did not find a mediation of family business CEO's CPO on the relationship between their identification and their affective commitment. A plausible explanation is that CEO's organizational identification is the decisive variable in the CPO – affective commitment relationship. We also did not find support for a mediating effect by the CEO's IPSO between his or her identification with the family business and the CEO's joy of work. It seems that CEO's joy of work is more dependent on the need for connectedness (i.e., a feeling of 'us'; Litz & Kleysen, 2001), which can create a feeling of 'our-ness' (i.e., CPO), than on an individual feeling of possessiveness over the organization. Joy of work experienced by the CEO, it is suggested, creates a positive attitude towards the family business and the willingness to contribute to greater, organizational goals.

Our findings extend earlier work on stewardship behavior and affective commitment in family businesses (e.g., Bernhard & O'Driscoll, 2011; Eddleston & Kellermans, 2007; Sharma & Irving, 2005). Our results show the important role of IPSO and CPO when family firms want to foster stewardship behavior or induce affective commitment among their CEO's. We also provided insight on a relatively new construct of joy of work in the family business context. With joy of work we suggest that we identified a mobilizing and energy-giving force and an additional factor that can help explain the hard work and high dedication and effort family firm CEO's (see: Cabrera-Suárez, De Saá-Pérez, & García-Almeida, 2001) put into their businesses. Hard work combined with the joy they may experience working for the family business, may encourage family firm CEO's to feel responsibility to see the family business prosper. The literature suggests that it is important that family firm entrepreneur's joy in work is conveyed to the next generations in order to stimulate their willingness to commit to the continuation and success of the family firm (Danco, 1980).

More broadly, our findings in this chapter add to literature on socio-emotional wealth preservation in family firms (e.g., Gómez-Mejía et al., 2007; Milton, 2008; Zellweger et al., 2010). Without repeating our elaboration on this matter in the discussion part of chapter 3, we suggest that our findings in chapter 3 offer initial insight in the underlying relationships that constitute some specific dimensions of SEW (i.e., the 'organizational identification', 'family control and influence' and 'emotional attachment' dimensions of SEW). The role that can be played by IPSO and CPO in the SEW model, we suggested, originates from the affective need of the family for the preservation of control over the family business. PSO literature shows that this control over a certain target of possession (e.g., the family firm) is one of the major routes that may lead to the formation of IPSO and CPO (Pierce et al., 2001; Pierce & Jussila, 2010; 2011). We therefore suggested that IPSO and CPO could be considered as part of the 'family control and influence' dimension of SEW and studied as such. Furthermore, we also suggested that IPSO and CPO could broaden the SEW construct to non-family members that are employed in the family business. We suggested that the preservation of SEW is not necessarily constrained to the owning family, when taking into regard the psychological dimension of ownership and its related (perceived) control rights.

5.2.3. Promoting PSO among non-family employees

In chapter 4 we sought for an answer to the question how (individual and collective) PSO can be promoted among non-family employees. Our research question found its roots in the finding that 'managing non-family employees in family businesses and enhancing their value-creating attitudes and behaviors is an essential factor in ensuring long-term prosperity' for the family firm (Bernhard & O'Driscoll, 2011: 346; Chua, Chrisman, & Sharma, 2003; Miller, Lee, Chang, & Le Breton-Miller, 2009). PSO could be such a construct that can fundamentally improve family firms' management of non-family employees (Bernhard & O'Driscoll, 2011; Bernhard & Sieger, 2009; Rantanen & Jussila, 2011; Sieger, Bernhard & Frey, 2011a, 2011b). However, insight is missing on '*how*' exactly PSO is promoted in family businesses and '*what*' CEO's do to achieve this goal. This is an important weakness when we want to understand and enhance (non-family) employees' pro-organizational attitudes and behavior which has been related to PSO (e.g., higher in-role and extra-role behaviors; Wagner et al., 2003; Mayhew et al., 2007; Van Dyne & Pierce, 2004; higher levels of commitment; Vandewalle et al., 1995; Avey et al., 2009; organizational citizenship behavior; Vandewalle et al., 1995; O'Driscoll et al., 2006; low intention to quit; Avey et al., 2009; group learning and group effectiveness; Pierce & Jussila, 2010).

Therefore, in chapter 4 we sought for answers to our research question by means of an in-depth, qualitative analysis of interviews with family business CEO's and employees. In a first stage we analyzed 20 interviews with family business CEO's, data which was gathered in the context of a broader research project on innovation, organizational change, and learning in family firms (Lambrechts & Voordeckers, 2010). In a second stage we selected one firm from the 36 interviews for further investigation, because it was identified as a unique case (Dyer & Wilkins, 1991; Stake, 2008). The results from our initial interviews combined with the unique case revealed three major themes to be crucial in managing PSO among non-family employees: The nature of the relationships between the family CEO and non-family employees, the role and leadership style of the CEO and, the creation of an organizational community.

Without repeating our extensive discussion part in chapter 4, we can say that that our results showed that the development of PSO in family firms is tied to the quantity and the quality of organizational relationships and these are crucial for its organizational outcomes (Arrègle et al., 2007; Dyer, 2003; Kets de Vries, 1993; Lambrechts et al., 2009a; 2009b; Milton, 2008; Mustakallio et al., 2002; Steier, 2001). In particular, the quality of relationships among non-family employees and between the latter and family members, among other factors, created the potential to mitigate insider-outsider and injustice perceptions by means of creating PSO, because non-family members were treated in a 'family-like' way.

High quality relationships (e.g., Lambrechts, Koiranen & Grieten, 2009) also had the potency to contribute to the formation of strong organizational communities (Miller, Lee, Chang, & Le Breton-Miller, 2009; Miller & Le Breton-Miller, 2005; Mintzberg, 2009) thereby adding to PSO. We showed that through their organizational communities non-family employees take ownership over the family business values, the family history, and the family business goals. As a result, this stimulated their pro-organizational attitudes and behaviors. Torfs Shoes' case complemented our findings on family firm organizational communities in two ways. First, organizational communities may be deepened by adding an aspect of spirituality. Working at Torfs provided non-family employees with a feeling of connectedness, added meaning to their work and they felt appreciated as a human being. This induced further their PSO, commitment and identification to the firm. Second, organizational communities should not be limited to organizational borders, but may include customers. Customers, as a result, may come to feel PSO for the company's goals and values and products and services. The dominant logic at Torfs Shoes was a service-centered view that was relational and customer oriented in nature (see: Vargo & Lusch, 2004).

Finally, chapter 4 also elaborated on leadership style as critical in the emergence and promotion of PSO. In our cases we found that CEO's with high PSO in their organization demonstrated a transformational leadership style that offered large autonomy and control options to their non-family employees. This confirmed Bernhard & O'Driscoll's (2011) finding that in family firms transformational leadership style and PSO combine well. This chapter added additional insight on *how* exactly this process works. Our results indicated that the role of the CEO in family businesses is essential in order to promote pro-organizational, value-creating behavior among non-family employees. Adapting a transformational leadership style provided non-family employees with the conditions for developing PSO over 'their' organization and 'their' job, which in turn contributed to responsible, stewardship behavior. Torfs Shoes expanded our insights even further as it pointed to an effective way to integrate PSO in the organization by means of servant leadership. With servant leadership the power balance shifts from an expert CEO to an expert employee with the emphasis on a two-directional attitude of helping (Schein, 1983). Our analysis suggests that with servant leadership non-family employees enjoy a feeling of being appreciated to their full potential, which in turn adds to their value-creating attitudes.

In this chapter we touched upon themes that potentially have broader implications for family business literature. We elaborated on implications for a resource based view on the firm (i.e., the VRIN conditions; Barney, 1991; Barney & Clark, 2007), the construct of familiness, and shared thoughts on the heterogeneity of the family firm group of organizations. We also extended insight on the relational nature of the family firm and of PSO, and empirically distinguished IPSO from CPO.

5.3. Practical implications

One of the overall aims of this dissertation was to generate practical and managerial relevant knowledge on the role of PSO in family firms.

In our view, the practical relevance of the constructs of IPSO and CPO is most evident in chapter 4 on promoting IPSO and CPO among non-family employees.

That does not mean, however, that the other chapters lack practical relevance. For example, the pro-organizational, value-creating attitudes discussed in chapters 2 and 3 are constructs that repeatedly have been applied to a practitioners' context. Attaining knowledge on how affective commitment, happiness at work, stewardship behavior, organizational identification, and job autonomy can contribute to the success (or failure) of the firm, and has gained wide interest among, for example, HR practitioners and business leaders (e.g., Astrachan & Kolenko, 1994; Lansberg, 1983). A major contribution of this thesis is adding IPSO and CPO to the equation. We suggest that the majority of our findings on the role of IPSO and CPO can be directly translated to practice. We show the 'how' and 'what' of the relationships between the mentioned constructs. Some of our findings can be read as 'best practices', for example, the findings from our Torfs Shoes case. By doing so, we contribute both to academic literature as to practice.

In the next section we will offer additional implications for practice by focusing on extended insights that can be derived from our findings.

5.4. Extended learning from our findings

The aforementioned research and practical implications – in our view – constitute important contributions to literature and practice. However, when asked the question I have heard many times at a PhD defense '*What was learned from this thesis?*', two themes come to the foreground. The first theme arose from our finding that family firm CEO's distinguished between their IPSO and CPO. The second theme is related to our adding of a behavioral component to the PSO measurement scale. It has linkages with our qualitative chapter in which besides a mainly 'bright side', a 'dark side' of PSO also became more clear. Successively, we discuss in this section extended learning from (1) the distinction between IPSO and CPO (2) the behavioral dimension of PSO

5.4.1. Distinguishing IPSO from CPO: On targets of possession

Our analysis revealed that privately held family firm CEO's made a clear distinction between their collective and their IPSO. This stands in contrast to previous studies which reported the scale for PSO to act as a homogeneous measure (e.g., Van Dyne & Pierce, 2004). This is surprising because theoretically the distinction between IPSO and CPO has been made clear (e.g., Pierce & Jussila, 2010; 2011). However, what previous studies utilizing the PSO scale have in common is a focus on the employee level in the organization. It is, however, theoretically viable that CEO's perceive their CPO and IPSO in a different way than employees, especially when taken into regard the CEO's broader control options over the organization (e.g., stemming from his or her position or stemming from stock ownership in the family firm). The extent of control over the organization is one of the major routes leading to IPSO or CPO (Pierce et al., 2001; Pierce & Jussila, 2010). It is reasonable to assume, for example, to find strong PSO feelings among controlling owners because of their extent of share ownership and the benefits they gain by it. However, psychological ownership is a feeling that is dependent on individual and collective perceptions of ownership (Pierce et al., 2001; Pierce & Jussila, 2010). Therefore, even with a large extent of share ownership psychological ownership may be low when the business is little regarded as 'mine' or 'ours'. For example, the presence of the founder after the succession of the business has taken place may inhibit the successors' perception of psychological ownership over the firm, especially when the founder refuses to let go of control of the business (Davis & Harveston, 1999). Our argument is that although legal ownership may contribute to the genesis of PSO, the two are not tied together. An explanation for the distinction between IPSO and CPO may therefore not entirely be found in the fact that most of the CEO's under investigation hold stock of the family business.

An alternative explanation may be that a feeling that the family business is 'ours' simultaneously exists with the sense of 'mine' (Pierce & Jussila, 2010) which could explain the homogeneous outcomes on the PSO measurement scale found in previous studies. Pierce & Jussila (2010: 815) state that 'collective psychological ownership is seen as an extension of psychological ownership at the individual-level', because feelings of 'mine' transition from an individual to a collective level where they gain a collective nature. However, our results indicate that more research is needed on the distinction between IPSO and CPO and on the question whether there exists overlap. Based on our findings we suggest that family CEO's – depending on the target of possession – feel that such a target is 'theirs', but not 'ours'; a target can be regarded as 'mine' and a moral obligation is felt to share it with others, thus creating the potential for a joint 'ours'[25]; a target can be regarded as 'mine' and a strategic choice is made to share it with others, thus creating the potential for a joint 'ours'[26]; a target if felt as solely belonging to the group, i.e., solely 'ours'. The argument that we want to make is that the distinction between 'ours' and 'mine' may be dependent on which target of possession is taken into consideration.

To illustrate our view, an interesting comparison can be made between PSO and the mathematical entity called a vector. The Oxford dictionary (2012) describes a vector as 'a quantity having direction as well as magnitude, especially as determining the position of one point in space relative to another.' Like a vector PSO can be perceived as a relationship between an owner and an owned target, which has a (1) magnitude (or 'strength') and (2) a direction (the target).

(1) PSO can vary in strength. For example, the routes that lead to PSO (i.e., intimate knowledge, self-investment, control options; Pierce et al., 2001) may vary along the sequential developmental stage. From a junior generation perspective (Gersick, 1997), the possibility to control the family business grows along the years, as their active involvement in the business widens. Simultaneously, the junior generation' intimate knowledge of the business enlarges, and they convey to their active or passive choice to invest themselves in the business (Cabrera-Suárez et al., 2001). From a senior perspective, all three routes of psychological ownership may be strongly present in a young

[25] As an illustration, a shop manager who we interviewed stated that: *I regard the store as 'mine'. I know it should be 'our' store also, because [the success of] it is a shared achievement, but I tend to call it 'mine' (Amber, shop manager; brackets added).*

[26] Cf. Wouter Torfs – chapter 4

business family but factual control and self-investment may decline over the subsequent stages. Next generation members in family business grow up in close (physical and psychological) proximity to the business (Steier, 2001). Hence, they develop an intimate knowledge of the business early on. However, it may not be until they become legal owners or managers of the business that they might invest themselves in or control a part of the business.

(2) Ownership can be felt for a wide variety of targets, such as one's (creations &) work, physical-material objects, ideas, people, the organization, amongst others (Pierce, Kostova, & Dirks, 2003; Pierce et al., 2001). Adam Smith, for example, stated that everybody 'has property in his own labor', which to his belief was the original foundation of all property (Smith, 1776-1976; Rahmatian, 2008). According to Pierce (2003: 94; brackets added based on Pierce & Jussila, 2010) 'attributes such as [joint] attractiveness, [joint] openness, and [joint] manipulability render the target more or less subject to PSO. At a minimum, the target must be visible and attractive to the individual, it must be experienced by the individual, and it must capture the interest of attention of the individual.' 'The target must be manipulable, because only then will it be capable of potentially serving the need for efficacy and effectance. It needs to be attractive, socially esteemed, and self-revealing if the individual is going to use it to serve the self-identity motive. Finally, the target needs to be open (available, receptive, and hospitable) to the individual, because only then will it enable the individual to find a home within it. Furthermore, viable targets of ownership are those whose attributes can facilitate the acts of individuals controlling, coming to know, and investing the self into them (i.e., the routes to psychological ownership)' (Pierce, et al., 2001; 2003: 94).
In this perspective, Rantanen and Jussila suggest that 'the collectively held possessive sense (feeling) among members of a family that a particular business (as a tangible and intangible possession) belongs to the family as a whole and is an extension of that family' (Rantanen & Jussila, 2011: 142) is very prevalent in family businesses.

The results of our questionnaire among family firm CEO's, the interviews with family firm CEO's, and the interviews we held with non-family employees all

point in the direction of a clear distinction between what is regarded as 'mine' and 'ours'. In search for an explanation of the outcomes of our questionnaire, we suggested that the extent of control options family firm CEO's experience may explain this distinction between 'mine' and 'ours'. After conducting interviews with non-family employees, it became more clear that 'mine' and 'ours' depends on (1) what can be called 'mine' or 'ours' (i.e., control) (2) what should be called 'ours', but not necessarily is (3) what is solely 'mine', and (4) what is solely 'ours'. What is regarded as 'mine' or 'ours' is thereby strongly dependent on what target of possession is taken into consideration.
Literature indicates that in family businesses the family firm itself is very likely to become a strong target of possession – especially among family CEO's and founders of the company (e.g., Rantanen & Jussila, 2011). We found that this benefits the firm when family business CEO's act as stewards or when they show other kinds of pro-organizational behavior (e.g., affective commitment, joy of work). This also benefits the family firm when it mitigates insider-outsider problems related to perceptions of non-family employees.

We therefore suggest that the owners and the management of the family firm should pay attention to the potential targets of possession and should promote both individual and collective targets under the condition that they directly or indirectly benefit the organization. To evaluate the latter it is necessary to take a closer look at actual behavior that comes with PSO. In the next section we question whether there exists such a concept of 'good' PSO.

5.4.2. PSO as behavior: On 'good' PSO

The theme in this section arose from the – in our view – surprising finding that a behavioral component seems to be missing in the PSO measurement scale. This is surprising because CPO is achieved through the repeated inter*act*ion between people who regard themselves as an 'us' with a joint target of possession (Pierce & Jussila, 2010; 2011). In this perspective, Pierce & Jussila (2010: 818; italics added) state that 'the emergence of collective feelings of ownership hinges on a collective recognition of shared *action* toward the potential target of ownership.' This is also surprising because although PSO is defined as a feeling of possession, such a feeling can only be witnessed when it is en*act*ed upon.

This is why we added a behavioral component to the PSO measurement scale (I act as though this organization is OURS; I act as though this organization is MINE), which showed respectively to relate to the collective component or the individual component of PSO. Thus, when a feeling of PSO is accompanied by actual behavior, it is even more credible that individual and collective PSO are in place.

A behavioral dimension of psychological ownership can theoretically be deduced from the behavior dimension of legal ownership. The latter finds its roots in the using, controlling and transferring of legal possessions. The manipulation of possessions is socially bound and constructed or internalized in the process of interaction between the owner and the target of possession. Ownership gives the owner rights to use, control and transfer the owned object. In extension, when a target of possession is perceived as 'mine' or 'ours' it may give the psychological owner the perceived right to use and control the 'owned' object and he/she may decide whether to share it with others. Thus, ownerships behaviors may stem from legal/economic ownership and/or from PSO (Wagner et al., 2003).

Ownership, however, not only comes with rights, but also with responsibilities (e.g., Pierce et al., 2001; Berent-Braun, 2010). A question that has been postulated in ownership literature is whether there exist 'good' ownership behaviors that benefit the organization (e.g., FBN, 2007). 'Good' ownership may stem from personal and shared values of responsibility. Ownership brings with it ethical aspects (e.g., how do I act responsible towards my possessions, without hurting others; Koiranen, 2010) and caring aspects (e.g., stewardship behavior and self-sacrifice or a sense of burden sharing; Avey et. al, 2009; Pierce et al., 2003; Davis et al., 1997), and it questions which values we hold toward our possessions (Pierce et al., 2003).

'Good' ownership has therefore often been equaled with responsible ownership. To Lambrecht & Uhlaner (2005: 8) responsible ownership of the family firm is an 'active and long-term commitment to the family, the business and the community, and balancing these commitments with each other.' Aminoff et al. (2004: 17) define responsible ownership as 'balancing the rights and privileges of ownership, such as wealth, power, joy, source of motivation and other rewards, with associated duties and risks of ownership, including the proper concern for welfare of the firm and accountability for the firm's success.' In a more narrow definition focusing on behaviors, Uhlaner et al., (2007) define responsible ownership behavior as behaviors that serve the collective good of owners and the business (Berent-Braun, 2010). The latter comes close to our conception of pro-organizational behaviors and prosocial organizational behaviors, i.e., behaviors 'performed by a member of the organization, directed toward an individual, group, or organization with whom he or she interacts while carrying out his or her organizational role, and performed with the intention of promoting the welfare of the individual, group, or organization toward which it is directed' (Berent-Braun, 2010; Brief & Motowidlo, 1986: 711). The main message which these definitions share in common is that 'while owners have the ultimate power in a family business, they also have large-scale responsibilities, in particular to ensure the long-term sustainability and prosperity of their enterprise' (FBN, 2007: 5).

Returning to psychological ownership in the family business, the question arises whether there is such a thing as 'good' PSO. For the purpose of answering this question, we recall our 'vector' example. We suggested that PSO resembles a vector because it has both direction and strength. We argue that the predicate 'good' in terms of pro-organizational outcomes is dependent on the strength of PSO. That is, more PSO is not always better, for three reasons.
First, beside positive outcomes some negative outcomes of PSO for the organization have been identified. Negative effects are, for example, resistance to change (Pierce et al., 2001), deviant behaviors that violate organizational norms (e.g., Pierce et al., 2001; Robinson & Bennett, 1995), and territorial behavior (Pierce, Jussila & Cummings, 2008. Second, PSO may lead to negative effects for the individual, which consequently do not benefit the organization. Examples are – under certain conditions – frustration and stress (Bartunek, 1993). This was also illustrated by our interviews. Third, when not accompanied

by some degree of accountability it may be questioned whether the balance between self-interest and organizational interests flips to the organizational side. Although employees who feel a sense of psychological ownership of the organization adopt the protection of its welfare as an internal motive, psychological owners are not deprived from the care for individual interests. It should be noted that PSO is based on the fulfillment of personal needs (i.e., the need for belonging; self-identity and social identity; the need for efficacy and effectance; Pierce et al., 2001; Pierce & Jussila, 2010; 2011) and therefore find their root in self-interest. However, by serving organizational needs, individual's personal interests are also met. The mechanism that guards the balance between personal interests and organizational interests, we argue, is a feeling of accountability. As literature shows, feelings of accountability are routes that lead to 'good' ownership behaviors. Accountability is the 'implicit or explicit expectation that one may be called on to justify one's beliefs, feelings and actions to others' (Lerner & Tetlock, 1999: 255). Accountability is connected to ownership and PSO through two mechanisms: (1) the expected right to hold others accountable for influences on the target of ownership and (2) the expectation to be held accountable for our possessions or perceived targets of ownership (Avey et al., 2009). Thus, when not accompanied by some degree of experienced accountability, it may be questioned whether PSO related behavior serves the greater good of the organization.

Consequently, we plead for a theory of optimality. On the one end of the spectrum we may find employees with little PSO who feel unmotivated to act for the greater good of the company. They are 'unmotivated agents', or 'salaried employees only'. On the other side of the spectrum we may find individuals who feel and act overly protective, and who may experience negative effects of an excess of PSO (e.g., burn-out, frustration). The optimal level of PSO would be individuals who experience strong relational and affective bonding with the firm , who identify with it, who act as stewards, who experience joy in their work, and who a driven by a sense of accountability.

We therefore suggest that attention should be paid to actual ownership behaviors by family business owners, management, and family and non-family employees. An optimal level of PSO should be promoted and guarded.

5.5. Limitations

In the preceding chapters we discussed particular limitations of the applied research methods, which we will not repeat in this section. However, we would like to add two general limitations to the findings in this thesis.

The first limitation concerns the applicability of our finding beyond the family firm context. While it seems tempting to apply our findings beyond the boundaries of the family firm context, the dynamics of a family firm are considered to be quite different from those in their non-family counterpart (e.g., Habbershon & Williams, 1999). While lessons could be learned for non-family businesses, we remind the reader that family businesses are a specific 'bread' of businesses, in which emotional family influence related principals and financial profit based principals are intertwined. Therefore, caution should be taken in transferring our findings one-to-one to a non-family business context. Nevertheless, we suggest our findings have the potential to add to, for example, PSO literature. Our empirical distinction between IPSO and CPO is an example of the latter.

A second limitation is related to the question whether our findings equally apply to family as non-family CEO's. In chapter 2 and 3 we conducted additional tests on family or non-family status of the CEO and results indicate that our findings need further specification. However, due to the small portion of nonfamily CEO's in our sample (n=17) we were not able to test these differences. This places constraints on the generalizability of our findings to non-family CEO's, since the majority of our CEO's were family members. Based on indications from our qualitative chapter and on Karra et al. (2006) we nevertheless suggest that similar processes may apply to quasi-family – non-family members that are regarded as family. To these quasi-family members the relationships we found may similarly apply, but this has to be confirmed in future research.

5.6. Areas for future research

The key areas we suggest need attention in future research are: (1) The specific role of PSO in family firms, especially in light of promoting pro-organizational, value creating attitudes and behaviors among family firm stakeholders; (2) The distinction between IPSO and CPO; (3) The measurement of both IPSO and CPO. Following from the above stated findings and limitations we consider additional insight in topic (1) to be essential for a better understanding of what it means to be a family business. We emphasized that a distinction between IPSO and CPO (2) is important, because individual level phenomena share similarities, but are also different from group-level phenomena (Smelser & Swedberg, 2005). This thesis offered a straightforward means to measure IPSO separately from CPO (3), based on the Pierce et al.'s (2001) scale, which we suggest is still the most accurate because it measures possessive feelings by use of possessive language (Van Dyne & Pierce, 2004).

We already look forward to studies that further unravel the promising research field of PSO in family firms and by doing so, delve into the very nature of family businesses.

5.7. Conclusion

In this thesis we researched the role of PSO in the family firm. We developed models that connected IPSO and CPO with CEO's and non-family employees' pro-organizational behaviors and attitudes such as their stewardship behavior, joy of work, and affective commitment. We looked at the influence of organizational identification and CEO autonomy on these behaviors and investigated the mediating role of IPSO and CPO. We questioned how PSO could be promoted among non-family employees. Finally, we elaborated on implications of our findings for research and practice, we suggested extended learning from our findings, discussed limitations, and offered potential areas for future research.

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