



## An Exploratory Study on the Emotional Climate within Family Firms: The Impact of Emotional Dissonance

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**Abstract** This study focuses on the emotional climate of family firms. In particular, we highlight the expression of emotions by emphasizing the phenomenon of emotional dissonance within these firms. Emotional dissonance, a person-role conflict, originates from the discrepancy between expressed and experienced emotions. Additionally, we look into the role of the (non)family status of the CEO and the generational phase of the firm in the occurrence of the emotional climate. Research on emotions within firms has steadily increased over the years, although almost always neglecting family firms. This is a remarkable observation given the preeminence of family firms in the worldwide economy and the overlap between business and family these firms are confronted with. Through an in-depth qualitative study, we unravel both the impact of family firms' emotional climate and the facets that contribute to this climate.

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Clima emocional, Disonancia emocional, Emociones, Empresas familiares, Estudio cualitativo

**Un estudio exploratorio sobre el clima emocional en las empresas familiares: El impacto de la disonancia emocional**

**Resumen** Este estudio se centra en el clima emocional de las empresas familiares. En particular, destacamos la expresión de las emociones haciendo hincapié en el fenómeno de la disonancia emocional dentro de estas empresas. La disonancia emocional, un conflicto persona-rol, se origina por la discrepancia entre las emociones expresadas y las experimentadas. Además, estudiamos el papel de la condición (no) familiar del director general y la fase generacional de la empresa en la generación del clima emocional. La investigación sobre las emociones en las empresas ha aumentado de forma constante a lo largo de los años, aunque casi siempre ha dejado de lado a las empresas familiares. Esto resulta sorprendente, dada la preeminencia de las empresas familiares en la economía mundial y el solapamiento entre negocio y familia al que se enfrentan estas empresas. Mediante un estudio cualitativo en profundidad, desentrañamos tanto el impacto del clima emocional de las empresas familiares como las facetas que contribuyen a dicho clima.

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## 1. Introduction

Family firms are a distinct type of firms and differ in quite a few ways from those without family influence. As such, this type of firm is typically characterized by a lifelong common history, a strong family (firm) identity, a strong long-term orientation, and simultaneous roles (Kets de Vries, 1993; Tagiuri & Davis, 1996). Even though family firms can benefit from this uniqueness as the overlap between management, ownership and family can result in competitive advantages, this overlap might also entail serious challenges for these organizations (Chrisman et al., 2008). Emotions in particular seem to play a unique role in the setting of family firms. The presence of the family in both personal and professional careers makes it hard for family members to separate emotions felt at the workplace from emotions in their personal lives (Poza & Daugherty, 2014). As a result, family firms are referred to as “emotional arenas” for two reasons (Brundin & Härtel, 2014). Firstly, the overlap between the family on the one hand and the business on the other hand causes emotions to flow back and forth between these two systems, resulting in a strong emotional overtone (Brundin & Härtel, 2014). Secondly, members of family firms typically feel a strong sense of emotional ownership towards the firm, meaning that, besides a financial value, a family firm tends to also have a high emotional value. This can lead to all types of emotions, ranging from anger and disappointment to pride and joy (Brundin & Härtel, 2014). Therefore, it is surprising that only little research has focused on emotions in family firms (Rafaeli, 2013).

In every family firm, individual members’ emotions are transmitted to the other members, which results in creating a collective emotional climate that can influence the family firm either positively or negatively (Labaki et al., 2013a). An emotional climate can be defined as the “predominant collective emotions generated through the social interaction of a group’s members in a particular milieu” (de Rivera & Páez, 2007, p. 235). As such, it can be seen as an organizational environment created by the organization’s values (Yurtsever & De Rivera, 2010). A crucial element of a family firm’s emotional climate is how emotions are expressed (Labaki et al., 2013a). People can effectively manage and respond to an emotional experience, a competence better known as *emotion regulation* (Gross, 1998a). As such, they can alter the expression of their emotions (Gross, 1998a). The altering of truly felt emotions to comply with organizational standards is often part of employees’ everyday work life and even

became the standard in most sectors to increase customer satisfaction and overall image (Morris & Feldman, 1996). People unconsciously use emotion regulation strategies to cope with difficult situations many times throughout each day, as Gross (1998a) states. This certainly applies to family firms, where successive generations have established a strong image for the company and do not want emotions to affect the reputation built (Rau, 2013). When, as a result of the hiding or faking of emotions, a gap arises between the emotions one displays and the emotions he/she actually experiences, there is so-called *emotional dissonance* (Abraham, 1998).

This phenomenon is at least as likely to occur in family firms (Rau, 2013). Family firms are known for their strong traditions and reputation that often create an implicit guideline for employees on how to behave. These traditions are seen as the glue that holds the family together and is often considered untouchable by family members. They usually feel the need to fit into the company and adapt their feelings and emotions to values and norms accepted within the business (Gross, 1998b). Nevertheless, the emotional dissonance potentially arising from this can have detrimental consequences. Hiding genuine emotions and feelings could cause emotional exhaustion, job dissatisfaction, burnout, stress, or worse decision-making, as some opinions will or might not be heard (Abraham, 1998; Labaki et al., 2013a). These are serious consequences that also negatively affect the firm and accordingly should never be overlooked. Given the dominant presence of family firms throughout the world and their distinctive characteristics influencing the way emotions are dealt with, it is surprising to see that barely any research has focused on emotional dissonance in the specific context of family firms (Brundin & Härtel, 2014; Rau, 2013), even though it can form an undeniable threat for the outcomes and continuity of family firms (Labaki et al., 2013a).

Therefore, this study aims to explore the emotional climate of family firms and the factors that influence this emotional climate. In particular, we focus on the facet of emotional expression by emphasizing the phenomenon of emotional dissonance. Through an in-depth qualitative study, we take into account the determinants and consequences of the emotional climate. As such, we incorporate the role of the (non)family status of the CEO. A large portion of family firms is managed by non-family CEOs, which is often necessary for the survival and growth of the family firm (Huybrechts et al., 2013; Kelleci et al., 2019). However, the potential influence this has on the emotional setting of these firms is not clear yet. Moreover, we incorporate the

generational stage of the family firm. While we already know that the succession phases of family firms, in which the firm is transferred from one generation to the next, are characterized by emotions (Umans et al., 2020), we are interested in finding out if the generation managing the firm impacts the emotional climate of the firm. While the topic of emotions is receiving increasing attention in a particular recent family firm literature stream (e.g., Picone et al., 2021; Yezza et al., 2021), up until now, the actual role of the emotional settings of family firms remains rather vague (e.g., Morgan & Gomez-Mejia, 2014; Rafaeli, 2013). By providing in-depth insights into the impact of emotions in family firms, this study makes an important contribution to family firm literature. In particular, we unravel potential determinants of a family firm's emotional climate and, as such, zoom in on the determinants and impact of emotional dissonance, as called upon by Rau (2013), Labaki et al. (2013a), and others.

## 2. Literature Review

### 2.1. The emotional climate of family firms

In recent years, the role of emotions in organizations has become an important field for exploration. Management scholars became aware of the significant role emotions play in the organizational setting and their impact on employees (Ashkanasy & Dorris, 2017). It is generally acknowledged that a family firm comprises the family, the business and the dimension of ownership, all having their own tasks and goals (Davis, 1983; Gersick et al., 1997). Although most researchers consistently distinguish family firms from their non-family counterparts based on this family component, only a few have explicitly used this distinguishing factor to examine the impact emotions have in the family firm framework (Carsrud, 1994).

The family subsystem is predicted to have a vigorous impact on the ownership and management and vice versa (McCullom, 2004). This is enabled by blurred boundaries and integration between the different subsystems. Family members often find it hard to separate between their personal and professional lives as the two have become deeply connected. This also entails that emotions might flow from one system to another (Albert & Whetten, 1985). As such, the presence of family in the company creates a unique setting and, as a result, emotions are probably more complicated in family businesses than in other types of organizations (Rafaeli, 2013).

The emotions of individual family firm members are transferred to the other members and lead to the creation of a collective emotional

climate (Labaki et al., 2013a). This climate represents how a member of an organization perceives the feelings of the majority of its members in the situation constructed by the organization (Yurtsever & De Rivera, 2010). Contrary to an emotional culture, which is a more stable, deeply rooted organizational structure, a firm's emotional climate is constantly evolving and dependent on, for example, leadership styles and administrative policies (Yurtsever & De Rivera, 2010). As such, the emotional climate refers to the organizational environment created by the organization's values and can be perceived as the current social environment of the organization as seen by the organizational members. On the other hand, the emotional culture can be seen as the structure of the organization rooted in the values, beliefs and assumptions of the firm's members (Yurtsever & De Rivera, 2010). In this study, we particularly focus on the more dynamic one of these two, namely the emotional climate, in the specific context of family firms. Even though emotions drive family firms, affect-related phenomena in the context of family businesses are generally only discussed indirectly (Berrone et al., 2012). As a result, we know little to nothing about the build-up of family firms' emotional climates.

### 2.2. Emotional dissonance in family firms

An essential facet of a family firms' emotional climate is the expression of emotions since this emotional climate comprises values about the nature of emotions and their importance, the importance of expressing one's true feelings, the type of emotions that should be expressed among family firm members and the way in which these emotions should be conveyed (Labaki et al., 2013b). When employees start adapting their emotions to organizationally desired norms through hiding or faking them, emotional dissonance, described as the difference between expressed and experienced emotions (Abraham, 1998; Hochschild, 1983) might arise.

From a theoretical point of view, the construct of emotional dissonance has its origin in emotional labour theory (Hochschild, 1983). The potential consequences of this phenomenon should not be overlooked. Adjusting genuine emotions could cause stress in the best-case scenario, but general research on the topic has already revealed that the results of emotional dissonance could also go as far as causing burnouts, depressions, or job dissatisfaction (e.g., Abraham, 1998; Wharton, 1993). Employees faking their true feelings to fit into the company culture thus risk negatively impacting their well-being. In family firms, family members are expected to comply with both organizationally and family de-

sired emotions. The desired norms of emotional expression may stem from the business system and the family system. For example, family members might want to protect both family and business reputation by prohibiting relatives from expressing negative emotions that would put the family firm at stake (Lansberg, 1988). These rules that are set up to determine what is accepted concerning showing emotions will be quickly transmitted to other family members thus creating a collective emotional climate that influences the business negatively or positively (Labaki et al., 2013a). These framing rules that families can establish are specific to each family and are influenced mainly by long-standing family values and norms. Some families may choose to publicly forbid the expression of conflict and emotions to avoid embarrassing situations (Tagiuri & Davis, 1996). Others try to create reciprocal relationships of trust where emotions are made discussable and people are not forced to adapt their emotions to specific standards (Labaki et al., 2013a).

Most people have no particular problem adhering to these rules and hide their negative emotions at work to avoid conflicting situations. They know that there are different emotional rules at work and home, and in order to maintain their professionalism, suppressing particular emotions is needed (Ashforth & Tomiuk, 2000). When these people feel frustrated at work, they can get those frustrations off their chest at home and have a sincere discussion with their family. Family members active in family firms are not provided with this opportunity as the same values and norms that constitute the emotional climate at work are also the ones to be found at home (Miller & Le Breton-Miller, 2006). The absence of such a safety valve where emotions can be shared with non-relatives could cause family members to hide their emotions regularly and increase their levels of emotional dissonance. Furthermore, these two types of norms are often conflicting and thus ask for contrasting expressions of emotions, for instance, if the family system strives to preserve unity and the prevention of rivalry among its members. At the same time, a business system usually asks for a certain level of competition (Tagiuri & Davis, 1996).

Additionally, the relationships between members of a family firm are not exchangeable (Bee & Neubaum, 2014). This could entail situations where a family firm member is reluctant to show authentic emotions out of consideration for their relative or the firm. Intuitively, one could expect relatives to be more open towards one another and share their emotions (Brundin & Härtel, 2014). However, according to Tagiuri

and Davis (1996), relatives do not always express their emotions openly towards each other, especially when it comes to negative emotions. The expression of negative feelings towards a family member might cause conflicts, which carry the risk of damaging both the professional and family relationship and influencing the effectiveness of the family firm (Tagiuri & Davis, 1996). One of the biggest obstacles in family businesses, according to Hubler (1999), is what he calls “a poor expression of feelings and wants.” Members of family firms often hide their true feelings because they are concerned with family harmony, because they are scared of the risks of portraying themselves as vulnerable or simply because they have been taught not to express them (Hubler, 1999). Therefore, the genuine display of emotions might be difficult, which thus leads to emotional dissonance (Brundin & Härtel, 2014). This could eventually harm the firm since we already know from general emotional dissonance literature that long-lasting periods of emotional dissonance could provoke stress or lead to other dysfunctional behavior (Schaubroeck & Jones, 2000).

The arguments mentioned above show the disastrous impact emotional dissonance could potentially have on family firms. However, this reasoning was mainly based on findings from general research on emotions in organizations. Up until now, there is no in-depth research on this phenomenon or its consequences in family firms (Labaki et al., 2013a). Nevertheless, due to the more intense, frequent interactions between family firm members, emotional dissonance is highly likely to occur in this type of organization (Rau, 2013). Additionally, existing studies on emotional dissonance from literature still tend to focus on consequences related to individual members' well-being and do not often take into account the effect on the firm's success (Ashkanasy & Gracia, 2014). As such, it is clear that more research regarding this topic is essential.

### 2.3. The role of the generational phase of the family firm

Only one-third of all family firms survive a generational transfer (Poza & Daugherty, 2014). As each generation wants to put its mark and bring its ideas into the firm, this might clash with the beliefs of previous family members. The launch of the company is characterized by founder-centricity in which the founding member will bring his/her values, norms, and rules into the company, making them the standard for other organizational actors (Kets de Vries, 1993). The founder's centricity results in the transmission of his/her emotional standards to the other co-



workers through emotional contagion (Chrisman et al., 2003). Consequently, founder-centricity might increase the negative effect(s) of emotional dissonance among the other family members as they are implied to comply with norms derived from the founder's characteristics (Labaki et al., 2013b).

At the second stage, emotions become more diffuse as the firm exists out of more than one generation. This stage is considered to be a fertile ground for rivalries that infect family ties between the newcomers in the family firm (Casson, 1999). Emotional norms will not only stem from the founder but relate to both the family and the business to make sure relationships within the family are guided by personal caring rather than economic opportunism (Lansberg, 1988). Family harmony becomes more of a focal point with the danger of family members not displaying felt emotions in order to preserve the reputation of both the family and the business (Lansberg, 1988). Identifying one's self with the family firm has always been a key component of family firms. With the second generation the number of family members increases, who start to focus more explicitly on harmony, with the implication that the negative consequences of emotional dissonance are expected to be strengthened (Labaki et al., 2013a).

The involvement of a third or further generation proves to be a difficult phase. As the family firm moves over from generation to generation, the amount of family members involved in the company enlarges, providing the potential for conflicting relationships to increase even more (Gersick et al., 1997). This is mainly due to the emotions of different cousins' branches that form within the family firm and potentially create a competitive atmosphere (Labaki et al., 2013a). The evolution of emotions in the third generation is one that has not been thoroughly documented in the literature. Overall, we expect the entrance of more generations, and with them more family members, into the family firm to potentially cause some issues (Gersick et al., 1997). Most family firms are not prepared for this extension of the family branch and do not have the right structures or procedures in place to successfully manage this multitude of emotions (Mustakallio et al., 2002). In order to empirically investigate the impact of the generation on the emotional climate of the family firm, we integrate the generational effect within the in-depth interviews of our qualitative research.

#### 2.4. The role of the (non)familial status of the CEO

Within the family firm setting, there are emo-

tion norms designed to protect both family and business objectives (Labaki et al., 2013a). These norms become rooted in the family culture, creating a standard of not expressing negative emotions that would put the family firm under pressure (Labaki et al., 2013a). When family CEOs are at the top of the firm, they carry these rooted norms with them in their daily activities, potentially decreasing the rationality of their decisions. A non-family CEO would have a more neutral point of view and looks at things differently, with the main objective being outstanding business performance. The family aspect would be of less importance to him/her. The non-family CEO is often seen as an intermediary between the family and business system with the aim to increase objectivity throughout the organization (Hendriks et al., 2014). The non-family CEO can ameliorate the company by decentralizing control and decision-making power. However, the influence of the founder will often still be present in the family firm. It is important for a non-family CEO to impose his/her authority towards the family members and employees to make sure employees will not turn to the founder with questions (Davis & Harveston, 1999). This would undermine his/her authority and ability to introduce an objective view into the company. It goes without saying that he/she may never lose sight of family values as these form the foundation of family firms and create a sense of identity among family members that often creates a competitive advantage (Zellweger et al., 2010). The non-family CEO's presence also leaves the firm with a more objective look at emotional conflicts, enabling him/her to make neutral and optimal decisions (Hendriks et al., 2014). His/her objectivity and ability to create relationships of trust might decrease the negative consequences that emotional dissonance evokes. Since the status of the CEO might influence the impact of our main focus, we incorporate this aspect within the in-depth interviews.

### 3. Research Methodology

This article adopts a qualitative research approach, and specifically case study research as developed by Eisenhardt (1989), to get better insights into the studied phenomenon, emotional dissonance in family firms. Up until now, this topic is not well understood and still lacks comprehensive theoretical underbuilding and therefore requires a methodology that can analyze rich data. According to Yin (2009), case studies have the ability to recognize patterns of relationships across constructs both within and across cases. As the aim of this study is to unravel the consequences of emotional dissonance

in an exploratory manner and, as such, set the basic premises of a new theory, qualitative exploration is favored over quantitative analysis. Furthermore, a qualitative approach is preferred as the study addresses soft issues, which are hard to quantify (Nordqvist et al., 2009). However, to be able to measure the emotional dissonance construct, a small quantitative part was also incorporated in the study.

### 3.1. Data collection and analysis

The main data collection method employed was in-depth qualitative interviewing. This data collection took place in 2018. In total, more than twenty companies were approached to eventually end up with a sample size of twelve family firms in which we conducted an interview. The average length of these interviews was between 20 and 45 minutes. All participants also signed a confidentiality agreement, stating that the conversations would be recorded and that only those people working on the subject would get insight into these interviews. In order to be fully prepared and ensure a smooth-running, a semi-structured interview protocol was developed in advance. To complement these in-depth interviews, the participants were also asked to fill out a small survey that measured the construct of emotional dissonance. This Emotional Labour Scale (ELS), developed by Brothridge and Lee (2003), comprises six statements measuring the degree of surface acting. The items of this scale can be found in Table I. Since surface acting induces a discrepancy between expressed and truly experienced emotions, it is this form of emotional labour that causes emotional dissonance (Grandey, 2003). Respondents had to indicate on a 5-point Likert scale how strongly they agreed with these statements, which questioned their hiding and/or faking of emotions. The maximum score equals 15 for both hiding and faking, leaving us with an emotional dissonance measure with a maximum achievable amount of 30.

After the interviews were conducted, they were all transcribed verbatim. The logical next step was the analysis of the retrieved data. Following the approach of Gioia et al. (2013), we first conducted a first-order analysis, resulting in an extensive range of categories or topics that were brought up during the interviews. In the next step, we further analyzed all of these topics and looked for similarities and differences among them, also known as the second-order analysis (Gioia et al., 2013). This resulted in a smaller number of themes that arose during the interviews. Finally, we clustered these themes into even higher-level aggregate dimensions (Gioia et al., 2013). As such, we ended up with four major research themes or dimensions, which will be separately discussed in a detailed way in Section 4 of this article.

### 3.2. Theoretical sampling

Selection of the right respondents is a detrimental aspect of building theory from interview studies. The most common approach and also the one that was applied in this article is theoretical sampling. This implies that respondents are chosen for theoretical motivations, not statistical reasons (Gibbert & Ruigrok, 2010). The sample of this study consists of 12 family firms situated in the Flemish part of Belgium. An overview of the participants is shown in Table 2. This is in line with Eisenhardt (1989), who claims that at least four respondents are needed in order to allow for the generation of theory. As the article also tries to examine the influence of a non-family CEO and the generational effect, these two criteria were also taken into account when putting together the sample size. All respondents were active family members that operated as business manager/owner or were at least part of the management team. The twelve family firms vary in size and age from first-generation businesses to fifth-generation firms, with various

**Table 1.** Items of the emotional labour scale

Behaviour	During interactions with employees	During interactions with other members of the TMT
(Range: 1 “never” - 5 “always”)		
1. I show emotions that I don’t feel.		
2. I hide my true feelings about a situation.		
3. I pretend to have emotions that I don’t really have.		
4. I show emotions that are expected rather than what I feel.		
5. I resist expressing my true feelings.		
6. I conceal what I’m feeling.		

industries represented in the sample. In order to guarantee confidentiality, the participating companies will remain anonymous.

*thing we still have to improve as we still tend to let intuition, emotions, and gut-feeling influence our decisions.” (Respondent 2)*

Table 2. Overview of respondents

Respondent	Age	Gender	Active in firm for	Member of the ... generation
1	47 y/o	Male	Unknown	2 <sup>nd</sup>
2	29 y/o	Female	1 year	3 <sup>rd</sup>
3	37 y/o	Male	15 years	2 <sup>nd</sup>
4	58 y/o	Male	9 years	1 <sup>st</sup>
5	44 y/o	Female	14 years	2 <sup>nd</sup>
6	51 y/o	Female	18 years	1 <sup>st</sup>
7	47 y/o	Male	8 years	2 <sup>nd</sup>
8	51 y/o	Male	26 years	1 <sup>st</sup>
9	68 y/o	Male	28 years	1 <sup>st</sup>
10	61 y/o	Female	32 years	1 <sup>st</sup>
11	44 y/o	Female	24 years	3 <sup>rd</sup>
12	56 y/o	Male	30 years	1 <sup>st</sup>

y/o = years old

## 4. Empirical Findings

### 4.1. Emotions in family firms

First of all, the findings from our interviews provided us with insights into the overall impact of emotions in family firms. We will summarize these empirical findings and provide specific quotes that serve as examples for these particular findings.

Firstly, emotions in the family firm are expected to have a substantial influence on daily operations. The first domain where this emotionality has an impact is the decision-making process. Where non-family firms mainly prioritize rationality in their business choices, some family firms still rely on their gut when making decisions. This emotional influence can unfavorably impact the decision quality as heated and time-consuming emotional disputes might distract families from making the right decisions to make the company grow. This emotionality also causes them to be more tolerant towards employees. Lay-offs don't happen as quickly as family members often have close connections with their personnel and get emotionally attached to them.

*“Family firms are indeed different. A lot of decisions are still based on gut feelings and emotions, whilst other companies decide more rationally. We also try to create a familial bond with our employees as the human aspect is very strong and important. If we were to think rationally, we should have fired certain people as the world changes very quickly, but that's not how we operate.” (Respondent 12)*

*“In bigger, non-family firms, things are more structured, and rules are clear. This is some-*

*“During certain meetings, we would end up discussing our emotions and the business was not addressed. This further enhanced the frustrations that were already present. This really didn't help the company to move forward.” (Respondent 8)*

Secondly, family firms are characterized by a unique culture based on familial relationships. This culture is mainly determined by the customs of previous generations (Bowen, 1993). Family members inherit certain values and norms that they implicitly carry with them. As they grow up with these habits, it becomes part of their character as well. Examples include working hard and being open towards other family members. However, this works both ways. The interviews show that this generational transfer of customs can also have negative repercussions. When previous relatives were emotionally unstable, closed-off, or had a bad temper, new generations are likely to possess these traits as well.

*“My father and I are both very emotional. That is something I inherited from him. This doesn't mean that we cry a lot but that we can be very open towards each other and have sincere talks.” (Respondent 2)*

*“My father was very emotional. One week, I was his favorite child, and the next week he favored my sister. My sister shows somewhat the same characteristics, she is emotionally unstable, and she would constantly display different emotions, depending on what she needed and whom she needed it from.” (Respondent 1)*

*“It’s the nature of our family that emotions don’t play a visible role. Both my father and I try not to openly show all of our emotions at work. We are motivated entrepreneurs and work very hard for the family firm. We prefer not to spend too much time talking with our employees about their emotions as that’s not our strongest point. I think that is a family trait.” (Respondent 7)*

The interviews also show that working together with family members on a daily basis makes it hard to have a clear separation between work-related emotions and personal emotions. The overlap of both the family and business system might evoke some conflicts with the risk that disagreements at work could cause displeased family relations (McCullom, 2004). To prevent these confrontations and power struggles, most families try to have clear job descriptions to minimize the amount of work-related interactions. This is an area that still needs improvement in most family firms, as clear structures are often missing or not fully developed. This causes confusion amongst employees, not knowing who is the right person to ask for help, and they eventually end up consulting multiple family members. This often results in conflicting advice, which further increases frustrations between family members. In one case, this even led to brothers not talking to each other anymore and power play at work.

*“At the beginning, we had a lot of conflicts. Now, my husband and I both have different functions within the company, which also reduces our interactions. We know what our responsibilities are, and this way, we can limit the number of conflicts.” (Respondent 6)*

*“Having clear job descriptions and making the right agreements avoids a lot of discussions and emotions. That is why we pay a lot of attention to making sure everyone knows his or her function.” (Respondent 4)*

*“Our personnel felt and even fed our conflicts. They would come to me to ask a question and then go to my brother, ask the same question and tell my brother the advice I gave him. The advice my brother gave was typically different, and this reinforced our conflicts. We would never have had these problems if we had an appropriate separation of functions. If that had been the case, the employees perfectly knew which question they had to ask to which brother.” (Respondent 8)*

According to our respondents, the overlap of personal and professional emotions also further reinforces feelings of identification with the firm as the emotional well-being of family members becomes intrinsically linked to the state of the family firm. This attachment to and identification with the family firm was a frequent talking point throughout the interviews and can also be found in the literature (Björnberg & Nicholson, 2012).

*“I do feel that I often identify myself with the firm. I don’t have children, so for me, the company kind of fills that gap.” (Respondent 5)*

*“I have a daughter, and when she was 5 years old, she blamed me for loving the family firm more than I loved my own daughter.” (Respondent 10)*

Another distinctive characteristic of family firms arising from the interviews is the openness between family members. This can have both positive and negative consequences, but at least it gives every member the possibility to express him or herself and gives them the feeling they will be heard. What is remarkable and became clear during the interviews is that this openness that is emphasized by family relatives is not yet embedded among the employees. Family executives try to create a collegial atmosphere and wish to spread this transparent culture across the entire company. However, they are often so busy that keeping up with employees becomes less feasible. Executives sometimes wrongly assume that when they do not hear about problems, everything is going well. They stress that employees are more than welcome to stop by and discuss their problems, but the final responsibility often lies with their personnel.

*“As a leader, I want to take care of others’ problems, but of course, I can’t always solve them or know about their existence. Everyone also has their own responsibility to come to me when they have a problem.” (Respondent 5)*

*“We try to be open towards employees as well, but that remains more difficult. That relationship is different, of course, which makes it more difficult to achieve full transparency.” (Respondent 11)*

*“I try to make everything discussable with employees and give them the feeling that they will be heard, which is very important! That is not an easy task. Those with whom*



*you're closer and have a good bond will also be more open than those with whom your understanding is not that great. The latter group will not speak about their problems and emotions as quickly, which also makes it harder for me to stimulate honest conversations.” (Respondent 3)*

This remains a huge barrier for employees to openly discuss their problems with supervisors and family members as the natural tendency of people is still to remain silent and keep their problems to themselves. Some people are simply less confident taking the initiative to go up to their superiors and openly talk about their feelings. The interviews definitely demonstrated the substantial influence emotions have in family firms. As hard as they try to be rational in their decision-making, emotions still tend to be an important and influential factor. How much of an impact these emotions will have is also dependent on the character of the family members and values and norms within the family. These are likely to be passed on to the next generations creating a long-standing company culture. For most family firms, this implies an open culture where strong and close relationships are maintained. This is a perfect scenario that unfortunately does not hold true for every organization. To prevent conflicts and disagreement between family members, they are often active in separate domains where their interactions are limited. Also, employees are not always incorporated in this open culture they try to attain. Family members find themselves working very hard, leaving little time to have honest and open conversations with their staff. Possibly the best illustration of the role that emotions play in family firms is the way family members talk about the family firm. The dual presence of both family and business systems often causes emotions to flow from one system to another, creating a certain connection. Some will relate to the company to such an extent that they will start to see the company as part of their family.

**4.2. Emotional dissonance in family firms**

Besides the general findings on emotions in family firms, the interviews also revealed the particular impact of the expression of emotions on the emotional climate of these firms. Just as with the previous theme, we summarize the most important findings and provide some illustrational quotes with them. Additionally, after the interviews were conducted, each respondent was asked to fill out a short survey. Two sets of items were measured; surface acting (hiding emotions) and surface acting (faking emotions). The questions are included in Table 3. The maximum amount achievable on every subcategory was 15. The emotional dissonance construct had a maximum attainable score of 30. Table 3 shows the average scores on the emotional dissonance scale, dividing it into interactions with employees on the one hand and interactions with managers on the other hand.

Before analyzing these findings, we will shortly address why the interviewees argued to alter the expression of their emotions through hiding or faking them. The first reason stems from selfish motivation. Emotions are sometimes manipulated in order to accomplish personal goals, as was also found in the literature review (Lawrence et al., 2011). To get the support of a superior or relative, some people align their emotions with others' expectations to achieve satisfaction (Lawrence et al., 2011). This is particularly the case when multiple family members, experiencing mutual tension, try to win over their parents.

*“When me and my brother would have a disagreement, our third brother would start to act as a mediator. Looking back, he was no mediator. He just took that role in order to strengthen his position within the company.” (Respondent 8 )*

*“My sister would start crying and act like she was the victim, but she would never tell what she did. She would use her emotions to win over my dad and misuse his trust.” (Respondent 1)*

**Table 3.** Mean levels of emotional labour scale

	While interacting with employees		While interacting with TMT	
	Men	Women	Men	Women
Surface acting (hiding emotions)	6.57	9.80	5.50	7.67
Surface acting (faking emotions)	5.14	5.40	5.50	5.33
Emotional dissonance	11.71	15.20	11.00	13.00

A second reason they mention is the fear of “loss of face.” Too many employees still feel uncomfortable openly showing their emotions and feelings, especially towards employers who are often also part of the family, as also shown by literature (Lawrence et al., 2011). They worry that this might undermine their credibility or that they will be silenced as their executives have other priorities. This is most likely the wrong assumption as most managers are concerned with the emotions of their employees and are willing to help in case problems might arise. Managers are more than happy to help their staff with their problems, but they consider it the employees’ responsibility to go up to their bosses and ask for help. This could prove to be an impediment for those that are less extroverted and don’t feel comfortable discussing personal issues with their employers.

*“After a while, people got scared to show their real emotions and opinions. The family was divided, and the employees were afraid to be shut down by one of the family members and the way we would react.” (Respondent 1)*

*“I think it is very important for managers to be accessible, but it’s still also the responsibility of the employees to come and talk to me if something is bothering them. I can’t spend all my time talking about problems with employees as I still have a business to run.” (Respondent 5)*

*“Those that are not good at expressing themselves will more quickly hide their emotions, stay at home, and hit rock bottom instead of seeking help.” (Respondent 8)*

Most interviewees are part of the management team at their family firm. They consider this function to demand a certain degree of diplomacy. As a result, they often disguise their real feelings, and emotions. They feel that their job requires them to stay professional at all times and emotions have no place in this story. They try to exude stability towards their employees and business partners what usually requires them to suppress their authentic emotions in order to preserve their integrity.

*“There have certainly been times I wanted to curse, but that’s when I have to contain myself. My position also requires me to remain diplomatic and not blindly say what is on my mind.” (Respondent 9)*

*“I have to stay professional. Regardless of how I really feel, I always have to be positive. This does entail the risk that employ-*

*ees will realize I am hiding my emotions and feel obliged to do the same. However, this risk does not outweigh the negative repercussions of a CEO who walks through the corridor with emotional fluctuations, that is simply not done.” (Respondent 11)*

After analyzing why family firm members engaged in emotional dissonance, the obtained data from the short supplementary survey are examined. A first remarkable finding is that the average level of emotional dissonance, measured by the questions in the survey, is considerably higher for women than it is for men. Female respondents state during the interviews that emotionality is simply part of their nature and is a personality trait. They emphasize emotions more than men do and have more difficulties not letting their emotions influence their daily lives. As they are more emotional, they have to make bigger efforts to hide their emotions and not let this affect their work and status, which also explains their higher score on the emotional dissonance scale. Men confirm this and admit that they will resort more quickly to women to discuss their emotions. Conversely, it is also more difficult for male managers to be available for female colleagues with problems.

*“I can imagine that when more women are active in a company, there is also more room for emotionality. I think women will emphasize emotions more as this is part of their nature.” (Respondent 7)*

*“I do feel that when employees have problems, they will come to me, not my husband. With my husband, you can’t discuss emotions. He doesn’t have them, or at least he does not show them.” (Respondent 10)*

*“For men, it is difficult when women have problems. They won’t show their emotions or discuss them with men as quickly, which makes it hard for me to help them.” (Respondent 3)*

A second finding relates to the way in which the expression of emotions is altered. On average, the respondents are more likely to hide, not fake, their emotions. They put on a mask to hide their feelings and, according to the findings from our interviews, this eventually becomes an automatic reflex when they feel a bit down. As family members are closely watched by the employees and seen as role models, they try to set an example and spread a positive vibe within the company. A possible explanation here could be the leading position of the interviewees. Nearly

all respondents have an executive role within the family firm and consider hiding negative emotions part of their job. They are expected to behave professionally as emotions should not influence their day-to-day operations. It is remarkable how many interviewees assume emotions and professional behavior to be incompatible.

*“At work, people expect you to behave professionally. As I am part of the family, people will closely observe my behavior. Therefore, I will try to look happy even when I don’t feel that way. I will not show my real emotions to some people because I think that is a bit inappropriate.” (Respondent 2)*

*“Whenever I feel pressure to perform well and work hard, I have a tendency to be less friendly and quickly annoyed. I then put on a mask to hide these emotions, but I will not pretend to be someone I’m not.” (Respondent 3)*

The slightly higher levels of emotional dissonance when interacting with employees in comparison with the top management team also relate to this argument. The management team is most likely dominated by family members, creating a more comfortable environment where openness is self-evident, and it is natural to show emotions. This shows that family members have distinctive relationships with employees and relatives. Even though they try to create a familial atmosphere, the openness towards their fellow family members is not always translated to non-family staff.

*“It is much easier to work with family members. You can be completely honest with them and be straight to the point. You know they will interpret your opinion in the best way possible.” (Respondent 2)*

*“My husband will definitely criticize me more than a normal employee would as we are very open towards each other. We discuss our emotions, also at home, but this does not happen within our staff. They don’t tell us everything and rarely talk about their personal lives even though we do try to make them talk.” (Respondent 6)*

*“I think if my dad was still active in the company, the family relations would also become clear in our meetings. I would criticize his ideas more rapidly and enter a discussion than I would with a non-family employee.” (Respondent 7)*

Our interviews did not only reveal the motives behind the adjustment of the expression of emotions, potentially leading to emotional dissonance, they also revealed the consequences of this emotional dissonance. Again, the main findings will be summarized, illustrated by a few specific statements from the interviews.

While the literature part of this study already mentioned that the role of emotions tends to be neglected in family firm research (Labaki et al., 2013a), our interviews show that also in practice, emotions are still not always a top priority in most family firms and that the majority of managers do not pay that much attention to emotional dissonance. This negligence could prove to be a dangerous attitude as the consequences of emotional dissonance are not to be underestimated, illustrated by the following paragraph. When asked about the possible consequences of emotional dissonance, the interviewees almost immediately made the link to mental health consequences such as depressions and burnout. They recognize that continuously hiding or faking authentic emotions takes its toll on people. When they never speak up and can discuss their emotions with others, they will start to feel frustrated and not feel comfortable with themselves anymore.

*“I think that in the long term, such a situation is unsustainable and will eventually lead to burnout or depression.” (Respondent 5)*

*“I think you should be careful with emotional dissonance. It will start to influence the lives of those people and even affect their quality of life. They will get tired, maybe even depressed, and they will end up at home to rest.” (Respondent 9)*

*“If you lie to yourself and act like you are someone else, these people will end up in a very dark place and get depressed, unhappy with themselves.” (Respondent 2)*

Furthermore, our interviews showed that emotional conflicts between family members might be detrimental to their underlying relationships. This is where the openness that is attributed to family firms might actually have negative repercussions. At first, relatives will be able to openly discuss their problems and emotions, which could already lead to heated debates and contradictory opinions. Typically, emotions will start to dominate even the smallest discussion what undoubtedly creates frustrations among family members. These dialogues are nearly always based on the same arguments, causing these people to lose



their patience, eventually suppress their emotions and avoid their relatives.

*“In certain discussions, I really felt the same emotions coming up and thought here we go again. No new arguments were made. They were always the same arguments based on the same old emotions that started to dominate the conversation. In the end, we rarely spoke to each other anymore.” (Respondent 8)*

*“Every meeting led to disagreement. We started fighting about the littlest of things. These conflicts dragged on and became bigger and bigger all because some family members needed things to go their way.” (Respondent 1)*

Such a situation where family members do not get along anymore, and even the smallest disagreement leads to a large discussion soon becomes unmanageable. They realize that their conflicting ideas and visions make further cooperation impossible, and in the interest of the company, they often decide to split ways by means of a buyout. This certainly is an extreme outcome but not as unlikely as one might imagine it to be. A buyout does not only end the collaboration of these family members at work. Their numerous encounters and clashes often leave deep wounds that have devastating effects on their family relations as well. Some family firms realize the potential danger of working together with family members and want to avoid family conflicts. They do not want emotions and disagreements to affect their relationships and choose to buy out their relatives even before they start working together.

*“Having gone through all those conflicts and having bought out my brothers, I learned from the past. I don’t want to go back to a situation with two, three, or more bosses. That is why I have decided to only allow my son to become active in the family firm .” (Respondent 8)*

*“Familywise, we sacrificed a lot for our business. I had to buy out both my sister and brother-in-law for me to find peace and for the company to really start growing again. With that money, my sister started a competing company and even started lawsuits against myself and my brother, who is not even involved in the company. Once you find yourself in a negative spiral, it’s nearly impossible to get out of it.” (Respondent 1)*

*“I am really happy that I can lead this company on my own. I also have a sister with whom I have a very good understanding, but I would never be able to work together with her. I decided to buy her stake in the family firm, and she started her own company, which I think was very important for us to maintain our excellent relationship.” (Respondent 5)*

These family members often feel relieved when their relatives finally leave the company. They can finally implement their own vision and start to think about the future. In the past, these periods of continuous disagreement and internal problems tended to shift the focus from establishing a healthy, growing business to solving these struggles. These familial issues occupy a lot of time and effort, time the company could have used to improve the company and achieve higher growth. It is not even necessary for the family members to be personally involved in these disputes. Most interviewees are also executive directors at their company. When there are conflicts within the company, it is their responsibility to address these problems and try to solve them. As these conflicts start to pile up and become more numerous, the time needed to deal with them increases and distracts managers from leading their company to new heights.

*“When my sister was no longer active in the company, we finally started making plans to grow and further develop the company. We created a management team and hired a coach to help us with our plans.” (Respondent 1)*

*“Whenever there is a conflict, I try to speak to everyone involved and listen to their story. It’s important to do this and make time for this. You should be careful not to make a conclusion too fast when you haven’t yet heard everyone’s side of the story.” (Respondent 9)*

The findings from our interviews also show that when family members do not talk to each other anymore, this does not only affect their underlying relationship but could also affect the employees. If family members regularly hide their emotions, they unwillingly create a closed culture where employees are afraid to openly speak their minds. These employees will start to think that emotions are not discussable and accepted within the company and hide their emotions as well. Eventually, they will start to feel uncomfortable with the situation they are involved in, decide



to continue their career elsewhere, and leave the company. Those people that do decide to stay are presumably followers who like to have someone steering their actions, and critical voices will disappear within the company.

*“If you don’t involve your employees in your life and emotions, you can’t expect them to be open themselves. Their commitment and involvement could decline, and they will not feel comfortable in the company anymore. They will quickly leave, and that way you can lose valuable employees.” (Respondent 12)*

*“Some really good employees have left the company due to the situation of the family and they even came back after six or seven years when peace returned to the company.” (Respondent 1)*

*“You can’t let such a situation endlessly continue. They will start to efface themselves, and when that happens, they realize they have no more added value and are better off leaving the company.” (Respondent 8)*

The opposite is also a plausible outcome. When employees observe that their bosses are closed-off, they will be tempted to follow their example and also keep their emotions private. If this becomes a habit, this could severely impact their quality of life. These workers will become less productive, might even end up in depression, or see their performance deteriorate. Employers incorrectly assume that they are “bad” employees and neglect the possibility they just don’t feel that well. Managers do not see why they should keep them on board and could decide to fire them.

*“The performance of those that keep their emotions private will decline, and they often get fired. The real reason why they performed poorly often only becomes clear after their dismissal, which is a shame.” (Respondent 2)*

*“The productivity of those that engage in emotional dissonance will definitely drop.” (Respondent 3)*

*“Everyone must dare to say his opinion. We have to move forward as a company. What is the added value of yes man? Nothing!” (Respondent 9)*

What managers can learn from this study is that the consequences of hiding or faking emotions

and the emotional dissonance arising from it thus go far beyond burnouts or depressions. What they tend to overlook is that it can also have serious consequences for the company. Managers still play an exemplary role, and their behavior largely determines the attitude of employees. When they are closed off and keep emotions to themselves, employees will be inclined to follow their example. Not everyone will feel comfortable in such a culture. Some will automatically drop out, and others will see their performance suffer and risk being fired. In family firms, the relationships between the family members are often much closer. When disagreements emerge, they will give their sincere opinion much quicker, which can lead to frustrations and enhance conflicts. They do not only put their business at stake. Family relations are also likely to suffer when they cannot find a way to solve these disagreements. These conflicts occupy a lot of time that cannot be put into the company to make progress. Companies that did experience these conflicts indicated that this made collaboration much more difficult and ultimately decided to split up by means of a buyout.

#### **4.3. The role of the generational phase of the family firm**

Besides the focus on emotional dissonance, our interviews also took into account the impact of the generational stage of the family firm on the emotional climate in this firm. The transition from one generation to the next one is seen as one of the most challenging events a family firm will face as this proves to be an emotional step for the transferor and implies new leadership to take over (Umans et al., 2020). The main empirical findings concerning this topic are shown below.

There seems to be somewhat of a consensus among respondents that when more generations become active in the family firm, more branches of the family will make their introduction into the firm, and conflicts are more likely. Contradictory opinions and potential conflicts become more of a possibility and increase the likelihood of familial problems. We previously described that this might lead to family members not talking to each other and higher levels of emotional dissonance. Preceding paragraphs explained why this could cause such harm to family firms. With possible results, including a higher staff turnover, lower growth rate, and irreparable family relationships, correctly dealing with this diffusion of multiple relatives in the firm is crucial.

*“The more family members become active in the family firm, the higher the chance that your beliefs might clash, of course,*

*what could lead to conflicts. That is what we avoided by buying out my brother. If this hadn't happened, that would have meant that the next generation would have existed out of 6 family members. I would not like to be in their shoes.” (Respondent 7)*

*“I think that if my children and my brother's children all become active in the company, that would be too much. Those children are raised differently what could lead to different ways of working what could create tensions. It will be hard for them to change their customs and find conformity.” (Respondent 12)*

*“I don't believe in the concept of a branched family firm. That won't work. With your brother and sister, you can be more honest and open than with your cousins. You have a closer relationship with them also because you are raised together.” (Respondent 2)*

To prevent these emotional conflicts from ruining both family and business, the creation of structures and clear agreements are called for. An interesting observation was that those firms that pay particular attention to modifying the relationship between family members are more successful in avoiding tensions and family feuds. It is self-evident that if the number of active family members represented in the family firm starts to increase, it becomes more of a challenge to get everyone to adhere to these agreements.

*“I have already made agreements with my family to avoid misunderstandings. Everyone knows what they can and can not do when I'm gone. I hope that if more generations get involved, they are smart enough to do the same thing and lay down some ground rules.” (Respondent 9)*

*“If the next generation wants to join the family firm, it will be very important to correctly guide and help them. We would try to solve those problems by creating a family charter and make clear agreements.” (Respondent 11)*

*“The more children, the more important it becomes to have a clear separation between them. We have to watch over them and help them. I really think it is important that family stays family and we make agreements to avoid problems. We already have a family charter, for example. If all 6 children want a role within the family firm, we will also have to create some re-*

*quirements for those that want to be active in the management team.” (Respondent 3)*

Multiple respondents argued to find it more difficult to work together with cousins than it is to collaborate with sisters or brothers. Surprisingly, most companies where we did find emotional dissonance to influence daily operations were run by brothers and sisters. They have a tendency to be more open towards one another, but they also spend most of their childhood together. If they never got along well, there is a high probability things will not work out either in the family firm. The close relationship between brothers and sisters entails more numerous encounters, which might not be opportune when this relationship is already diluted. Whether the cooperation between family members will be productive or not could be largely influenced by these past conflicts and frustrations. Eventually, these former frictions will surface again and impact their relations at work. Once again, these disputes are usually based on underlying emotions and increase the likelihood that negative consequences will be the final outcome. Those companies that have experienced family feuds do seem to learn from this. They claim that they will actively guide the next generation to prevent them from making the same mistakes and ensure that emotional conflicts do not appear within the company.

*“Within our family, we have no history of conflicts. I have always had a good understanding with my dad, brother, sister, uncle, and cousins. I think that such previous feuds could have a lot of influence, especially if they have left lasting scars.” (Respondent 2)*

*“I always had a good bond with my brother, but I quickly recognized that he was not the type that likes to work hard. That did bother me, and I always thought we were never going to be able to work together. This turned out to be true as he is no longer active in the company.” (Respondent 7)*

*“The collaboration with my brothers has not always been great. Now, I'm the only one still active, and I have learned from previous mistakes. That is also what I want to make clear to my son to prevent him from making the same mistakes as we did.” (Respondent 8)*

*“We have definitely learned a lot and had to do it the hard way. I would spend years preparing my daughters for the tough job that awaits them. Today I clearly see the*

*mistakes my dad made, and I can put things into perspective.” (Respondent 1)*

Which generation is active in the family firm might not be the main concern for families. The interviews showed that frustrations and also emotional dissonance occurred in all generational stages. At some point, emotional conflicts and disagreements between family members seem unavoidable. It is a matter of having the right institutions installed and agreements made to deal with such a situation. This becomes even more crucial when the number of generations active in the family firm increases and disagreements will undoubtedly occur. Most importantly, they should learn from their mistakes and draw lessons to make sure history does not repeat itself.

#### **4.4. The role of the (non)familial status of the CEO**

Finally, we were also interested in the impact the (non)family status of the CEO running the firm would have on the emotional climate of this particular firm. According to the literature, the main motivation for family firms to hire a non-family CEO is to introduce objectivity into leadership (Hendriks et al., 2014). Our interviews show that this might hold true concerning investments and strategy as they will prioritize the business system and less consider the family side. In case that a family conflict would break out, this external CEO might function as a mediator and give his/her objective opinion to calm down those involved. This might help in the beginning, but eventually, he/she will also become emotionally attached to the family, and his/her help will be of less use. Perhaps the biggest downside of hiring a non-family CEO is that his/her relationship with the employees will be less collegial. The distance between leadership and staff will increase and create an extra hurdle for employees to remain close with their managers. What typifies family firms is the closeness between all different members and feelings of trust.

*“At a certain point, our non-family manager became too emotionally attached to our family, which caused us to look elsewhere for objective input.” (Respondent 1)*

*“I think I would have more difficulties with a non-family CEO. Someone who completely separates work and private lives and is not open would also never be accepted within the company.” (Respondent 2)*

*“I find it hard to have a non-family CEO at the top of the company. He does things dif-*

*ferently than we would. I don’t have the same bond with him as I have with my dad, and I feel there is a larger distance between us.” (Respondent 3)*

The majority of respondents that took part in this study are the managing director of their family firm. They all envisage an important role for the CEO to set a good example. The way the CEO deals with his or her emotions and problems will also impact the mindset of the employees to a large extent. They know that employees will observe them closely and copy their behavior, hence why they feel more inclined to distort their negative emotions as they do not want these emotions to adversely impact employees’ performance.

*“Regardless of how I really feel, I must always feel good and behave accordingly.” (Respondent 11)*

*“I do think you have to set an example. You can’t expect people to do certain things you don’t do yourself.” (Respondent 7)*

*“The CEO certainly plays an exemplary role. I do try to show my real emotions and create an open culture. I do see that those people that still work here are those that fit into that culture. The others have already left.” (Respondent 4)*

Noteworthy is that leading the business was not mentioned as the main job by most CEOs participating in our study. Making sure that all noses point in the same direction and being an accessible leader is more important to them. They all realize that the welfare of employees is just as crucial to their firm’s performance. That is why most managers try to create an open culture where everyone feels comfortable speaking freely. The way they treat their employees is symbolic for family firms. They may be the leader of the firm but do not try to let this influence their relationship with their staff. To them, the firm is an extension of the family, and they try to position themselves amongst the employees to stimulate the feeling of collegiality. The main fear when hiring a non-family CEO is that this person will put him or herself above the rest, meaning that this familiarity will perish.

## **5. Discussion and Conclusion**

With this study, we aimed to explore the emotional climate within family firms and, as such, deliver important insights to the scarce knowledge on emotions in family firms (Bee & Neu-



baum, 2014). Through a qualitative study, which consisted of in-depth interviews with 12 family firm respondents, we first unraveled the general role of emotions in family firms a bit further. Our interviews show that the influence of emotions in family firms is often stronger than in their non-family-owned counterparts, where rationality is the basis for most decisions. No matter how hard these family firms try to have an objective look at things and not let familial considerations affect their business, only a few successfully achieve such separation. We found that in some way, emotions almost always interfere with rationality and play a significant role in the family firm.

Within the emotional climate of family firms, we were especially interested in the expression of emotions and, in particular, by the role of emotional dissonance. Up until now, the existing literature on emotional dissonance has mostly ignored the family firm setting (Labaki et al., 2013a). To prevent negative emotions from influencing their daily operations, a lot of family firms constitute emotion rules that stipulate how emotions should be expressed (Labaki et al., 2013b). Typically, they urge family members to hide negative emotions in order to avoid internal conflicts and maintain family harmony, which increases the risk of emotional dissonance emerging. The findings of our interviews revealed that women are more inclined to engage in the hiding and faking of emotions, leading to such emotional dissonance, than men. Women are more emotional in nature and have a larger tendency to suppress their emotions, especially negative emotions (Simpson & Stroh, 2004). Secondly, those interviewees that indicated to experience emotional dissonance were more likely to hide their emotions rather than faking them. Most respondents were managing directors at their firm and find it natural to hide their real emotions as part of their job. They can not afford to let their emotions influence the way they manage the company as they claim this might lead to irrational decisions.

When studying emotional dissonance, most researchers still tend to focus on the individual consequences it could provoke (Ashkanasy & Gracia, 2014). The most commonly found outcomes are mental diseases such as burnouts and depressions (e.g., Wharton, 1993). Our empirical research supports these findings, as the first thing most respondents mentioned when asked about the consequences of emotional dissonance were indeed burnouts and depressions. This study also revealed some new interesting findings that focus more on the impact of emotional dissonance on internal family relationships and firm performance. Generally, contrary to what we found in

the literature review of this study (Tagiuri & Davis, 1996), relatives are more open towards each other and share their feelings, but when frustrations start to emerge, this openness could backfire. Negative emotions and feelings will also be part of the conversation, and tensions might start to arise. At a certain point, most family members will get frustrated with their relative(s), hide their authentic emotions, and avoid these people. The outcome is an endless discussion that removes the family's focus from trying to make the company grow to solve these family troubles. These conflicts create an unpleasant work environment and make family members feel uncomfortable working together anymore. A frequent decision these families make is to buy out the other family members to try and bring back harmony within the company, as also mentioned by Rau (2013). These broken relationships within the family affect not only the family itself but also non-family employees. They usually get dragged into these conflicts, which distracts them from their actual work. Fearing that this unsustainable situation might hold back their career, they leave the firm in search of better opportunities. Another possible outcome is that the emotional conflicts at the top of the company create a culture based on fear where employees are afraid to show their real emotions. This could drastically impact their performance and well-being, which eventually even leads to a lay-off. Both situations are plausible, but the outcome remains the same, an increase in staff turnover.

The introduction of a new generation is a crucial phase for every family firm (Umans et al., 2020). The amount of family members active in the company expands, and they all have different views on how the firm should be run. This increases the likelihood for opinions to clash and emotional conflicts to emerge. These conflicts could eventually turn into family feuds where relatives will deliberately avoid each other. When their relationships are broken, they will also keep their emotions to themselves and increase their levels of emotional dissonance. The number of generations that have already survived this transfer and are still active in the company might however not be the prime concern for family firms. When working together with family members, it is very likely that at some point, opinions will not coincide, which will result in altercations. It is a matter of having the right institutions installed to correctly assess and deal with such a situation. Clear agreements between family members are essential to avoid miscommunications and further arguing.

Typically, one way to have an objective look at family disputes is by hiring a non-family CEO (Hendriks et al., 2014). He/she might prevent



family members from starting useless discussions and maintain family harmony. This external CEO could be the one that relatives could go talk to without having to fear their opinion might be wrongly received by their family. This way, he/she could enhance open communication and reduce emotional dissonance. The interviews taught us that an external CEO could indeed be helpful in case that there are internal struggles, but overall, his/her impact is not really convincing. Often, a non-family CEO creates a sense of psychological ownership towards the family firm (Huybrechts et al., 2013) and, as a result, becomes emotionally attached to both the family and the firm, which jeopardizes his/her unbiased judgment. Furthermore, they will emphasize feelings of familiarity less, and emotions are not a top priority for them. This enlarges the distance between family members and employees on the one hand and the non-family CEO on the other. This distance often withholds others from discussing their problems with the CEO. Feelings and emotions will be kept private more often, which creates a breeding ground for emotional dissonance and its consequences to negatively impact the family firm.

To conclude, this study contributes to family firm literature by providing clear, empirically underbuilt findings on the unique role of emotions in this setting, something family firm scholars have repeatedly called for (e.g., Kellermanns et al., 2014; Morgan & Gomez-Mejia, 2014; Rafaeli, 2013). Previously, research focusing on emotion-related phenomena in family firms tended to focus on constructs as socioemotional wealth but only provided limited insights on the meaning emotions as such have for this type of firm (Morgan & Gomez-Mejia, 2014; Shepherd, 2016). Even though an increase in interest in the research topic of emotions in family firms is now noticeable, there is still a lot of unraveling to do when it comes to fully understand the unique emotional context of family firms, and, with this study, we have taken an important new step. Additionally, our study contributes to the general literature on emotional dissonance as well by finally unraveling family firm-specific determinants and consequences of the phenomenon (Labaki et al., 2013a).

Besides an important theoretical contribution, this study also entails implications for practice. First of all, it shows the importance of awareness among family firm managers/owners on the presence of emotions in their firm since emotions influence even the most rational organizational processes (Maitlis & Ozcelik, 2004). Moreover, it clearly indicates the importance of creating an emotional climate that stimulates the authentic expression of emotions. A good start would

be for the managers/owners to lead by example through genuinely expressing their own emotions since the emotional cues of leaders are often picked up by other employees and set an important example for the behavior that is expected from them (Van Knippenberg & Van Kleef, 2016).

## 6. Limitations and Avenues for Further Research

The findings of this study did reveal some new, interesting insights with regards to emotional dissonance and its consequences for family firms. However, our study had several limitations. Firstly, the research was carried out in a Belgian context. To detect geographical differences, new research should be conducted in other countries. A second limitation relates to the fact that emotions are still a sensitive topic that not everyone feels comfortable discussing. Although most interviewees were very open, we still have to consider the possibility that not all interviewees have been completely honest or withheld some information. Overall, we expect this not to influence the results too heavily. If the respondents were not eager to discuss emotions, they probably also would not have agreed to have a conversation and take part in this study.

Something that could also have had an impact on our findings is the fact that the vast majority of interviewees were the managing director at their firms. They regularly mentioned that this leading position requires them to be emotionally stable and not let emotions influence their work. In order to meet the criteria of a good leader, they claim to hide their negative emotions and try to spread positivity across the company. This automatic reflex could introduce a bias into our study and lead to higher levels of emotional dissonance as they feel required to hide negative emotions because of their status. Therefore, we recommend the next study to also include family members that are not active in the management team. This also leads us to the next and final recommendation, the inclusion of non-active family members or non-family employees. This study only included active family members, but it would be interesting to see how non-family employees experience emotions in family firms. The respondents all claimed to try and establish a familial atmosphere. Whether employees feel the same way about this and how this affects their display of emotions would be an interesting experiment. Non-active family members could be included as well to find out if their non-activity is due to emotional reasons or a career-based decision. We can conclude that there are several limitations that keep us from generalizing our findings, but that also has never been the main purpose of this study. Family firms were

mostly ignored when researchers investigated the consequences of emotional dissonance in the business setting. This study tried to fill that gap and introduce the family firm as an interesting area. This exploratory study did reveal some new insights that could stimulate the debate concerning emotional dissonance in family firms and provide a framework for further (quantitative) research.

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