

# **Gordon Institute of Business Science**

University of Pretoria

## **Non-family employees' perception of familiness, identification, commitment and customer service in a large family business.**

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

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## **Abstract**

Familiness has emerged as a central theory in the family business field yet little research has addressed how familiness impacts non-family employees and organisational performance in large private family firms. This study investigates non-family employee organisational identification and commitment, how these constructs are influenced by familiness and how they contribute to organisation performance in terms of customer service.

A questionnaire based survey yielding 354 responses was conducted in a large fourth generation private family business. The multi-level latent variable constructs and their relationships were analysed simultaneously using partial least squares structural equation modelling to determine the relationship significance and scale of influence.

Familiness was found to have a significant relationship with non-family employee organisational identification, commitment and customer service. The structural model explained a large percentage of the latent construct's variance and had strong statistical power, relevance and predictability. Organisational identification emerged as the most important factor in the proposed model as it was most influenced by familiness and displayed the largest effect on customer service. The findings indicate that the higher organisational performance outcomes often attributed to family firms may predominantly be the result of the familiness resources developing stronger emotional attachments and organisational identification in employees.

## **Keywords**

Familiness, Family Business, Non-Family Employees, Organisation Identification, Organisation Commitment, Customer Service.

## Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Gareth Chamberlain

7 November 2016

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# Chapter 1: Introduction to the Research Problem

## 1.1. Research Problem

Familiness has recently emerged as a central concept in family business theory (Carnes & Ireland, 2013; Frank, Lueger, Nosé, & Suchy, 2010; Habbershon & Williams, 1999; Monroy, Solis, & Rodríguez-Aceves, 2015) and its relation to superior performance of family businesses over non-family businesses has been established in various contexts (Wagner, Block, Miller, Schwens, & Xi, 2015; Essen, Carney, Gedajlovic, & Heugens, 2015). However, the question of the impact of familiness on non-family employees at an individual level, specifically in large family businesses, and how this contributes to the performance of family businesses remains uncertain.

Poza and Daugherty (2014) suggested that some of the possible outcomes of the unique resources inherent in family businesses (familiness) could be an organisational culture focused on high-quality customer service, which in turn yields improved financial performance. For large family businesses these organisational culture benefits are not only the result of the decisions of the few family members in the organisation; but predominantly the result of the actions of the vastly more numerous non-family employees and their daily customer interactions.

This poses a problem for large and growing family businesses in that the financial performance benefits attributable to the family business culture could diminish as the pervasiveness or entrenchment of these unique values erode as more employees enter the business and the influence of the family diminishes. The issue of understanding the impact of familiness on non-family employees and how to maintain the family business culture going forward is thus crucial for achieving financial success and ensuring the longevity of the organisation (Irava & Moores, 2010).



## 1.2. Relevance of Topic

Globally, family businesses are the most common form of business and thus play a pivotal role in the global economy. Fernandez-Araoz, Iqbal, and Ritter (2015) provide the following estimates regarding the prevalence of family business: family businesses make up 80% of all companies and are the largest source of employment globally. The common misconception regarding the scale of individual family businesses is refuted by the fact that a third of the S&P 500 listed companies, half the Fortune 1000 companies, 60% of the largest companies in East Asia and Latin America, and 40% of the largest companies in France and Germany are family businesses (Gomez-Mejia, Makri, & Kintana, 2010; Fernandez-Araoz et al., 2015; Poza & Daugherty, 2014).

Given the range of companies that could be classified as a family business; this research will specifically focus on the scarcely studied segment of large private family businesses also referred to in the literature as private family firms. The scope of this study is limited to full-time non-family employees in a large South African business in the retail sector. Research into this fourth generation 113-year old company will provide a unique opportunity to investigate the family business theories discussed.

This study will add to academic theory by addressing specific gaps in the literature and by building on the exploratory work of Irava and Moores (2010) regarding familiness resources contributing to sustainable competitive advantage. Even though family business research has received more attention and developed in multiple directions in the last ten years (Xi, Kraus, Filser, & Kellermanns, 2015), research dealing with non-family stakeholders is rare. Additionally, the need for greater attention being applied to family business management research in Africa has been highlighted (George, Corbishley, Khayesi, Haas, & Tihanyi, 2016).

The attitude of non-family employees is a unique topic in the family business field, yet it is not frequently researched (Yu, Lumpkin, Sorenson, & Brigham, 2012). Pieper and Klein (2007) suggest that family business research often omits the human element despite the individual's role in the firm. The tendency of research to focus at the organisational level of analysis prompted Pearson, Carr, and Shaw (2008) to query whether additional levels of analysis should be investigated instead. Analysis performed

at multiple levels such as the individual, and group levels were identified as an area requiring further research (Evert, Martin, McLeod, & Payne, 2016).

Large privately held family businesses were identified by Mazzi (2011) as an area requiring more research due to the comparative rarity of studies versus the studies of public listed family business. Despite the smaller number of public listed family businesses compared to non-public listed family businesses; listed family businesses were researched much more frequently. The primary reason suggested was the limited accessibility of suitable data from non-publicly available sources.

Carney, Van Essen, Gedajlovic, and Heugens (2015) support the need for more research regarding large private family business as the heterogeneous nature of family business makes findings from public firms not easily applicable to private family businesses. Furthermore, Carney et al. (2015) admit that very little is known about private family businesses and that the challenge of empirical research in these types of organisations must be tackled.

Even though interest in family business research around the world and across multiple disciplines has grown rapidly (Short, Sharma, Lumpkin, & Pearson, 2016) most empirical studies utilised only rudimentary statistical techniques (Sarstedt, Ringle, Smith, Reams, & Hair, 2014). For the field to develop and mature; more rigorous analysis needs to be undertaken to validate and improve the previous exploratory studies. This study will contribute to the field by building on the initial exploratory work by Irava and Moores (2010) developed further by Monroy et al. (2015) using Structural Equation Modelling statistical techniques to develop a model of familiness, non-family employees, and customer service.

This study will provide family businesses with a clearer view of the impact of familiness on employees and customer service by learning from a successful multigenerational company. Fernandez-Araoz et al. (2015) attach significant importance and benefits to the possibility of the vast number of diverse family businesses being able to learn from large century-old companies. The high failure rate of family businesses with some estimating that only 10% survive into the third generation (Breton-Miller, Miller, & Steier,

2004) suggests that much can be gained from analysing the successful surviving businesses.

Adequate financial performance is a requirement for business sustainability, and the ability of an organisation to provide superior customer service value is a significant contributor to overall success. This research will help uncover how to manage internal firm resources to leverage unique familiness capabilities leading to increased levels of customer service.

The ability to view, at a lower level, the familiness factors influencing non-family employees and how this influences levels of customer service will offer a more detailed indication of areas needing management intervention. This will also be beneficial for established successful family businesses that are faced with the problem of determining what the contributing factors of various familiness qualities to performance objectives are (Collins & O'Regan, 2011).

This research seeks to address the relationship between familiness and organisational performance, represented by customer service, by investigating how these constructs relate to non-family employees organisational identification and commitment.

## Chapter 2: Literature Review

### 2.1. Introduction

This review of current theory and literature will address the main components identified in the previous chapter with the purpose of developing a conceptual model of the relationships between familiness, employees and service quality.

### 2.2. Family Business

The qualifying criteria for being classified as a family business varies remarkably throughout family business literature. Poza and Daugherty (2014) remark that a previous review found 21 different definitions were used in published research articles. Family business research, therefore, covers the entire spectrum of business entities from the largest publicly traded companies, such as Walmart, to the micro-enterprise store vendor. Whatever the definition or organisational form considered; the family business is defined at its most basic level as an organisation that is influenced by the involvement of the family. Academics have acknowledged the ubiquity of these forms of business as well as the complex issues inherent in family businesses (Sharma, Chrisman, & Gersick, 2012).

Family involvement manifests through varying levels of control, ownership, management, and cultural influence. It is the source of distinctness that separates family from non-family businesses and the explanation for why they perform and behave differently (Chrisman, Chua, & Steier, 2005). Gomez-Mejia, Cruz, Berrone, and De Castro (2011) confirm the accepted academic view is that family businesses are conceptually and qualitatively distinct from non-family businesses. Dawson and Mussolino (2014) identified three main lenses that are used for analysing the distinctness of family business: socioemotional wealth, the essence of family business, and familiness.

Socioemotional wealth encompasses the preservation of family dynasty, affective identity and non-financial values (Gomez-Mejia, Haynes, Nunez-Nickel, Jacobson, &

Moyano-Fuentes, 2007; Berrone, Cruz, Gomez-Mejia, & Larraza- Kintana, 2010). Chua, Chrisman, and Sharma (1999) introduced the essence of family business which considers the family vision of sustaining the organisation over multiple generations. Familiness represents the consolidated value of resources generated by the family's involvement with the business which could potentially lead to competitive advantage (Habbershon & Williams, 1999).

Given the prevalence and important role played by family business in global economies (Gagne, Sharma, & De Massis, 2014); the diverse range of topics covered and body of knowledge generated (Xi et al., 2015) in family business research is not unexpected. Some topics currently being discussed include succession in family businesses (Chen, Liu, Yang, & Chen, 2016; Gilding, Gregory, & Cosson, 2015; Tsoutsoura, 2015); and entrepreneurial activity (Jaskiewicz, Combs, & Rau, 2015; Miller, Steier & Breton-Miller, 2016; Randerson, Bettinelli, Fayolle, & Anderson, 2015); and familiness (Carnes & Ireland, 2013; Frank, Kessler, Rusch, Suess-Reyers, & Weismeier-Sammer, 2016; Monroy et al., 2015).

### **2.3. The Concept of Familiness**

Habbershon and Williams (1999) developed the concept of familiness by applying the resource-based view (RBV) framework to identify intangible, complex, dynamic and particular resources that contribute to the competitive advantage and ultimately superior performance of family firms. Monroy et al. (2015) noted the prominence of the resource-based view in management research and suggested that it provided a better view of the internal factors shaping family business performance outcomes.

Familiness is loosely defined as the collection of resources and capabilities that are distinctive to a family business and arise out of the interaction and influence of the family with the business (Frank et al., 2010). The isolation and identification of a construct uniquely applicable to family business was hailed as ground-breaking (Pearson et al., 2008) as it provided a method for assessing social and behavioural properties that provided a competitive advantage for family businesses.

Despite the vagueness of the construct, familiness has often been used as the differentiating factor when comparing family to non-family businesses (Pearson et al., 2008) and as the benchmark for family business performance research (Wagner et al., 2015). These empirical studies were possible through the use of the F-PEC scale of family influence which sought to measure the involvement of family with the business on a continuous scale based on the three constructs of power, experience, and culture (Astrachan, Klein, & Smyrnios, 2002). While the F-PEC scale was extensively used to measure the relationship between familiness and performance across different organisations, it was shown to have limited reliability and applicability (Rutherford, Kuratko, & Holt, 2008).

The identified shortcomings of the existing constructs comprising familiness led researchers to explore different approaches to defining it. Pearson et al. (2008) use of social capital was based on the premise that the family social capital lead to organisational social capital but the theory lacked the ability to explain outcomes sufficiently. This was countered by the addition of family firm identity by Zellweger, Eddleston, and Kellermanns (2010) but their dimensions of essence, involvement and identity overlapped and intermingled thus limiting their empirical use.

An exploratory study by Irava and Moores (2010) aimed to develop a familiness construct that made identifying the resources that create competitive advantage more practical. This hierarchical construct defined the primary contributing familiness dimensions as Human Resources, Organisational Resources, and Process Resources. The fact that all the businesses used to generate this model were third or fourth generation privately owned companies would add credibility to the application of this model to this research report. The development of a multi-dimensional familiness construct was supported by Zellweger et al. (2010) as an approach that would provide more understanding of the impacts of familiness on family business competitive advantage.

Monroy et al. (2015) expanded on the conceptual familiness model consisting of human, organisation, and process resources and developed the measurable dimensions. Human Resources (HR) included subscales for reputation and experience. Process Resources (PR) was composed of Relationships and Networks. Organisational Resources (OR) consisted of Learning Orientation and Decision Making. The refinement

of the RBV familiness model in conjunction with the development of the measurement instrument provided an alternative empirical theoretical base to the F-PEC approach.

While the F-PEC scale measured items as the theoretical involvement of family with the organisation; it did not translate into measuring the actual influence of family on the main dimensions of familiness, the organisation or the employees. In comparison to previous familiness constructs that placed familiness and the internal organisation in a black box (Pearson et al., 2008); the human, organisational and process familiness model enables the analysis of the relationships of the dimension with the internal operations of the organisation thus enabling the ability to make managerial decisions to influence a dimension.

#### **2.4. Non-family Employees in Family Businesses**

Non-family employees form the majority of employees in large family businesses and thus play a crucial role in the success and long-term survival of those businesses (Memili & Welsh, 2012), but research has “hardly scratched the surface of this stakeholder group” (Sharma, 2004, pg. 15).

As identified by Yu et al. (2012); the attitudes and behaviours of non-family employees are a unique topic in family business research but are overlooked by most family business researchers. The significance of this research gap is highlighted by the study of Sanchez-Famosa, Akhter, Iturralde, Chirico, and Maseda (2015) which found that the social capital of non-family employees had a bigger impact on organisational performance than the family member social capital. Family businesses were identified as promoting the development of strong relationships due to the involvement of the family members in fostering these relationships.

Sharma (2004) supports the view that non-family employees are an important stakeholder group due to their number and therefore their impact on the future organisational performance and long-term success. Non-family employees may also possess particular tacit knowledge that is valuable for the development of managers or for assuming leadership positions (Lee, Lim, & Lim, 2003). The critical role of strategic

decision making in large family businesses has been found to be performed by non-family executives (Chua, Chrisman, & Sharma, 2003).

## **2.5. Organisational Identification**

Organisational identification and organisational identity have become important constructs and theoretical lenses used as a foundation of organisation and management research for the purpose of understanding organisations and how they interact with their environment (He & Brown, 2013). These paradigms have remained popular due to the broad range of subject matter covered and the stimulating research generated (Ashforth, 2016). Although family business organisational identification research has been carried out, the focus has predominantly been on family member employees and identity conflict; it is suggested that more research needs to be done that analyses all employees (Carmon, Miller, Raile, & Roers, 2010).

Organisational identification is exhibited as the employee's perception of a sense of belonging and being part of their organisation. It refers to the extent that they define themselves in reference to membership of their company (Ashforth & Mael, 1989). Organisational identification (OID) differs from organisational identity (OI) in that organisational identification operates at the level of the individual within the organisation. Organisational identity is a higher collective level concept focusing on the entire organisation's identity as interpreted by stakeholders (Martin, Johnson, & French, 2011). Organisational identity in family businesses is considered unique due to the idiosyncrasies of the family and how they define their organisation (Zellweger et al., 2010).

The study of organisational identity has produced a multiplicity of theories and views and has identified the challenge of theoretically differentiating organisational identity from concepts such as company reputation, construed external image, and corporate image. He and Brown (2013) contrasted the broad range of organisational identity theoretical approaches with the much more narrowly focused organisational identification theory.



The general conceptualised consensus (Ashforth & Mael, 1989) regarding organisational identification theory is based on the functionalist social identity theory. An individual's social identity is the emotional significance and acknowledgement of their membership of a social group and the value gained due to the relationship with that group (Tajfel, 1978). The social identity perspective has been applied in research to a wide range of relationships between employees and their companies (Ashforth, Harrison, & Corley, 2008) including leadership, organisational support, Corporate Social Responsibility, familiness, and employee performance outcomes.

### **2.5.1. Sources of Organisational Identification in the context of family business**

The important role played by leaders in everyday businesses events and their behaviour towards other employees has been shown to shape employees' relationship and social identification with their company. Organisational identification has been found to be positively related to both transformational leadership and ethical leadership (Carmeli, Atwater, & Levi, 2011; Liu, Zhu, & Yang, 2010).

Walumbwa et al. (2011) argued that ethical leadership behaviour lead to increased organisational identification due to the promotion of employee cooperation, respect, self-esteem, and organisational trust. It is worthwhile noting that many of these ethical leadership related organisational identification catalysts have been discussed in the family business literature as possible outcomes of familiness and family firm culture (Eddleston, Chrisman, Steier, & Chua, 2010; Hadjielias & Poutziouris, 2015; Memili & Welsh, 2012; Pearson et al., 2008).

Edwards and Peccei (2010) stated that perceived organisational support leads to increased organisational identification in employees. Increased perceptions that an organisation cares about employee well-being, socioemotional needs, and values their contributions; have a positive effect on organisational identification (Gibney, Zagenczyk, Fuller, Hester, & Caner, 2011).

The characteristic of family business to additionally pursue non-financial goals is exhibited by their desire to preserve and enhance their socioemotional wealth (Berrone

et al., 2010). Therefore higher levels of organisational support focusing on employee well-being and socioemotional needs are likely to exist in family businesses. This view would suggest that the higher adoption of proactive stakeholder engagement by family firms (Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012) would result in increased levels of perceived organisational support, and by extension, greater organisational identification.

Research has highlighted how employee perceptions of corporate social responsibility (CSR) positively influence employee organisational identification (He & Brown, 2013). This is the result of a more positive employee perception of the organisation due to its CSR activities, which then develops higher levels of trust between the employee and the company (Hansen, Dunford, Boss, Boss, & Angermeier, 2011; Vlachos, Theotokis, & Panagopoulos, 2010).

Family-controlled firms have been shown to exhibit greater corporate social responsibility drivers than non-family businesses with respect to environmental practices (Berrone et al., 2010) and charitable activities (Dou, Zhang, & Su, 2014). Organisational identification in family-controlled businesses is therefore expected to be more prevalent due to the positive effect of increased favourable employee perceptions regarding the organisation.

The impact of familiness on non-family employee organisational identification and attachment was investigated by Memili and Welsh (2012) who argued that by increasing the positive familiness influencing factors; employees would develop stronger organisational identification and attachment, leading to decreased turnover intentions and increased performance.

The positive effect of familiness on organisation identification is supported by many of the identified sources that increase organisational identification, as discussed in this chapter. Carmon et al. (2010) propose that family businesses have the distinct prospect of using their familiness to foster a strong sense of employee organisational identification.

The familiness construct discussed earlier encompasses factors such as trust, employee well-being, cooperation, leadership, and reputation; which have all been shown to influence organisational identification positively. The literature, therefore, supports the positive causal relationship between perceptions of familiness and organisational identification.

### **2.5.2. Performance Outcomes of Organisational Identification**

Understanding the effect of organisational identification on organisational results and employee performance has been identified as a central research issue (He & Brown, 2013). The potential for organisational identification to foster beneficial firm and employee outcomes such as employee loyalty, customer satisfaction, and financial performance has been acknowledged (Ashforth et al., 2008; Riketta, 2005).

Earlier meta-analysis suggested that the relationship between organisational identification and employee performance was moderately positive (Riketta, 2005). Indeed more recent research has supported the nature of this relationship by showing that organisational identification is positively related to task and job performance (Walumbwa, Avolio, & Zhu, 2008; Weiske, Ahearne, Lam, & Von Dick, 2008).

Social identity theory explains how employee actions and behaviours are influenced by their identification with their organisation (Tajfel, 1982). High levels of organisational identification are correlated with increased cooperation, commitment, and satisfaction (Cannella, Jones, & Withers 2015). Higher levels of employee perceptions of belonging to an organisation have been found to be associated with higher performance (He, Wang, Zhu, & Harris, 2015).

Zellweger et al. (2010) and Pearson et al. (2008) identified the importance of organisational identification as a resource that could lead to increased cooperation, knowledge sharing, and increased overall performance. Monroy et al. (2015) expanded on this and suggested that organisational identification could be a key source of competitive advantage.

The effect of organisational identification on customer satisfaction was investigated Homburg, Wieseke, and Hoyer (2009) who found that organisational identification positively affects customer satisfaction which then resulted in increased financial performance.

## **2.6. Organisational Commitment**

Commitment has been recognised as one of the most studied aspects of management and organisational research (Sieger, Bernhard, & Frey, 2011). Herrbach (2006) suggested that the overall support for the concept of commitment is due to the manner in which it can influence an employee's behaviour; independently from other elements. Within the field of family business, it has been identified as a common attribute of family business; but it has almost been exclusively studied from the viewpoint of the owning family (Vallejo, 2009).

The role of commitment in family business success and sustainability has been identified as critical (Eddleston & Morgan, 2014) and more focus has recently been given to the level of commitment due to its impact on growth and succession of family firms (Forkuoh, Affum-Osei, Osei, & Addo, 2014). Despite the increase of research investigating commitment in family business, the literature suggests that more exploration is required to determine the nature, sources and consequences (Irava & Moores, 2010; Eddleston & Morgan, 2014; Zellweger et al., 2010). The surprising lack of research specifically discussing non-family employee's commitment has been acknowledged by Sieger et al. (2011).

The organisational commitment literature identifies a number of definitions and theoretical approaches which has resulted in somewhat inconsistent and conflicting results (Ashforth et al., 2008). The two predominant views (Hunt & Morgan, 1994) are the unidimensional organisational commitment proposed by Mowday, Steers, and Porter (1979); and the three-component framework by Allen and Meyer (1990). Mowday et al. (1979) defined commitment as an employee's acceptance and adoption of the organisational values and goals, willingness to attribute to these goals, and a desire to remain part of the organisation (Carmon et al., 2010).

Allen and Meyer (1990) proposed that employees experience commitment based on three distinct types of commitment: affective commitment (AC); normative commitment (NC); and continuance commitment (CC). Affective commitment concerns the emotional attachment and identification with the organisation. Normative commitment refers to the obligation felt by an employee to perform or remain at the organisation. Continuance commitment reflects commitment based on the perceived loss of benefits or costs involved in leaving the organisation. Sieger et al. (2011) noted that affective commitment is the most common sub-component of this framework studied due to its relevance to affecting employee behaviour outcomes (Gao-Urhahn, Biemann, & Jaros, 2016).

The similarity of the definition of affective commitment to organisational identification has contributed to the inconsistent research findings. The affective commitment component defined by Allen and Meyer (1990) essentially includes organisational identification as part of the commitment construct whereas the commitment definition proposed by Mowday et al. (1979) makes a clear distinction between the two. The overlap between organisational identification and affective commitment would limit the validity of research investigation identification and commitment when using the three-component model of commitment as the foundational base.

The unidimensional foundation of commitment is thus much more appropriate for this line of research since the two constructs are conceptually different. A comparison of commitment in this context that explains the distinction in simplified terms would be: commitment is the positive attitude towards an organisation, compared to identification being a perceived oneness (Ashforth et al., 2008) or “visceral unity” with the organisation (Ashforth, Schinoff, & Rogers, 2016, p. 21). Ashforth (2016) argues that organisational commitment relates to the treatment of employees while the organisation’s image and what it stands for relates to organisational identification. Beyond the theoretical distinction between organisational identification and organisational commitment; Riketta (2005) argued that empirical evidence was required to support the theoretical view.

Research supports the conceptual difference between organisational identification and organisational commitment by proving that they are empirically discriminant (Ng, 2015). Identification was found to have a more significant correlation with job behaviours compared to organisational commitment which was found have stronger correlations with job satisfaction and intent to remain (Ashforth et al., 2008; Herrbach, 2006).

Therefore commitment and identification should be viewed as separate outcomes of an employee's relationship with their organisation. Despite the small number of articles addressing these two constructs concurrently, the development of theory concerning commitment and identification would progress more by investigating identification and commitment as related but independent factors (Ashforth et al., 2008).

### **2.6.1. Sources of Organisational Commitment**

Previous research that has defined organisational identification and organisational commitment as separate entities has suggested that there is a causal relationship between organisational identification and organisational commitment. (Ashforth et al., 2008). Carmon et al., (2010) suggested that family business employees are likely to be committed to the family organisation when they have a strong identification with the business. Non-family employees who have a strong sense of belonging and identification with the family business, to the point where they perceive themselves to be part of the family, are likely to be committed similarly to family members (Carmon et al., 2010).

Organisational support has been shown to increase the employee's perception of their value and membership to the business which then results in commitment as evident through their willingness to contribute to the achievement of goals and remaining in the organisation (Cinar & Yesil, 2016).

While the topic of commitment in family businesses has been investigated, it is usually with respect to the existing or prospective family members and not the non-family employees (Vallejo, 2009). Poza and Daugherty (2014) suggest that the higher level of commitment found in family business is partly due to a desire to defend and uphold the family name leading to increased performance and service levels. These higher levels of commitment and identification are commonly found in family businesses but the question of to what extent does familiness (or one of its sub-dimensions) influence a non-family employee's sense of belonging or commitment needs to be addressed.

Employees develop organisational commitment if they buy-in to the business' values and goals and then actively work towards achieving those goals. As previously

discussed, family businesses often pursue goals other than maximising profit. These altruistic goals could generate employee cohesion, acceptance and buy-in and thus more organisational commitment (Zellweger et al., 2010). Family businesses have been shown to look after their employees by not engaging in restructuring or retrenchment practices especially during tough economic crises (Lee, 2006). These family business values and familiness identity likely lead to the adoption of business values, a desire to be employed by these types of companies, and hence organisational commitment (Breton-Miller & Miller, 2006; Carmon et al., 2010).

### **2.6.2. Performance Outcomes of Organisational Commitment**

A strong connection exists between employee commitment and organisational performance through employee productivity (Carmon et al., 2010). Commitment to the organisation is reflected in a strong belief in the intrinsic values of the organisation, a desire to exert effort for the benefit of the organisation, and a wish to be a part of the organisation as a group. This commitment helps to create a more positive working environment and aids in promoting the future continuation of the company.

Organisation commitment has been regarded as an important factor that influences employees' behaviour and has shown to positively affect job performance (Cinar & Yesil, 2016; Memari, Mahdieh, & Marnani, 2013). Herrbach (2006) suggests that employees who are committed are more likely to act in the best interests of the organisation. Riketta (2005) and Ashforth et al. (2008) did, however, determine that organisational identification had a larger impact on role performance than organisational commitment. Both family and non-family employees' commitment has been found to be significantly correlated with growth (Forkuoh et al., 2014), profitability and survival of family businesses (Vallejo, 2009).

Conway and Briner (2015) suggest that organisational commitment is a feature of businesses attaining high levels of customer satisfaction due to high service quality, service time, and customer experience.



## 2.7. Customer Service

There is strong empirical evidence supporting the relationship between employee organisational commitment and customer service (Conway & Briner, 2015). Employees who identify with and are committed to the business are more likely to attend to key business concerns, such as customer service, as well as behaving in a manner that will maintain their association with the family business. Orth and Green (2009) propose that family businesses are able to foster superior customer relationships through higher customer trust, quicker customer responses, and a high level of customer service delivery.

Additionally, the willingness to perform in adherence with the company brand and the increased perception of customer importance for the future success of the organisation are also drivers behind the ability of family business to meet this goal (Cabrera-Suárez, de la Cruz Déniz-Déniz, & Martín-Santana, 2011). These capabilities underlie the market orientation behaviour of family businesses which can lead to competitive advantage.

## 2.8. Conclusion to Literature Review

The literature review has ascertained the broad scope of family business entities, the important role played in global economies, and highlighted the unique distinctiveness of these organisations. While the recent increased attention of family business research was noted, it was proposed that there is ample scope for additional research in the field. The influence and involvement of family members making family businesses conceptually different has been noted as the source of their specific behaviours and outcomes.

The family business field-specific concept of familiness was discussed, and the resource-based view was identified as the most suitable approach for investigating the internal perspective of family businesses. The RBV of familiness enables the investigation of performance outcomes and the internal causes thus providing management decision-making applications. The human, process, and organisational resource multi-dimensional model of familiness was proposed as an empirically



measurable model that is well suited for this research project. The empirical approach to this topic carried out by this research will add to the refinement and development of the RBV view of familiness.

The limited research into the roles and importance of non-family employees highlighted the importance of this stakeholder group and suggested that this was an area requiring further research to develop the family business field.

Social identity theory was identified as the theoretical foundation for organisational identification (OID). The uniqueness and importance of organisational identification in the family business context was defined; as well the various factors of the familiness construct that were proposed to generate organisational identification. In addition to the causal nature of familiness on identification; OID was also shown to be an important contributor to a number of positive employee and organisational outcomes including customer service and organisational commitment.

The contrasting definitions of commitment were debated, and the distinction between organisational identification and organisational commitment was supported by literature and indeed proposed as an area requiring more investigation. Antecedent research suggested that a number of the unique familiness resources could develop employee organisational commitment and was proposed as a reason for family firms high levels of commitment. The role of commitment in family business was highlighted by the many studies that identified the critical impact on job behaviours, sustainability, and firm performance.

Empirical studies have provided support that both organisational commitment and organisational identification are important precursors for high levels of customer service. Employees exhibiting OID and OC are more likely to attend to key business concerns (such as customer service), behave in the best interest of the company, and focus on the company's long-term success.

The next chapter will use the relationships identified through the literature to form the basis of the proposed structural model and research hypotheses.

## Chapter 3: Research Hypotheses

This chapter summarises and defines the relationships between the constructs identified in the previous chapter and formulates the research hypotheses and structural model.

### 3.1. List of Research Hypotheses

#### 3.1.1. Research Hypothesis H1: Familiness > OID

The causal relationship between familiness and organisational identification has been supported by the literature (Carmon et al., 2010; Memili & Welsh, 2012).

H1: Perceptions of Familiness are positively related to employee organisational identification.

#### 3.1.2. Research Hypothesis H2: Familiness > OC

Familiness has been found to contribute to organisational commitment (Breton-Miller & Miller, 2006; Carmon et al., 2010; Zellweger et al., 2010).

H2: Perceptions of familiness are positively related to employee organisational commitment.

#### 3.1.3. Research Hypothesis H3: OID > OC

Ashforth et al. (2008) and Carmon et al. (2010) suggested that a positive causal relationship between organisational identification and organisational commitment exists.

H3: Employee organisational identification is positively related to organisational commitment.

### 3.1.4. Research Hypothesis H4: OID > Customer Service

Organisational identification has been shown to be associated with higher employee performance (He et al., 2015) and customer service (Homburg et al., 2009; Orth & Green, 2009).

H4: Employee organisational identification is positively related to customer service.

### 3.1.5. Research Hypothesis H5: OC > Customer Service

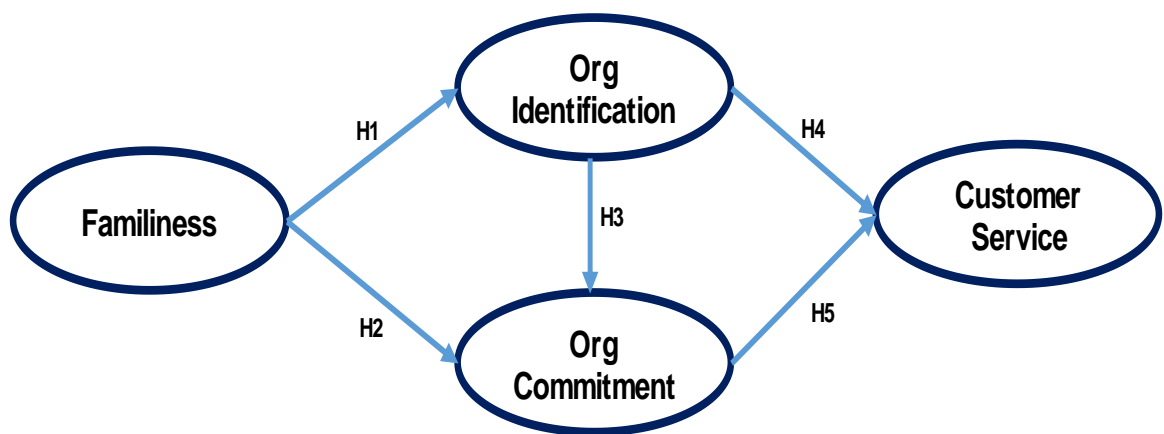
Organisational commitment is a contributing factor towards high levels of customer service (Conway & Briner, 2015, Orth & Green, 2009).

H5: Employee organisational commitment is positively related to customer service.

## 3.2. Research Model

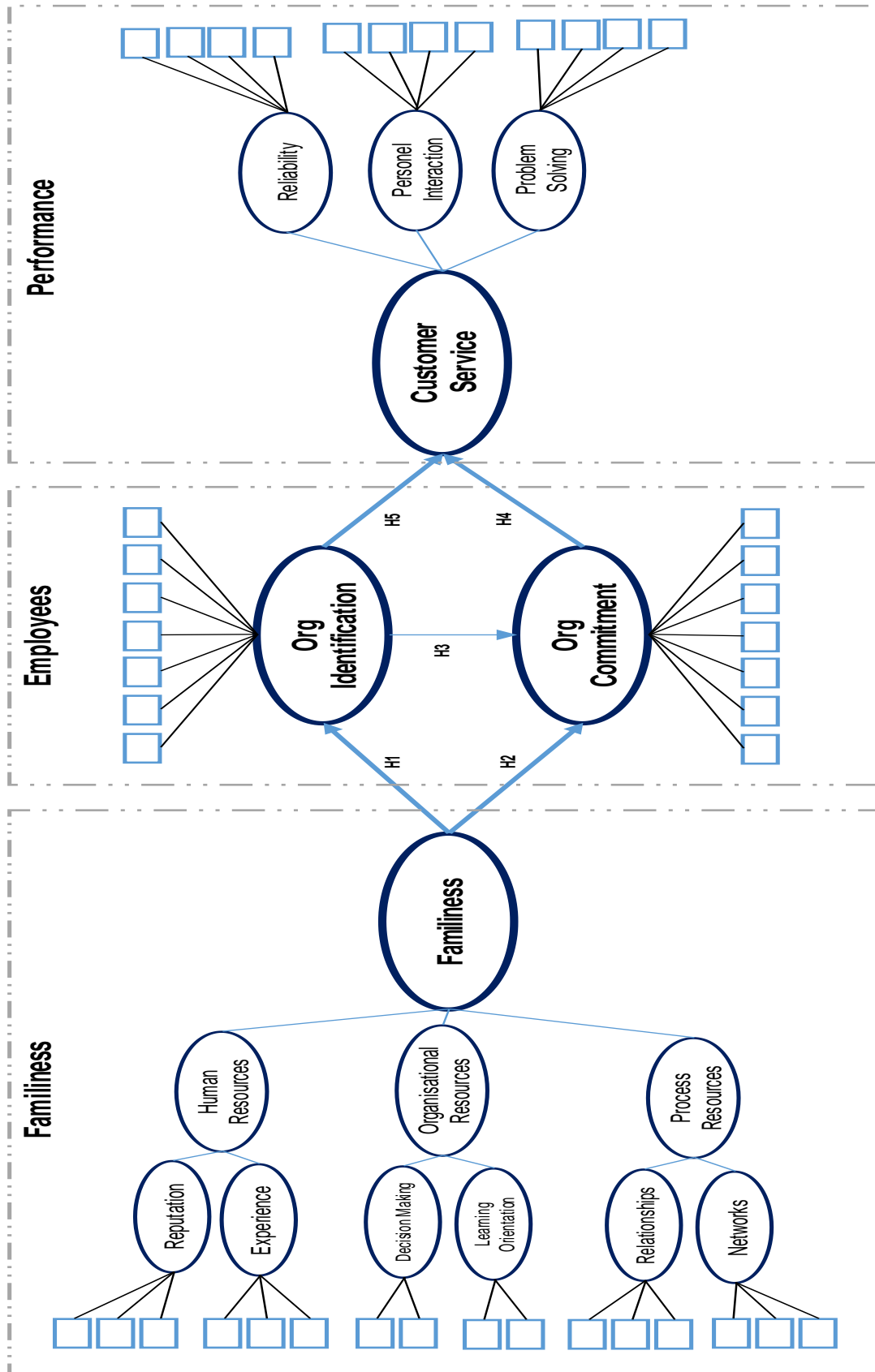
The structural model is based on an amalgamation of the relationships supported by the literature and crystallised by the research hypotheses.

Figure 1: Structural Research Model



### 3.3. Expanded Research Model

Figure 2: Proposed Outer Structural Model



## Chapter 4: Research Methodology

This chapter outlines the methodology applied to conduct the research and defends the decisions taken, and the process followed (ensuring great care was taken) throughout the study. This research followed a positivist philosophy applying a deductive approach. A quantitative explanatory study was conducted based on a survey approach in a single organisation employing a physical questionnaire. The main sections covered in this chapter are research method, population and sampling, research instrument development and testing, data collection and analysis, and assumptions and limitations.

### 4.1. Research Method

The previous review of relevant literature and theory has led to the development of the proposed model (Figure 1) containing the four main constructs: Familiness, organisational identification, organisational commitment, and customer service. In order to address the questions regarding the extent of influence between the various latent constructs, advanced statistical methods would need to be applied which would require a significant amount of quantitative data. Quantitative empirical testing would enable the assessment of whether the proposed model is consistent with the information gathered to reflect the model (Astrachan, Patel, & Wanzenreid, 2014).

A survey approach utilising a questionnaire was selected as the most suitable method for obtaining a large number of objective responses from an appropriate sample within the practical time frame allocated for this study. Additionally; issues of respondent bias, researcher objectivity and anonymity could suitably be addressed and their impact mitigated.

The chosen approach of using only one organisation's employees for the survey was driven by the unique characteristics of the organisation and the practical limited availability of access to employees from other large family organisations. While family businesses make up the majority of organisations; the number of large family businesses over 100 years is small. This approach satisfies the single case choice requirements presented by De Massis and Kotlar (2014) as the company selected was an unusual

example and offered uncommon research access that aided in addressing gaps previously identified in the literature. Despite only one organisation being investigated, the use of quantitative data analysis makes any future empirical study comparisons with other organisations and contexts possible.

## **4.2. Population**

The universe or target population for this study was non-family employees in large family businesses. The accessible population was the 1100 full-time non-family employees of the surveyed organisation. Temporary and part-time employees were excluded from the population due to their lack of experience and involvement with the organisation.

## **4.3. Unit of Analysis**

The primary objectives of the study used the individual employee as the unit of analysis.

## **4.4. Sampling Method and Size**

The study used non-random stratified sampling, as opposed to simple convenience sampling, to ensure that certain groups of the population important to the analysis were not under or over represented (Saunders & Lewis, 2012). This was achieved by questionnaires being distributed to the various organisational job levels and units based on the number of employees working in that job unit. Stratified sampling was required to gather a sample representing a broad range of employee job levels. The initially planned sampling method using employees randomly selected from the staff listing was discarded during pre-testing due to feedback regarding concerns about perceived anonymity by the employees.

Determining the suitable sample size for valid and reliable Structural Equation Modelling (SEM) based studies can be a complex and debatable process (Westland, 2010). While the rule-of-thumb of around 200 or five times the number of indicators is mentioned; adequate sample sizes vary based on the structural model and instrument used. The appropriate sample size can be determined by the combination of the number of factors

or latent variables in the model; the number of indicators; the magnitude of the factor loadings; and the type of SEM used (Wolf, Harrington, Clark, & Miller, 2013).

The proposed structural model included four primary latent variables composed of around sixty indicator variables whose factor loadings have shown a high degree of reliability. This suggested that a sample size of 300 usable responses would be adequate (Wolf et al., 2013). The survey response analysis performed by Baruch and Holtom (2008) covering 490 surveys including 400,000 individuals from published academic journals found that the average response rate of surveys dealing with individuals was 53%. In order to attain the required response size of 300, a conservative 650 questionnaires were printed and distributed. The survey into the fourth generation 113 year family business was conducted as a cross-sectional study during winter 2016.

#### **4.5. Research Instrument**

The measurement instrument was composed by combining relevant dimensions from previously validated instruments for the four separate latent variables with minor adjustments made for language and terminology applicable to this context. All the construct scales used were multi-item scales with a minimum of three items in order to improve reliability of the study (Diamantopoulos, Sarstedt, Fuchs, Wilczynski, & Kaiser, 2012). All items except basic demographic information were measured on a seven-point Likert scale ranging from strongly disagree to strongly agree. The same scale was chosen throughout for consistency; the seven-point scale was utilised to allow for additional granularity (Marsden & Wright, 2010) and to reflect what other research on the topic has used (Astrachan et al., 2014).

The demographic data was only used for sample description, and all the PLS-SEM analysis was based on the ordinal data gathered from the Likert scale questions.

The final questionnaire displaying the main constructs, dimensions and sub-dimensions is shown in Appendix 2. In order to mitigate any potential response bias (or non-response bias) and maintain anonymity, limited demographic information and no individual identification questions were included in the questionnaire.

The familiness construct instrument was derived from Monroy, Solis, & Rodríguez-Aceves (2015) with the original financial performance figures dimension being excluded. The familiness construct split into the three sub-constructs of process resources (Table 1), human resources (Table 2), and organisation resources (Table 3) are displayed below.

Table 1: Familiness Construct - Process Resources

**Familiness**

**Familiness - Process Resources**

Familiness - Process Resources - Relationships	
F-PR-R1	In this business contracts and agreements are mainly based on trust
F-PR-R2	Employees work side by side with the business partners to develop solutions
F-PR-R3	This business is improving the quality and the design of our products and processes through relationships with our business partners

Familiness - Process Resources - Networks	
F-PR-N1	Building strong relationships with other organisations is important for this company
F-PR-N2	Contracts with suppliers are based on enduring long-term relationships
F-PR-N3	We usually obtain a lot of valuable information from our customers about the market trends and customer's needs.
F-PR-N4	Employees work side by side with our customers in order to develop solutions to their problems
F-PR-N5	Employees work side by side with our suppliers in order to develop solutions.
F-PR-N6	This business is improving the quality and design of our products and processes through the relationships with our suppliers



Table 2: Familiness Construct - Human Resources

**Familiness**

**Familiness - Human Resources**

Familiness - Human Resources - Reputation	
F-HR-R1	This company offers high quality products and services
F-HR-R2	This company offers products and services that are good value for money
F-HR-R3	This company has excellent leadership
F-HR-R4	This company recognises and takes advantage of market opportunities
F-HR-R5	This company has a strong record of financial performance
F-HR-R6	This company has strong prospects for future growth

Familiness - Human Resources - Experience	
F-HR-E1	This company's customers are considered the best in the industry
F-HR-E2	This company's suppliers are considered the best in the industry
F-HR-E3	This company's partners are considered the best in the industry

Table 3: Familiness Construct - Organisation Resources

**Familiness**

**Familiness - Organisation Resources**

Familiness - Org Resources - Decision Making	
F-OR-D1	Continuing the family legacy and tradition is an important goal for this company
F-OR-D2	Family members exert control over the company's strategic decisions.
F-OR-D3	Emotions and sentiments often affect decision-making processes in this company
F-OR-D4	Family owners are more concerned with the long-term success of the business.

Familiness - Org Resources - Learning	
F-OR-L1	The basic values of this organization include learning as key to improvement.
F-OR-L2	The sense around here is that employee learning is an investment, not an expense.
F-OR-L3	Learning is seen as a key factor necessary to guarantee future success

The organisational identification (OID) and organisational commitment (OC) instruments were adapted and validated by Carmon et al. (2010) with the OC having construct reliability of 0.84 and OID having construct reliability of 0.97. The OC instrument was based on the initial Organisational Commitment Questionnaire (OCQ) introduced by Mowday et al. (1979). The organisational identification construct is provided in Table 4, and the organisation commitment instrument is in Table 5.

Table 4: Organisational Identification Construct

Organisational Identification	
O11	I am proud to be an employee of this organization
O12	This organization's image in the community represents me well
O13	I am glad I chose to work for this organization rather than another company
O14	I talk positively about this organization to my friends as a great company to work for
O15	I have warm feelings toward this organization as a place to work
O16	I feel that this organization cares about me
O17	The record of this organization is an example of what dedicated people can achieve
O18	I find that my values and the values of this organization are very similar
O19	I would describe this organization as a large "family" in which most members feel a sense of belonging
O110	I find it easy to identify myself with this organization
O111	I really care about the fate of this organization
O112	What this organization stands for is important to me
O113	I share the goals and values of this organization
O114	My membership in this organization is important to me
O115	I feel strong ties with this organization

Table 5: Organisational Commitment Construct

Organisational Commitment		
OC1	I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful	
OC2	I feel very little loyalty to this organization - Coded	REVERSE
OC3	I would accept almost any type of job assignment in order to keep working for this organization	
OC4	I could just as well be working for a different organization as long as the type of work was similar - coded	REVERSE
OC5	This organization really inspires the very best in me in the way of job performance	
OC6	It would take very little change in my present circumstances to cause me to leave this organization - coded	REVERSE
OC7	I am extremely glad that I chose this organization to work for over others I was considering at the time I joined	
OC8	There's not too much to be gained by sticking with this organization indefinitely - coded	REVERSE
OC9	Often, I find it difficult to agree with this organization's policies on important matters relating to its employees - coded	REVERSE
OC10	For me this is the best of all possible organizations for which to work	
OC11	Deciding to work for this organization was a definite mistake on my part - coded	REVERSE

The Retail Service Quality Scale (RSQS) introduced by Dabholkar, Thorpe, & Rentz (1995) was used to measure perceptions of customer service as it is more suitable to this context than the generic service industry SERVQUAL or SERVPERF measures. While the RSQS shares many of the same constructs and items with SERVQUAL, it does not use the expectation gap method of SERVQUAL which requires duplication of the question items and increases data collection (Simmers & Keith, 2015). For purposes of this study the dimensions not related to customer interaction and composed of items such as “the store accepts most credit cards”, “plenty of parking is available for customers”, and “opening hours are convenient for customers” were removed. Deb and Lomo-David (2014) tested the reliability of this instrument and determined that all composite reliability measures exceeded 0.70 validating its use. Meng and Elliot (2009) also previously confirmed the reliability and validity of the RSQS scale and noted that it had been applied in many retail management studies. The customer service construct structure and item breakdown is shown in Table 6.

Table 6: Customer Service Construct

**Customer Service**

Customer Service - Reliability	
CS-R1	When this store promises to do something by a certain time, it will do so
CS-R2	This store provides its services at the time it promises to do so
CS-R3	This store performs the service right the first time
CS-R4	This store has merchandise available when the customers want it
CS-R5	This store insists on error-free sales transactions and records

Customer Service -Interaction	
CS-I1	Employees in this store have the knowledge to answer customers' questions
CS-I2	The behaviour of employees in this store instil confidence in customers
CS-I3	Employees in this store give prompt service to customers
CS-I4	Employees in this store tell the customers exactly when services will be performed
CS-I5	Employees in this store are never too busy to respond to customers' requests
CS-I6	This store gives customers individual attention
CS-I7	Employees in this store are consistently courteous with customers

Customer Service - Problem Solving	
CS-PS1	This store willingly handles returns and exchanges
CS-PS2	When a customer has a problem, this store shows a sincere interest in solving it
CS-PS3	Employees of this store are able to handle customer complaints directly and immediately

#### 4.6. Pre-testing Questionnaire

A pilot test of the questionnaire was performed on a non-random sample of eight respondents to check for unclear and misunderstood questions, ambiguous instructions, and checking that the appropriate terminology and language was used for this context. The respondents were selected to include a range of job and education levels as well as non-English first language speakers (Sotho, Zulu and Afrikaans). Two of the eight test respondents were experienced multilingual employees who specialised in training employees across a range of job descriptions and languages. The small pilot test sample size was justified by the fact that all construct measurement scales had been used previously.

Feedback from the pilot test lead to increasing the size of the questionnaire text, moving the demographic section to the beginning of the questionnaire, changing the central Likert scale indicator description from “Neither disagree nor agree” to “Neutral”, and some minor word substitutions to reduce uncertainty.

#### **4.7. Data Collection Process**

Due to limited employee computer access and anonymity concerns; the physical paper questionnaires were distributed to the target respondents after which the respondents’ returned the complete questionnaires to collection boxes, or the questionnaires were gathered as part of the normal document and internal post processes. Training and administrative clerks also made follow up rounds at the branches to remind employees to complete the questionnaire and gather complete questionnaires.

Complete questionnaires were kept in smaller batches to aid with data capturing and validation. Before capturing any data, each questionnaire was checked for missing or illogical responses and, if found, were indicated on the cover page of the questionnaire. This pre-screening aided the later verification of the captured data as the total number of captured skipped questions was displayed electronically and compared to the questionnaire cover page record of missing data.

Data capturing was done using an Excel template that matched the layout of the physical questionnaire through the formatting of rows and columns to indicate page and section breaks. Formulas were included in the template to indicate if a question response was skipped or a value outside the acceptable range was captured by mistake.

Coding for the demographic questions and reverse scored items was performed in Excel. Due to the range of job titles in the organisation, the job title question was free-form. The categorisation and coding of job title to a numeric job level value was done based on the organisations pre-defined job classification scale. The coding sheet for converting job title to numeric ordinal job level and years of employment is included in Appendix 3. All

data was cleaned and validated before importing into SPSS for descriptive statistics and SmartPLS for the PLS-SEM analysis.

Missing data analysis was performed after all data was captured and coded. The results as shown in Table 7 indicate that missing data made up 1.8% of the total data captured. The case deletion threshold for missing data to be used by the PLS-SEM was set at 5% per case, but most of the 26 deleted cases included entire constructs or pages of missing data. The remaining missing data points were populated by using the median of the respondent's construct score.

Table 7: Missing Data

Questionnaires	380
Instrument Questions	66
<b>Total data points</b>	<b>25080</b>
Missing data points	449
Missing data %	1.8%

#### 4.8. Data Analysis Process

Structural Equation Modelling (SEM) was used in order to effectively evaluate the proposed model of multiple dependent variables, and latent constructs that are based on multi-item indicators (Astrachan et al., 2014). SEM is well suited for family business research due to the ability to simultaneously examine the interrelated relations between sets of multi-level constructs comprising multiple variables such as familiness, family harmony, culture, and performance. While the application of SEM has become popular in other business research fields; it has not been used as extensively in family business research (Wilson, Whitmoyer, Pieper, Astrachan, Hair, & Sarstedt, 2014).

Given the nature of the research, and the fairly limited theory regarding the impact of familiness on non-family employees and customer service, the Partial Least Squares (PLS) application of SEM was performed (Sarstedt et al., 2014). PLS-SEM is a more suitable method for this research compared to the alternative Covariance-Based (CB)

SEM approach. CB-SEM is more suitable for testing and confirmation of established theory, comparing alternate model fit, and imposes a number of limitations on data such as requiring a much larger sample size, normal distribution assumptions, and limitations on the number of constructs, structural path relationships, and the number of indicators per construct (Sarstedt et al., 2014).

The prediction orientated approach of PLS-SEM offers superior management applicability as the outcome of management interventions can be predicted in the dependent constructs. Hair, Sarstedt, Pieper and Ringle (2012) propose that PLS-SEM is particularly useful when hierarchical or formative constructs are measured as an assessment of explanatory constructs influence on the target construct. Sarstedt et al. (2014, pg. 108) suggest that the lax data assumptions and flexible model structure of PLS-SEM make it “particularly useful for handling data collected for family business studies”.

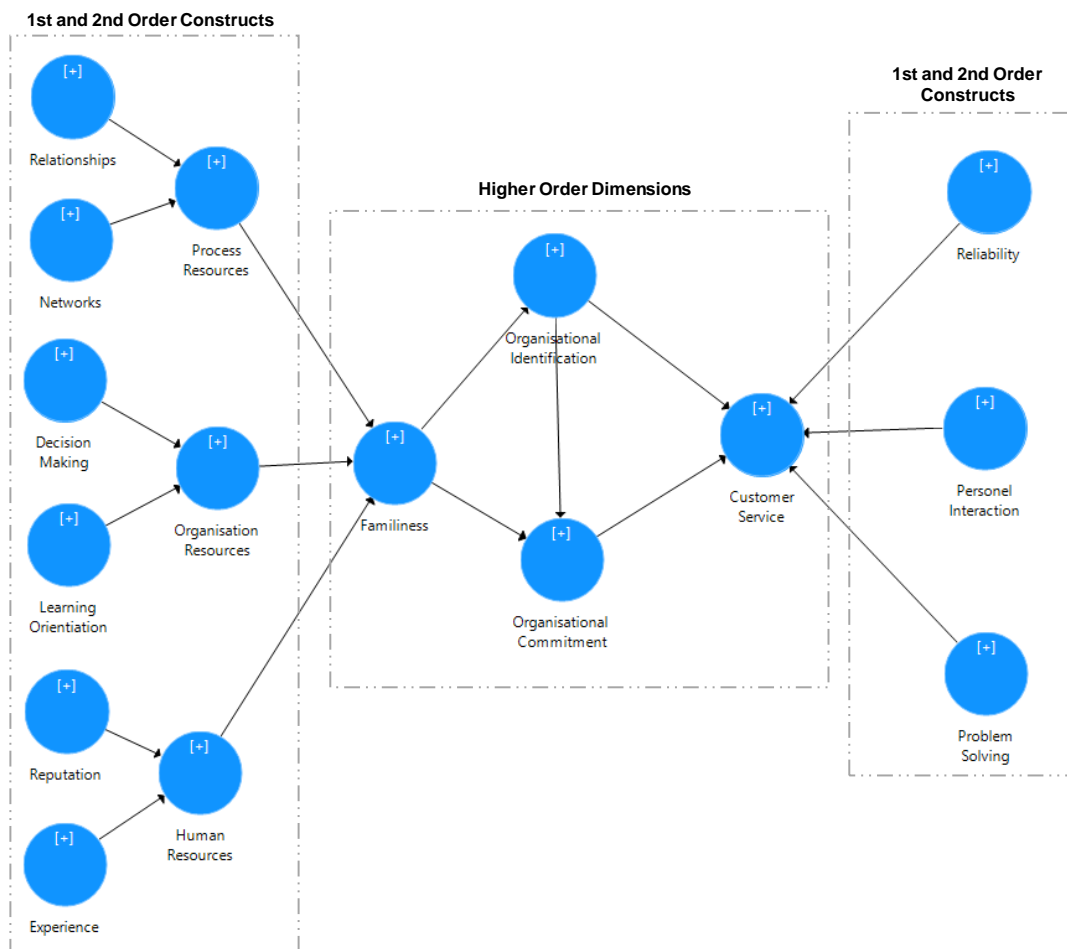
Descriptive statistics analyses and the initial construct reliability analysis was performed using SPSS before the PLS-SEM was run. A significance level or alpha of 5% was used for all analyses and hypotheses testing. The PLS-SEM analysis was performed in two stages as prescribed by Hair, Hult, Ringle, and Sarstedt (2016) with the outer measurement model being evaluated before the analysis of the inner structural model. Evaluation of each model followed the standard approach based on the reflective latent variables defined by the model (Astrachan et al., 2014; Becker, Klein, & Wetzels, 2012; Sarstedt et al., 2014; Wong, 2016).

The measurement model evaluation included composite reliability, average variance extracted (AVE), factor loadings, and heterotrait-monotrait analysis. Measured variables indicating low factor loadings in latent variables with low AVE figures were removed from the analysis and the PLS-SEM was recalculated after every iteration until satisfactory latent construct AVEs and item factor loadings were achieved. The structural model was evaluated for multicollinearity, coefficient of determination, path coefficients, and predictive relevance. The bootstrapping procedure using 500 sub-samples (Hair et al. 2016) was run to determine confidence intervals, p values and significance of the various analysis results.

## 4.9. Model Specification

Model specification involves defining the nature of the measured and latent variables and how they influence each other. This is important as the results sought and analysis used to evaluate the model depends on this model specification (Lowry & Gaskin, 2014). The earlier proposed model displayed in Figure 1 specifies familiness as an exogenous latent variable, in that no other latent variables are influencing it. Organisational identity, organisational commitment, and customer service are defined as exogenous variables as they are all influenced by another latent variable. All measured variables contained in the survey instrument are framed as reflective indicators as they are all measuring their respective constructs and would be interchangeable.

Figure 3: Model Hierarchy





The structural model proposed by the literature is defined by constructs that are hierarchical in nature and include one or two levels of sub-constructs. The customer service latent construct is composed of three constructs. Familiness is defined as a hierarchical construct with two sub-levels, the three resources constructs which each split into two further sub-constructs. The hierarchical topology of the model is shown in Figure 3.

In order to evaluate this model, the two-step approach (Becker et al., 2012) was used to simplify the structure and collapse the model into a single level structural model while still retaining the values from the hierarchical constructs. This process involved running the PLS-SEM to calculate the latent variable values for the latent variables with sub-components and then inputting these values as new manifest variables into the model. These manifest variables are added to the model and are handled as reflective measured variables.

This process is repeated for each hierarchical latent variable until the model is depicted as having only one level with latent manifest variables representing the lower order hierarchical components. Latent variable values were recalculated during and after the removal of unsatisfactory measured variables. This final model is depicted in Figure 7.

#### **4.10. Assumptions**

Data normality is not assumed, or required for PLS-SEM analysis. In terms of the quality of data, it is assumed that respondents answered truthfully and did not exhibit significant positive response bias. It is also assumed that employees who did not complete the survey did not have strong negative perceptions regarding the organisation.

#### **4.11. Limitations**

Survey responses might have been skewed due to the fact that employees who were more committed or had higher levels of identification were more likely to complete the questionnaires (Carmon et al., 2010). A cross-sectional study presenting a point-in-time snapshot of the constructs might be influenced by specific events or conditions at the

time of the research and not present an accurate depiction of employee perceptions over a more stable time frame (Monroy et al., 2015).

By analysing employees in a single organisation; the applicability to other contexts and validity of the findings will be questioned until suitable comparison studies are carried out. The level of literacy of some of the less skilled employees might have reduced the number of complete responses at that employee level or produced inaccurate data.

Notwithstanding the common use of perceptual measures for research involving attitudes, and the high correlation of subjective assessment with objective measures in family business (Venkatraman & Ramanujam, 1987), self-reported measures of service quality perception might differ from actual customer experiences.

## Chapter 5: Results

This chapter provides the results of the analysis from the questionnaire survey conducted as detailed in the previous chapter. It includes basic descriptive statistics, initial reliability of the measurement instrument, measurement model evaluation, structural model evaluation, and research hypotheses results.

### 5.1. Survey Response

The survey was conducted during August 2016, and a total of 380 complete questionnaires were returned. This represents a response rate of 59%, slightly above the estimated 53% total response (Baruch & Holtom, 2008). Of these 380 responses, 26 were discarded for the PLS-SEM analysis due to missing data (determined by the process described in the previous chapter). This resulted in a total sample of 354 for the SEM analysis, an effective usable response rate of 54%.

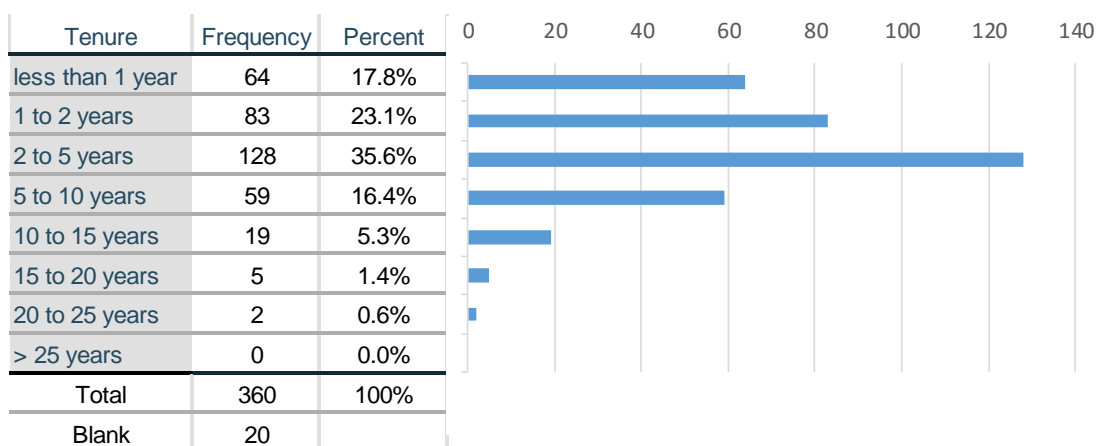
### 5.2. Descriptive Statistics

#### 5.2.1. Demographics

##### 5.2.1.1. Years with the company

The respondents represented a good range of employee tenure with the most frequent category being the “2 to 5 years” grouping (35.6%). Eighty employees had been working at the company for more than five years (22.2%).

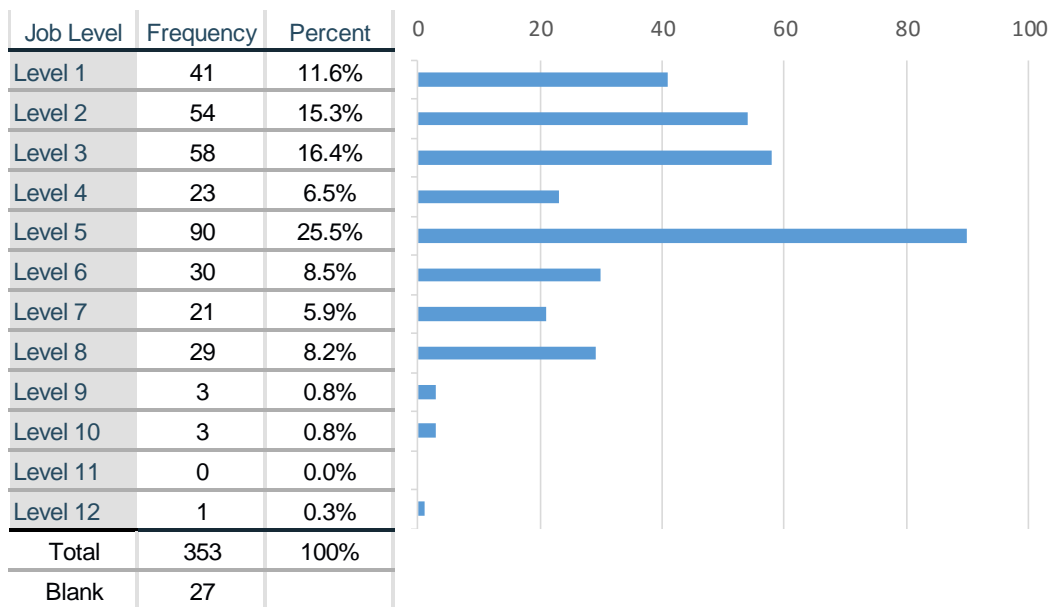
Figure 4: Demographic Distribution - Years Employed



### 5.2.1.2. Job Level

The response by job level exhibited acceptable diversity with at least 20 respondents from each of the job levels that would typically deal with customers. The low number of senior employees is due to the relatively flat organisational structure with very few senior managers throughout. This response profile is appropriate for this study as extant non-family employee research has concentrated on executive and senior management, whereas this study seeks to add to the field by investigating the more populous non-family employees at all non-executive levels.

Figure 5: Demographic Distribution - Job level



## 5.2.2. Univariate Analysis of Scale Items

The basic univariate analysis for each measurement scale is provided in Appendix 4. The results indicate that the scores on most of the measured items on the instrument are negatively skewed. Problem Solving, Reputation, and Learning Orientation constructs were the most negatively skewed constructs measured with each also exhibiting Kurtosis values outside of suggested acceptable limits of  $\pm 2$  proposed by Gravetter and Wallnau (2014). Many of the other constructs were found to be outside the -1 to 1 acceptable range for both Skewness and Kurtosis (Hair, Celsi, Money, Samouel, & Page, 2011) suggesting the non-normal distribution of data. In this case validating the assumption of normality for CB-SEM would be problematic but PLS-SEM makes no such assumptions and normality is not assumed or required for statistically accurate analysis (Astrachan, Patel, & Wanzenried, 2014). Table 8 below displays the 2<sup>nd</sup> and 3<sup>rd</sup> order construct mean, Skewness and Kurtosis results.

Table 8: Mean, Skewness and Kurtosis for 2nd and 3rd Order Constructs

<b>2nd and 3rd Order Constructs</b>				
Construct	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
F-PR-R	5.52	1.19	-0.96	0.59
F-PR-N	5.92	0.89	-0.99	0.63
F-HR-R	6.03	0.89	-1.43	2.50
F-HR-E	5.88	1.01	-0.99	0.59
F-OR-D	5.60	0.96	-0.66	0.07
F-OR-L	6.03	1.19	-1.94	4.27
CS-R	5.58	1.08	-1.09	1.37
CS-I	5.76	0.99	-1.29	2.21
CS-PS	6.04	0.97	-1.45	2.94
F-PR	5.72	0.92	-0.88	0.48
F-OR	5.82	0.86	-1.14	1.49
F-HR	5.96	0.84	-1.13	1.23

### 5.3. Internal Reliability of Measurement Scale

The reliability of the measurement instrument was tested to verify the scale yields consistent and stable measures. Internal consistency reflects how well each item of a measurement scale is measuring the same construct (Cronbach, 1951). Construct reliability was reviewed by analysing the Cronbach's alpha and the item-total correlation of individual items. The results of the 1<sup>st</sup> order constructs (familiness, organisational identification, organisational commitment, and customer service) are displayed below; the full results for all constructs are provided in Appendix 5. Cronbach's alpha values of greater than 0.7 are considered as indicating good internal reliability (Nunnally & Bernstein, 1994; Tavakol & Dennick, 2011).

Even though composite reliability is the suggested measure of internal consistency reliability for PLS-SEM (Bagozzi & Yi, 1988; Hair et al., 2016; Wong, 2016), Cronbach's alpha was calculated to identify any possible problem constructs or items that may also have questionably low composite reliability or AVE scores as calculated by the PLS algorithm.

#### 5.3.1. Familiness

The familiness construct had a very good Cronbach's alpha of 0.828 with all three sub-constructs exhibiting suitably high item-total correlation values indicating strong internal consistency.

Table 9: Familiness - Reliability and Item-Total Statistics

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
	.828	.829	3

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-PR	11.779	2.345	.694	.528	.755
F-OR	11.671	2.690	.610	.386	.833
F-HR	11.538	2.444	.759	.587	.690

### 5.3.2. Organisational Identification

The organisational identification scale was found to have a very high Cronbach's alpha with all items indicating strong item-total correlations.

Table 10: Organisational Identification – Reliability and Item-Total Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.951	.952	15

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OI1	81.09	204.937	.697	.589	.949
OI2	81.35	203.999	.656	.503	.950
OI3	81.29	198.205	.786	.670	.947
OI4	81.16	201.340	.758	.627	.947
OI5	81.51	196.896	.781	.646	.947
OI6	81.64	194.828	.760	.649	.948
OI7	81.39	202.307	.710	.586	.948
OI8	81.70	199.191	.749	.624	.948
OI9	81.65	199.619	.712	.542	.948
OI10	81.53	198.303	.784	.643	.947
OI11	81.19	203.661	.727	.664	.948
OI12	81.16	202.787	.744	.668	.948
OI13	81.29	204.568	.678	.552	.949
OI14	81.09	204.542	.720	.645	.948
OI15	81.44	199.932	.740	.609	.948

### 5.3.3. Organisational Commitment

The 0.737 Cronbach's alpha for the organisational commitment construct is slightly lower than the other main constructs but is still considered a 'good' value. The OC3 item did indicate a very low item-total correlation of 0.053 which suggests that the item may need to be considered for removal depending on its outer loading value.

Table 4: Organisational Commitment - Reliability and Item-Total Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.737	.737	11

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OC1	49.66	93.863	.324	.268	.727
OC2	51.21	81.099	.421	.338	.712
OC3	50.69	97.375	.053	.207	.758
OC4	51.61	82.206	.435	.366	.710
OC5	50.41	89.944	.356	.362	.722
OC6	51.99	83.430	.365	.277	.722
OC7	50.21	90.591	.343	.395	.723
OC8	51.41	76.146	.612	.459	.680
OC9	51.88	81.298	.455	.314	.707
OC10	50.49	92.331	.275	.381	.730
OC11	50.35	80.200	.575	.400	.689



### 5.3.4. Customer Service

Customer service indicated very good internal consistency and all three sub-constructs exhibited high item-total correlation.

Table 11: Customer Service - Reliability and Item-Total Statistics

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
	.826	.827	3

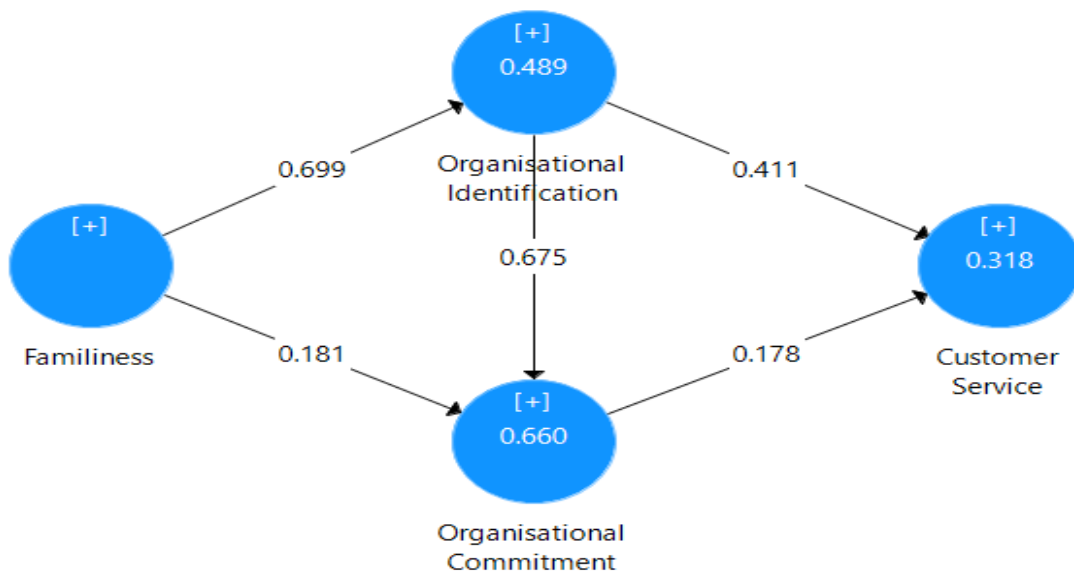
  

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-PR	11.779	2.345	.694	.528	.755
F-OR	11.671	2.690	.610	.386	.833
F-HR	11.538	2.444	.759	.587	.690

### 5.4. Structural Model Estimation

The results of the initial PLS-SEM output before evaluating the model or removing unsatisfactory measured variables.

Figure 6: Initial Structural Model



## 5.5. Outer/Measurement Model Evaluation

The measurement model was evaluated for reliability and validity from the outermost measured variables and latent constructs with model adjustments implemented before progressing to evaluating the 1<sup>st</sup> order model.

### 5.5.1. Reliability and Validity of 2<sup>nd</sup> and 3<sup>rd</sup> Order Outer Model

#### 5.5.1.1. Indicator Reliability of Reflective Constructs

Almost all familiness subscale measurement items exhibited good factor loadings above the 0.7 threshold (Hair et al., 2016) except for decision making item three (F-OR-D3: “Emotions and sentiments often affect decision-making processes in this company”) which had an outer loading of only 0.36 (Table 13).

Table 12: Familiness – Human Resources Subscale Loadings

Indicator	Loading	P Values
<b>Familiness - Human Resources - Experience</b>		
F-HR-E1 <- Experience	0.82	0.00
F-HR-E2 <- Experience	0.90	0.00
F-HR-E3 <- Experience	0.90	0.00
<b>Familiness - Human Resources - Reputation</b>		
F-HR-R1 <- Reputation	0.78	0.00
F-HR-R2 <- Reputation	0.81	0.00
F-HR-R3 <- Reputation	0.59	0.00
F-HR-R4 <- Reputation	0.72	0.00
F-HR-R5 <- Reputation	0.79	0.00
F-HR-R6 <- Reputation	0.84	0.00

Table 13: Familiness – Organisation Resources Subscale Loadings

<b>Familiness - Organisation Resources - Decision Making</b>		
F-OR-D1 <- Decision Making	0.79	0.00
F-OR-D2 <- Decision Making	0.78	0.00
F-OR-D3 <- Decision Making	0.36	0.00
F-OR-D4 <- Decision Making	0.67	0.00
<b>Familiness - Organisation Resources - Learning Orientation</b>		
F-OR-L1 <- Learning Orientation	0.90	0.00
F-OR-L2 <- Learning Orientation	0.88	0.00
F-OR-L3 <- Learning Orientation	0.90	0.00

Table 14: Familiness - Process Resources Subscale Loadings

Familiness - Process Resources - Networks		
F-PR-N1 <- Networks	0.71	0.00
F-PR-N2 <- Networks	0.70	0.00
F-PR-N3 <- Networks	0.72	0.00
F-PR-N4 <- Networks	0.74	0.00
F-PR-N5 <- Networks	0.79	0.00
F-PR-N6 <- Networks	0.74	0.00
Familiness - Process Resources - Relationships		
F-PR-R1 <- Relationships	0.72	0.00
F-PR-R2 <- Relationships	0.85	0.00
F-PR-R3 <- Relationships	0.85	0.00

The three customer service subscales indicated good factor loadings (shown in Table 15) with two items from the reliability subscale (CS-R4, and CS-R5) requiring possible further investigation due to loading values of 0.68 and 0.63 respectively.

Table 15: Customer Service Subscale Loadings

Indicator	Loading	P Values
Customer Service - Interaction		
CS-I1 <- Personal Interaction	0.81	0.00
CS-I2 <- Personal Interaction	0.77	0.00
CS-I3 <- Personal Interaction	0.83	0.00
CS-I4 <- Personal Interaction	0.76	0.00
CS-I5 <- Personal Interaction	0.72	0.00
CS-I6 <- Personal Interaction	0.75	0.00
CS-I7 <- Personal Interaction	0.78	0.00
Customer Service - Problem Solving		
CS-PS1 <- Problem Solving	0.84	0.00
CS-PS2 <- Problem Solving	0.88	0.00
CS-PS3 <- Problem Solving	0.79	0.00
Customer Service - Reliability		
CS-R1 <- Reliability	0.82	0.00
CS-R2 <- Reliability	0.85	0.00
CS-R3 <- Reliability	0.81	0.00
CS-R4 <- Reliability	0.68	0.00
CS-R5 <- Reliability	0.63	0.00

### 5.5.1.2. Convergent Validity of Reflective Constructs

The average variance extracted (AVE) is used to explain the extent that a construct converges with its measured variables by analysing the variance (Sarstedt et al., 2014) thus indicating convergent validity. According to Hair et al. (2016) AVE values for latent variables should be 0.5 or higher to indicate sufficient convergent validity. The decision making construct indicated an AVE value of 0.45 (Table 16) which is below the threshold value and will be addressed.

Table 16: AVE Values for Outer Constructs

	Original Sample (O)	Sample Mean (M)	2.5%	97.5%	P Values
Decision Making	0.45	0.45	0.41	0.49	0.00
Experience	0.77	0.77	0.73	0.81	0.00
Human Resources	0.81	0.81	0.77	0.84	0.00
Learning Orientation	0.80	0.79	0.75	0.84	0.00
Networks	0.54	0.54	0.50	0.59	0.00
Organisational Resources	0.73	0.73	0.67	0.78	0.00
Personel Interaction	0.60	0.60	0.54	0.66	0.00
Problem Solving	0.70	0.70	0.63	0.76	0.00
Process Resources	0.79	0.79	0.73	0.83	0.00
Relationships	0.65	0.66	0.60	0.71	0.00
Reliability	0.58	0.59	0.53	0.64	0.00
Reputation	0.57	0.57	0.52	0.62	0.00

### 5.5.1.3. Internal Consistency Reliability of Reflective Constructs

As discussed earlier in the report, PLS-SEM makes use of a composite reliability value to indicate the measure of internal consistency. The acceptable value ranges are similar to those used for Cronbach' alpha in that a value between 0.6 and 0.7 is considered acceptable for developing new theory in exploratory studies (Sarstedt et al., 2014) and values above 0.7 indicate good internal consistency. Table 17 displays the composite reliability scores for all the outer latent variables and indicates that all are above the 0.7 level. Decision making has the lowest composite reliability score of 0.75, but this is still acceptable.

Table 17: Composite Reliability for Outer Constructs

	Original Sample (O)	Sample Mean (M)	2.5%	97.5%
Decision Making	0.75	0.75	0.72	0.79
Experience	0.91	0.91	0.89	0.93
Human Resources	0.90	0.90	0.87	0.92
Learning Orientation	0.92	0.92	0.90	0.94
Networks	0.88	0.88	0.86	0.90
Organisational Resources	0.85	0.85	0.80	0.88
Personel Interaction	0.91	0.91	0.89	0.93
Problem Solving	0.87	0.87	0.84	0.90
Process Resources	0.88	0.88	0.85	0.91
Relationships	0.85	0.85	0.82	0.88
Reliability	0.87	0.87	0.85	0.90
Reputation	0.89	0.89	0.87	0.91

#### 5.5.1.4. Removal of Scale Items and Resulting Reliability and Validity Measures

The decision to remove measured variables or indicators from the model is based on a combination of their individual factor loadings, their latent construct's AVE and latent construct's composite reliability value. Lower factor loadings influence AVE values negatively as indicated in this example by the low decision making AVE and low loading of one decision making indicator (F-OR-D3) variable.

Literature dictates that indicators should be removed if the outer loadings are less than 0.7 and the AVE is less than 0.5 (Hair et al., 2016). As this condition was satisfied, the indicator variable F-OR-D3 was removed and the decision making construct AVE and outer loading values were recalculated. The new values are displayed in Table 18 and confirm that all AVE and outer loadings now adhere to the requirements for reliability and validity. Even though some indicators still have loadings below 0.7, they are not removed as the composite reliability and AVE scores of their latent variable are above the required thresholds.

Table 18: Recalculated Loadings and AVE for Decision Making

Indicator	Loading	P Values
<b>Familiness - Organisation Resources - Decision Making</b>		
F-OR-D1 <- Decision Making	0.81	0.00
F-OR-D2 <- Decision Making	0.77	0.00
F-OR-D4 <- Decision Making	0.67	0.00

	Original Sample (O)	Sample Mean (M)	2.5%	97.5%	P Values
Decision Making	0.57	0.57	0.51	0.62	0.00

## 5.5.2. Reliability and Validity of 1<sup>st</sup> Order Outer Model

### 5.5.2.1. Indicator Reliability of Reflective Constructs

The outer factor loadings for the organisational commitment latent variable are shown in Table 19 and indicate that all indicators are valid.

Table 19: Organisational Identification Outer Loadings

Indicator	Loading	P Values
<b>Organisational Identification</b>		
O1 <- Organisational Identification	0.73	0.00
O2 <- Organisational Identification	0.70	0.00
O3 <- Organisational Identification	0.82	0.00
O4 <- Organisational Identification	0.80	0.00
O5 <- Organisational Identification	0.81	0.00
O6 <- Organisational Identification	0.79	0.00
O7 <- Organisational Identification	0.74	0.00
O8 <- Organisational Identification	0.79	0.00
O9 <- Organisational Identification	0.75	0.00
O10 <- Organisational Identification	0.82	0.00
O11 <- Organisational Identification	0.77	0.00
O12 <- Organisational Identification	0.78	0.00
O13 <- Organisational Identification	0.72	0.00
O14 <- Organisational Identification	0.77	0.00
O15 <- Organisational Identification	0.78	0.00

The outer factor loadings for the organisational commitment construct (Table 20) indicate many items that are below the 0.7 threshold and will need further review.

Table 20: Organisational Commitment Outer Loadings

Indicator	Loading	P Values
<b>Organisational Commitment</b>		
OC1 <- Organisational Commitment	0.68	0.00
OC2 <- Organisational Commitment	0.17	0.04
OC3 <- Organisational Commitment	0.46	0.00
OC4 <- Organisational Commitment	0.16	0.12
OC5 <- Organisational Commitment	0.75	0.00
OC6 <- Organisational Commitment	0.08	0.39
OC7 <- Organisational Commitment	0.78	0.00
OC8 <- Organisational Commitment	0.38	0.00
OC9 <- Organisational Commitment	0.27	0.00
OC10 <- Organisational Commitment	0.76	0.00
OC11 <- Organisational Commitment	0.44	0.00

#### 5.5.2.2. Convergent Validity of Reflective Constructs

The main constructs' AVE is shown in Table 21; organisational commitment is well below the 0.5 critical value. This is due to the large number of indicators with very low loadings described previously.

Table 21: AVE Values for Main Constructs

	Original Sample (O)	Sample Mean (M)	2.5%	97.5%	P Values
Familiness	0.76	0.76	0.71	0.80	0.00
Customer Service	0.75	0.75	0.70	0.79	0.00
Organisational Commitment	0.26	0.27	0.23	0.30	0.00
Organisational Identification	0.60	0.59	0.54	0.64	0.00

#### 5.5.2.3. Internal Consistency Reliability of Reflective Constructs

Table 22 shows the composite reliability for the main constructs with all values above 0.7 indicating good composite reliability. The value of 0.96 for organisational identification suggests that the scale might need future testing as some of the items are likely to be redundant (Smith, Hair, & Ferguson, 2014).

Table 22: Composite Reliability for Main Constructs

	Original Sample (O)	Sample Mean (M)	2.5%	97.5%
Familiness	0.90	0.90	0.88	0.92
Organisational Commitment	0.75	0.75	0.66	0.80
Organisational Identification	0.96	0.96	0.95	0.96
Customer Service	0.90	0.90	0.88	0.92

#### 5.5.2.4. Removal of Scale Items and Resulting Reliability and Validity Measures

The organisational commitment latent construct requires attention as both the AVE and multiple indicator loadings are well below the required values. All indicators with unsatisfactory outer loadings were removed from the measurement scale, and the values were recalculated. The updated values are displayed in Table 23 and suggest the model now meets the requirements for reliability and validity.

Table 23: Recalculated Organisational Commitment Loadings and AVE

Indicator	Loading	P Values
<b>Organisational Commitment</b>		
OC1 <- Organisational Commitment	0.70	0.00
OC5 <- Organisational Commitment	0.76	0.00
OC7 <- Organisational Commitment	0.81	0.00
OC10 <- Organisational Commitment	0.80	0.00

	Original Sample (O)	Sample Mean (M)	2.5%	97.5%	P Values
Familiness	0.76	0.76	0.72	0.80	0.00
Customer Service	0.75	0.75	0.70	0.79	0.00
Organisational Commitment	0.59	0.59	0.54	0.65	0.00
Organisational Identification	0.60	0.60	0.55	0.65	0.00

#### 5.5.2.5. Discriminant Validity

Discriminant validity between the latent variables must first be confirmed before conducting analysis of the relationships. The Fornell-Larcker criterion has been used as a common approach to determine discriminant validity in PLS-SEM (Wong, 2016) but has been shown to be unreliable when used with PLS-SEM (Henseler, Ringle, & Sarstedt, 2015). The more reliable heterotrait-monotrait (HTMT) ratio analysis and



HTMT inference criterion (after running the complete bootstrap procedure) was used to confirm discriminant validity of the latent constructs (Henseler, Hubona, & Ray, 2016). The HTMT ratio and inference criterion results are displayed Table 5.

The HTMT ratio for all construct relationships was below the critical 0.9 (Henseler et al., 2015) with the relationship between familiness and customer service having the highest value of 0.87. The HTMT inference criterion requires the value of upper extreme of the confidence interval to be below 1 (Henseler et al., 2015). Since the all relationship between constructs indicated a HTMT ratio of below 0.9 and all maximum values of HTMT inference criterion were below 1, discriminant validity was confirmed.

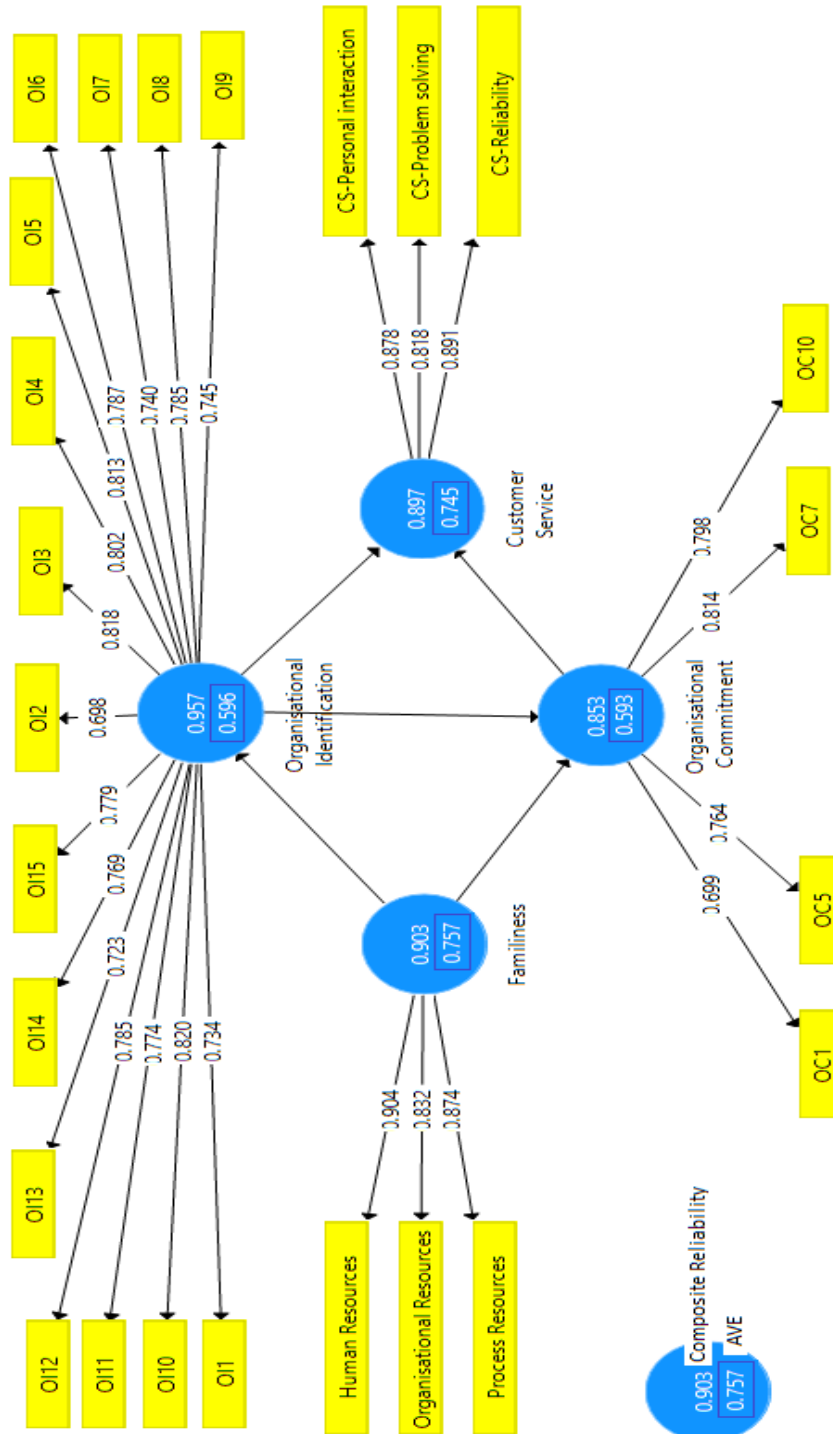
Table 24: HTMT Analysis Results

	Original Sample (O)	Sample Mean (M)	2.5%	97.5%	P Values
Familiness -> Customer service	0.87	0.87	0.79	0.94	0.00
Org commitment -> Customer service	0.47	0.48	0.39	0.57	0.00
Org commitment -> Familiness	0.60	0.61	0.54	0.68	0.00
Org identification -> Customer service	0.62	0.62	0.51	0.72	0.00
Org identification -> Familiness	0.78	0.78	0.71	0.85	0.00
Org identification -> Org commitment	0.73	0.73	0.64	0.81	0.00

5.5.2.6. 1<sup>st</sup> Order Measurement Model

The refined 1<sup>st</sup> order outer model including the recalculated indicator loadings, construct composite reliability and construct AVE is displayed below in Figure 6 indicating reliability and validity for indicators and constructs.

Figure 7: 1st Order Measurement Model



## 5.6. Inner/Structural Model Evaluation

Following the confirmation that the measurement model was valid and reliable, the structural model was first evaluated for multicollinearity before analyses of the structural model results were performed. The key results of the structural model relationships are the  $R^2$  coefficient of determination values, size and significance of the path coefficients, and the  $Q^2$  measure of predictive relevance.

### 5.6.1. Structural Model Multicollinearity

Collinearity can negatively impact the value of results and variance inflation factor (VIF) values of 5 or greater can typically indicate a material problem (Hair et al., 2013). The VIF scores between each predictor variable shown in Table 25 indicate that all values are below the conservative lower limit suggested specifically for PLS-SEM of 3.3 (Kock & Lynn, 2012). This indicates that there is minimum collinearity and that the calculated estimation of path coefficients would not be biased (Astrachan et al., 2014).

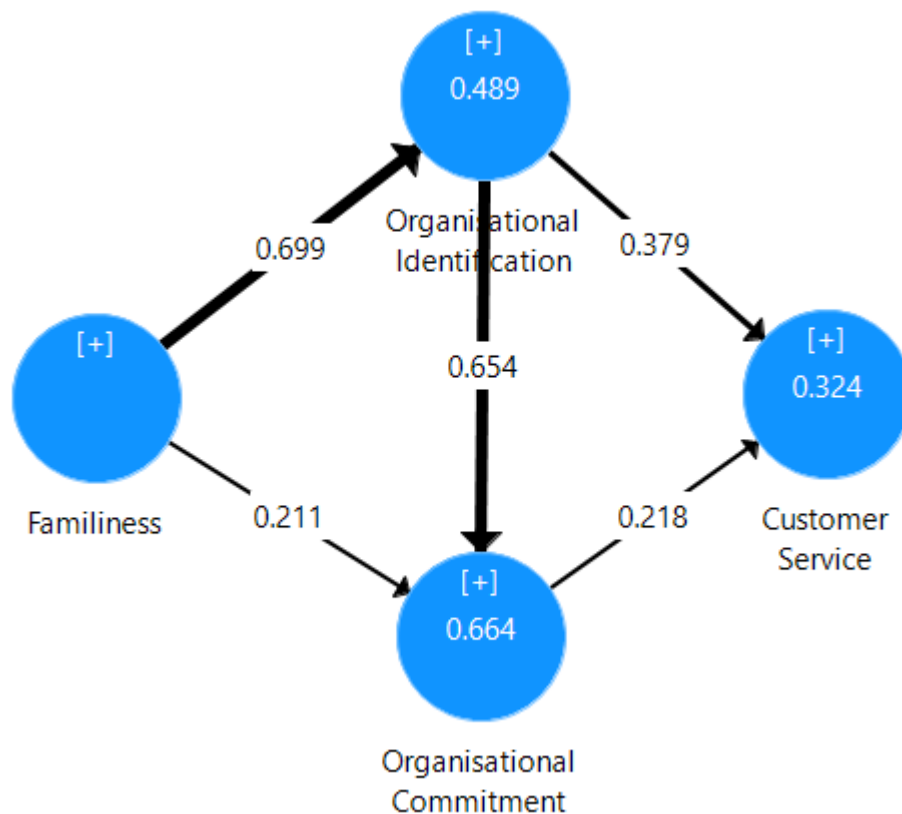
Table 25: Multicollinearity VIF Results

	Customer Service	Familiness	Organisational Commitment	Organisational Identification
Customer Service				
Familiness			1.96	1.00
Organisational Commitment	2.79			
Organisational Identification	2.79		1.96	

### 5.6.2. Final Structural Model

The structural model was recalculated after removing the unsatisfactory items, and the validated model is displayed in Figure 8. The diagram includes the  $R^2$  and path coefficient values. The statistical power of the model to determine significant effects was calculated for the customer service endogenous variable. The observed statistical power of the model with a 95% confidence level and a 354 sample size was 1.0. This is well above the 0.8 critical threshold value signifying that this model has excellent statistical power (Cohen, 1988).

Figure 8: Recalculated Structural Model



### 5.6.3. Structural Model R<sup>2</sup>

The  $R^2$  coefficient of determination value indicates how much of the endogenous constructs' variance can be explained by the structural model. It also provides an indication of the predictive accuracy of the model with higher values signalling better predictive accuracy. The  $R^2$  values shown in Table 26 indicate that 32% of the variance

in the customer service latent construct is explained by the model. Hair, Ringle and Sarstedt (2011) classify this value between 0.3 and 0.5 as indicating a weak coefficient of determination. Organisational identification's value of 0.489 is on the border of the moderate strength coefficient of determination range. Organisational commitment ( $R^2$  of 0.66) is close the strong cut-off value of 0.7 and suggests that a large amount of the constructs variance is explained by the model.

Table 26: Structural Model  $R^2$  Results

	R Square	R Square Adjusted
Customer Service	0.324	0.320
Organisational Commitment	0.664	0.662
Organisational Identification	0.489	0.488

#### 5.6.4. Structural Model Q2

$Q^2$  indicates the predictive relevance of the model with higher values indicating increasing relevance. The predictive relevance of a given construct is considered acceptable if the construct's  $Q^2$  value is greater than zero (Sarstedt et al., 2014). The  $Q^2$  results (Table 27) were obtained by performing the blindfolding procedure with an omission distance of seven (Rigdon, 2014) and indicate that all model constructs can be considered predictively relevant. Organisational commitment's  $Q^2$  value of 0.39 suggest large predictive relevance of the construct (Smith et al., 2014).

Table 27: Endogenous Construct  $Q^2$  results

	SSO	SSE	$Q^2$ (1-SSE/SSO)
Organisational Commitment	1416.00	865.92	0.39
Customer Service	1062.00	815.22	0.23
Organisational Identification	5310.00	3783.65	0.29

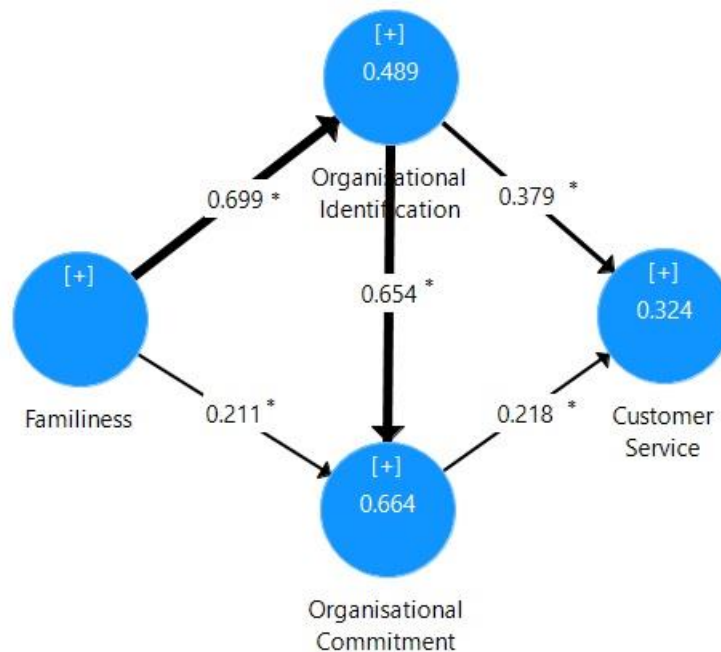
### 5.6.5. Structural Model Path Coefficients

The path coefficients for the hypothesised relationships between the constructs were evaluated for strength and significance and are provided in Table 28 below. The path coefficient describes the effect size and direction of the influence between the two constructs. All structural paths in the structural model have a p-value < 0.05 indicating that all hypothesised paths are statistically significant at the 5% level. The structural model indicating variance explained of each construct, structural path strength, and path significance is displayed in Figure 9 below.

Table 28: Path Coefficients and Significance

	Original Sample (O)	T Statistics ( O/STDEV )	P Values	Hypothesis	Significant
Familiness -> Organisational Identification	0.699	21.280	0.000	H1	Yes
Familiness -> Organisational Commitment	0.211	3.088	0.002	H2	Yes
Organisational Identification -> Organisational Commitment	0.654	10.325	0.000	H3	Yes
Organisational Identification -> Customer Service	0.379	3.803	0.000	H4	Yes
Organisational Commitment -> Customer Service	0.218	2.074	0.039	H5	Yes

Figure 9: Final Structural Model AVE and Path Coefficients



### 5.6.6. Total Effect on Endogenous Constructs

The total model effect describes the total impact of constructs on the endogenous constructs and includes the indirect effects not represented in the path model. Familiness affects both organisational identification and organisational commitment, but since organisational identification also affects organisational commitment, the total effect of familiness on organisational commitment comprises the direct effect from familiness and the indirect path effect via organisational identification.

Table 29 highlights the total effect values for the construct relationships that are different from normal structural model path effects. These results indicate that familiness has a moderate to strong total effect on organisational commitment, and approaches the suggested moderate indicator range of 0.5 for customer service (Sarstedt et al., 2014).

Table 29: Total Effect on Endogenous Constructs

	Total Effect	T Statistics ( O/STDEV )	P Values
Familiness -> Organisational Commitment	0.668	18.249	0.000
Familiness -> Organisational Identification	0.699	21.056	0.000
Familiness -> Customer Service	0.411	9.173	0.000
Organisational Identification -> Organisational Commitment	0.654	10.602	0.000
Organisational Identification -> Customer Service	0.522	9.755	0.000
Organisational Commitment -> Customer Service	0.218	2.232	0.026

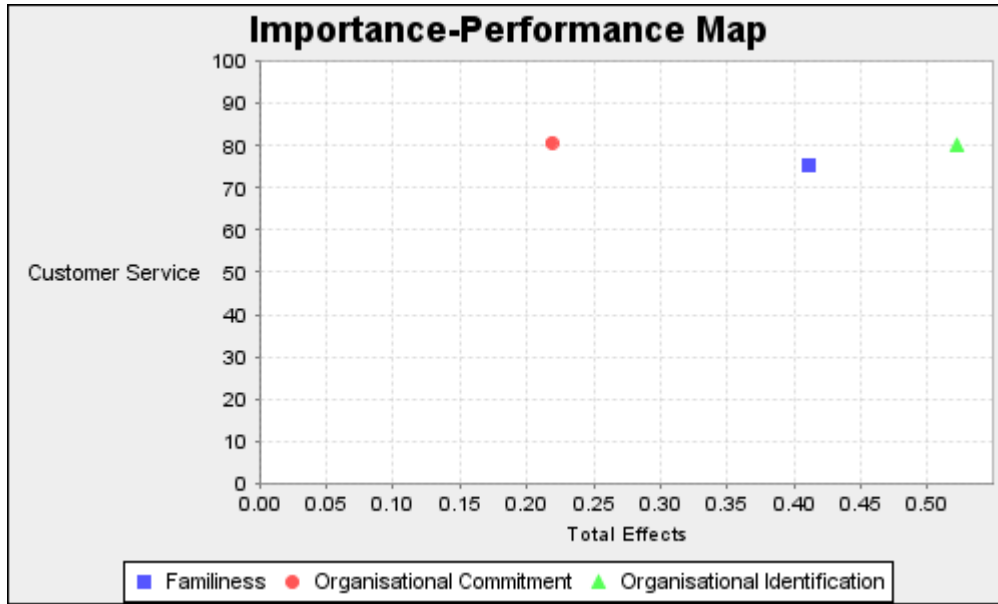
### 5.6.7. Importance-Performance Map Analysis (IPMA)

Having previously determined that the relationships between the constructs and the dependent variable customer service are significant, an Importance-performance map analysis was performed to determine which constructs played a more influential role in the observed variance explained for the customer service construct. The IPMA provides the ability to map and compare construct performance and importance providing empirical support for pursuing managerial actions to best influence the dependent variable (Ringle & Sarstedt, 2016).

Table 30: IPMA Customer Service Results

	Performances	Customer Service Importance
Familiness	75.51	0.41
Organisational Commitment	80.65	0.22
Organisational Identification	80.28	0.52

Figure 10: Customer Service IPMA



The customer service IPMA results displayed in Table 30 and Figure 10 indicate that organisational identification was the most important construct, and organisational commitment was the least important, for influencing customer service. The IPMA results for the familiness sub-scale items on customer service are shown in Appendix 8. The IPMA output of the lowest level familiness constructs influence on the aggregate familiness component is shown in Appendix 9.



## **5.7. Research Hypotheses Results**

This section will explicitly examine the results of each hypothesis and make a determination whether to accept or reject each hypothesis.

### **5.7.1. H1: Perceptions of Familiness are positively related to Employee Organisational Identification**

The structural path between familiness and organisational identity represented by Hypothesis 1 was found to have a moderate to strong positive effect (path coefficient 0.699) on organisational identification and a p-value of 0.000.

Hypothesis 1 is therefore accepted at the 5% significance level.

### **5.7.2. H2: Perceptions of Familiness are positively related to Employee Organisational Commitment**

The structural path between familiness and organisational commitment represented by Hypothesis 2 was found to have a weak positive effect (path coefficient 0.211) on organisational commitment and a p-value of 0.002.

Hypothesis 2 is therefore accepted at the 5% significance level.

### **5.7.3. H3: Employee Organisational Identification is positively related to Organisational Commitment**

The structural path between organisational identification and organisational commitment represented by Hypothesis 3 was found to have a moderate positive effect (path coefficient 0.654) on organisational commitment and a p-value of 0.000.

Hypothesis 3 is therefore accepted at the 5% significance level.

#### **5.7.4. H4: Employee Organisational Identification is positively related to customer service**

The structural path between organisational identification and customer service represented by Hypothesis 4 was found to have a weak positive effect (path coefficient 0.379) on customer service and a p-value of 0.000.

Hypothesis 4 is therefore accepted at the 5% significance level.

#### **5.7.5. H5: Employee Organisational Commitment is positively related to customer service.**

The structural path between organisational commitment and customer service represented by Hypothesis 5 was found to have a weak positive effect (path coefficient 0.218) on customer service and a p-value of 0.039.

Hypothesis 5 is therefore accepted at the 5% significance level.

## Chapter 6: Discussion of Results

This chapter discusses the results of the PLS-SEM analysis in light of the literature reviewed in order to address the question of the nature and extent that familiness influences non-family employees in a family business. The impact of familiness on employees and the organisational performance output of customer service quality was investigated by measuring the relationships between those constructs and employees' organisational identification and organisational commitment.

The hypotheses developed by the review of current theory regarding the relationships between the constructs, were represented as the paths in the proposed structural equation model. These relationships or structural paths are a representation of the research hypotheses which will each be discussed in the following section. The insights gained from the evaluation of the measurement model and the overall structural model results are also discussed.

### 6.1. Model Specification and Construct Validation

The resource-based view of familiness developed through exploratory research by Irava and Moores (2010) and later quantified and operationalised by Monroy et al. (2015) comprises of multiple levels of latent constructs. The evaluation of the measurement model provided empirical support for the multi-dimensional familiness construct with the hierarchical components each being validated by their acceptable values for AVE (Table 16) and composite reliability (Table 17). Almost all indicators proposed for the various familiness subscales loaded significantly, with the one decision making item being the exception.

The model evaluation results support the conceptual human, process and organisational resource constructs as they are applied to the family business construct in this context. This result is consistent with the original theoretical development as the organisations initially used to develop the model were 3<sup>rd</sup> and 4<sup>th</sup> generation family businesses. The empirical testing and validation of the model undertaken in this study, however, provides significant credibility for the model and its practical application in quantitative research

utilising more advanced statistical techniques. Sarstedt et al. (2014) opined about the general popular use of rudimentary statistical techniques in family business research and suggested that the field would need to adopt 2<sup>nd</sup> generation statistical methods in order to develop the field.

## 6.2. Familiness and Organisational Identification

Hypothesis 1: Familiness is positively related to employee organisational identification.

Organisational identification is conceptualised as the employee's perception of a sense of belonging and being part of their organisation. It refers to the extent that they define themselves in reference to membership of their company (Ashforth & Mael, 1989). Memili and Welsh (2012) proposed that organisations which increased the positive familiness factors would develop higher levels of attachment, belonging and therefore organisational identification.

The results of the analysis of the first hypothesis (shown in Table 28 and Figure 9) support the effect of familiness on organisational identification. The influence of familiness on organisational identification was found to be statistically significant ( $p$ -value $<0.05$ ) with a moderate to strong affect size (path coefficient of 0.699), and thus the hypothesis was accepted.

The social identity theory basis for the organisational identification construct suggests that the employee's emotional attachment to the organisation is increased by the method in which a family business utilises the familiness resources and capabilities. One reason for this emotional attachment development is suggested by the organisational identification importance-performance map analysis (IPMA) shown in Appendix 10.

The IPMA indicates that the familiness reputation sub-construct is the most important familiness contributor to organisational identification. The reputation of the organisation is closely linked with the employee's sense of belonging and being a part of the company. A favourable reputation is likely to induce more attachment, a stronger emotional connection, and higher levels of organisational identification.

### **6.3. Familiness and Organisational Commitment**

Hypothesis 2: Familiness is positively related to employee organisational commitment.

The conceptual approach to commitment adopted in this study is that commitment is viewed as an employee's acceptance and adoption of the organisational values and goals, and a willingness to contribute to these goals (Carmon et al., 2010; Mowday et al., 1979).

Hypothesis two was accepted at the 95% confidence level with a p-value of 0.002 and a weak positive effect of 0.211 of familiness on organisational commitment (Table 28).

While the relationship is significant, the small effect size is somewhat at odds with the literature that suggests that the strong organisational support provided to employees in family businesses would lead to higher levels of organisational commitment (Cinar & Yesil, 2016). It is possible that the direct impact of familiness on organisational commitment is small due to a misalignment of family business goals and values with those of the non-family employees. As organisational commitment represents the adoption of the firm's goals and actively working to achieve them, the small causal relationship hints that employees might not agree with, or are not aware of the family business' goals and how the familiness resources are deployed to achieve those goals.

This uncertainty regarding the reasons for the small scale effect on organisational commitment reinforces the call for more research into the nature and sources of non-family employee commitment in family business (Eddleston & Morgan, 2014; Zellweger et al., 2010).

### **6.4. Organisational Identification and Organisational Commitment**

Hypothesis 3: Employee organisational identification is positively related to organisational commitment.

The close relationship between organisational identification and organisational commitment has often resulted in these two constructs being analysed as a single component. The theoretical definitions of the constructs applied in this study supported a clear distinction and positive relationship between the two (Ashforth et al., 2008).

The relationship represented by hypothesis three had a p-value of 0.00 and was, therefore, significant at the 95% confidence level. The effect of organisational identification on organisational commitment was found to be moderate-to-strong with a path coefficient of 0.654. Firstly, these results support the theoretical and conceptual distinction between the two constructs (Ng, 2015) by providing additional empirical evidence that a causal relationship exists and that the items do not exhibit collinearity (Table 25).

Secondly, the results support the literature that family business employees are likely to be more committed to the family firm if they have higher levels of organisational identification (Carmon et al., 2010). The much smaller effect of familiness on organisational commitment suggests that employees' willingness to exert effort to achieve goals (commitment) is more dependent on their emotional attachment and feeling of belonging to the organisation.

## **6.5. Organisational Identification and Customer Service**

Hypothesis 4: Employee organisational identification is positively related to customer service.

The impact of employee organisational identification has been acknowledged in various contexts as fostering beneficial employee behaviours such as cooperation, commitment, satisfaction, job and organisational performance (Cannella et al., 2015; He et al., 2015; Riketta, 2005).

The p-value of the structural path was 0.00, and the hypothesis was accepted at the 95% confidence level. The effect size of organisational identification on customer

service was weak (path coefficient 0.379). This complies with findings by Riketta (2005) who suggested that the relationship was moderately positive.

The cause of this relationship has been attributed to the increased job and task performance shown by employees with high identification that results in better customer service (Walumbwa et al., 2008; Wieseke et al., 2008). The results also support the research of Homburg et al. (2009) who found that employee identification was correlated with higher customer satisfaction due to increased service quality.

## **6.6. Organisational Commitment and Customer Service**

Hypothesis 5: Employee organisational commitment is positively related to customer service.

The relationship between employee organisational commitment and customer service was supported in literature through the strong connection between commitment and organisational performance (Carmon et al., 2010). The important role that commitment plays in shaping employee behaviour and the resulting positive employee job performance (Cinar & Yesil, 2016; Memari et al., 2013) suggest a significant and strong causal relationship.

The results indicate that the relationship between organisational commitment and customer service is statistically significant at the 95% confidence level (p-value of 0.039) thus accepting hypothesis five. However, the path coefficient of 0.218 indicated a weak effect on customer service.

Given the research findings by Conway and Briner (2015) that organisational commitment was a feature of increased customer satisfaction, service time, customer experience, and overall customer service quality; the anticipated effect size would be expected to be at least larger than the 0.3 small effect size minimum threshold.

The results do agree with extant theory that organisational commitment, which leads to employees more likely to attend to key business concerns, increases customer service but it is not to the extent of the effect of organisational identification on customer service.

## 6.7. Overall Structural Model Results

Compared to CB-SEM, which is calculated for measuring how well the data fits the proposed model, PLS-SEM is a prediction orientated approach estimating how much of the construct variance can be explained by the model. The calculated statistical power of the model combined with the high  $Q^2$  predictive relevance values indicate that the model will be able to statistically identify significant effects between the constructs. The high predictive relevance enables the model to be used as a tool for estimating the impact on the endogenous constructs due to changes in one of the predictor variables.

The structural model depicted in Figure 9 shows the  $R^2$  values for each latent variable and indicates that the model explains 48.9% of the variance in organisational identification, 66.4% of the variance in organisational commitment, and 32.4% of the variance in customer service. Given the nature of these latent constructs and the possible many additional influences that could impact the constructs, the values explain a significant proportion of the target constructs thus supporting the theoretical underpinnings of the model.

The total effect on the endogenous constructs is shown in Table 29 and signifies that familiness has a moderate to strong total effect on both organisational identification (total effect value 0.699) and organisational commitment identification (0.668). The total effect on customer service (0.411) is just below the moderate effect category value of 0.5. Familiness thus plays a more influential role on both organisational identification and organisational commitment than customer service.

The total effect of employee identification on customer service (0.522) is positive and of moderate strength, but more than double the effect of employee commitment (0.218). This finding supports findings by Riketta (2005) and Ashforth et al. (2008) that organisational identification had a larger impact on employee performance than organisational commitment. Organisational commitment was shown to correlate more



with job satisfaction and intent to remain compared to the higher correlation of identification on task and job behaviour (Herrbach, 2006).

The importance-performance map analysis (IPMA) of customer service supports this finding by indicating that while all the main constructs have similar performance, organisational identification has a much higher importance on the effect of customer service (Figure 10). The importance of familiness on customer service is also significantly higher than the importance of organisational commitment. The predictive nature of the structural model suggests that in order for management to most effectively increase the levels of customer service, they should focus primarily on interventions that will aid in developing deeper employee organisational identification.

## Chapter 7: Conclusion

The previous chapter discussed the results of the analysis for each research hypothesis, as well as the overall structural model evaluation, in light of the suggested relationships and causes identified from the literature. This chapter describes the contributions this study makes to the field of family business, the principle findings, management implications of the findings, and identifies limitations of the research. Areas of future research to confirm, oppose, and further investigate some of the unanswered questions uncovered during the study are also suggested.

### 7.1. Principle Findings and Contributions to Theory

This study contributes to the academic theory of family business in a number of dimensions including addressing identified gaps in the research, the use and validation of the human-process-organisation RBV model of familiness, and the application of 2<sup>nd</sup> generation statistical methods to family business research.

This research has addressed the call for the development of the field of study through the use of more modern empirical statistical techniques to investigate latent constructs and their relationships quantitatively (Sarstedt et al., 2014). It adds to the limited body of research that has focused specifically on large private family firms (Carney et al., 2015) and non-family member employees (Yu et al., 2012). Unlike most familiness and performance research (Pieper & Klein, 2007), this report investigated the constructs and relationships at the individual employee level, acknowledging the role that individuals play in the organisation's performance outcomes and future development of large family firms.

The validation and practical application of the human, process and organisational view of familiness builds on the model proposed by Irava and Moores (2010) and the operationalisation of the measures later developed by Monroy et al. (2015). The empirical testing and support for the hierarchical latent sub-construct familiness model enables the future use of the model for more granular investigations delivering practical management findings that will contribute to the methods by which family businesses

employ their familiness resources to achieve competitive advantage (Zellweger et al., 2010).

The causal effect of familiness on non-family employees' organisational identification and commitment was found to be statistically significant with familiness having a much stronger direct effect on the level of employee organisation identification. Familiness was also found to have a moderate to strong total effect on both customer service and organisational commitment via the organisational identification construct.

Organisational identification and organisational commitment were shown to be empirically distinct concepts (Ng, 2015) but with a moderate to strong causal relationship between organisational identification and commitment. Organisational identification was also found to be the biggest influencing factor in predicting levels of customer service.

Familiness appears to have a much stronger impact on non-family employee's emotional attachment and sense of belonging to the firm (organisational identification) compared to non-family executives who typically exhibit higher levels of commitment due to closer alignment of family business goals and values (Vallejo, 2009). The identification fostered by the emotional connection was also found to have a significantly stronger effect on organisational performance outcomes as indicated by customer service.

The study confirms that the unique bundle of resources attributed to family involvement, known as familiness do have a significant impact on non-family employees in a large family business and on the levels of customer service in the organisation.

## **7.2. Implications for Management**

This study demonstrates how a more granular view of the various familiness resources can be used to determine the most important resources and capabilities to be developed by management in order to achieve the best employee and organisational performance outcomes. This understanding of the impact of the various sub-constructs and their relationships to positive outcomes is important for management in order to develop competitive advantage and promote the future success of the organisation (Carmon et

al., 2010). The financial sustainability of the family business is of critical concern to the controlling family if they wish to maintain ownership and control (Irava and Moores, 2010).

The results in this context suggest that management should not focus the majority of their attention in getting employees to buy-in to long term organisational goals and values, but should focus their energy on building a stronger sense of attachment and belonging to the organisation as a whole. The findings suggest that the best methods for achieving this would be to develop a positive reputation, develop more and tighter networks within and external to the organisation, and promote cooperation amongst employees.

This paper highlights the importance and role that organisational identification, and to a lesser degree, organisational commitment, play in affecting employee behaviour and task performance. This is a causal relationship that management must be aware of and address appropriately (He & Brown, 2013).

### **7.3. Limitations of the Research**

The unavailability of sufficient access to other large family business employees and the limited time with which to conduct the report resulted in only one organisation being studied. Despite the fact that the sampled organisation is an excellent example of a successful multi-generational family business, the applicability of the findings to other family and non-family businesses remains questionable.

Despite the high correlation between subjective self-reported measures of performance and objective performance measures (Venkatraman & Ramanujam, 1987), the self-reported measures of customer service quality may not represent a true indication of customer service and may be over-estimated.

A large number of items from the original organisational commitment measurement scale were dropped from the analysis due to poor factor loadings and AVE values. While the remaining items were sufficient to satisfy the validity and reliability requirements of the

instrument, almost all the removed items were negatively worded and reverse scored questions. It is apparent from the data that many of the respondents did not read or interpret these questions correctly, resulting in poor item indicator scores. The reverse scoring coding was verified a number of times against the original questionnaires before this cause was identified. However, as there were no other reverse scored items in the questionnaire, the problem was limited, and the removal of the few invalid items had no significant negative consequence on the analysis. These misinterpreted answers indicate a potential lack of the required level of English comprehension or attention to the questions and could suggest that some employees did not respond to the questionnaire appropriately.

#### **7.4. Suggestions for Future Research**

Future research should be conducted to address the previously identified gaps in terms of non-family employees in family organisations. Additionally, the context of large unlisted family firms needs to be investigated more thoroughly in order to compare the findings with extant small family businesses and family-controlled listed firms.

Research areas not addressed in this study include the application of the human, process and organisation familiness component model to other contexts and companies, using different endogenous latent variables. Replicated studies conducted across multiple companies and industries would be required to compare these findings and confirm the applicability to other organisations. The impact and relationship of the various familiness sub-scale latent constructs should be investigated in more detail to understand their impact on the organisation and how managers can manipulate those resources to achieve wanted outcomes.

The distinct conceptualisation of organisational identification and organisational commitment was identified as a method to develop the understanding of commitment and identification. This separation could add increased granularity to organisational behaviour studies.

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## Appendix 1: Consistency Matrix

Hypothesis	Literature Review	Data Collection Tool	Analysis
H1: Perceptions of Familiness are positively related to Employee Organisational Identification	Monroy, Solis, & Rodriguez-Aceves, 2015; Carmon, Miller, Raile, & Roers, 2010;	Familiness instrument on questionnaire; Organisational Identification instrument on questionnaire	PLS-SEM
H2: Perceptions of Familiness are positively related to Employee Organisational Commitment	Monroy, Solis, & Rodriguez-Aceves, 2015; Carmon, Miller, Raile, & Roers, 2010;	Familiness instrument on questionnaire; Organisational Commitment instrument on questionnaire	PLS-SEM
H3: Employee Organisational Identification is positively related to Organisational Commitment	Carmon, Miller, Raile, & Roers, 2010; Ashforth, Harrison, & Corley, 2008;	Organisational Identification instrument on questionnaire; Organisational Commitment instrument on questionnaire	PLS-SEM
H4: Employee Organisational Identification is positively related to Customer Service Quality	Conway & Briner, 2015; He, Wang, Zhu, & Harris, 2015; Orth & Green, 2009;	Organisational Commitment; RSQS Questionnaire	PLS-SEM
H5: Employee Organisational Commitment is positively related to Customer Service Quality	Orth & Green, 2009; Conway & Briner, 2015;	Organisational Identification instrument on questionnaire; RSQS Questionnaire	PLS-SEM

## Appendix 2: Questionnaire

Please note that the participant completion section of this questionnaire that is represented here been reduced slightly in scale to adhere to the page format requirements of this report.



Statement of informed consent:

I am conducting research on the perceptions of non-family member employees in a family business and am investigating the relationship between customer service, commitment, identification and family business values.

I request that you complete this anonymous questionnaire, which should take no more than 10 minutes, to help us understand employees in family businesses.

This questionnaire is anonymous and completing it is totally voluntary; you can withdraw at any time without penalty. There is no reward or consequence for completing or not completing the questionnaire. All data will be kept confidential. Nobody from Chamberlain's, beside the researcher, will have access to the information.

By completing this questionnaire, you are indicating that you volunteered to participate in this research and consent to these conditions. If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher  
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Questionnaire page 1 of 3  
PLEASE COMPLETE ALL QUESTIONS

**Personal Details:**

Job Title

Years with the company?

- less than 1 year     1 to 2 years     2 to 5 years     5 to 10 years   
 10 to 15 years     15 to 20 years     20 to 25 years     more than 25 years

Does, or has another member of your family worked at the company?    Yes     No

Identification	STRONGLY DISAGREE	DISAGREE	SLIGHTLY DISAGREE	NEUTRAL	SLIGHTLY AGREE	AGREE	STRONGLY AGREE
I am proud to be an employee of this organization	1	2	3	4	5	6	7
This organization's image in the community represents me well	1	2	3	4	5	6	7
I am glad I chose to work for this organization rather than another company	1	2	3	4	5	6	7
I talk positively about this organization to my friends as a great company to work for	1	2	3	4	5	6	7
I have warm feelings toward this organization as a place to work	1	2	3	4	5	6	7
I feel that this organization cares about me	1	2	3	4	5	6	7
The record of this organization is an example of what dedicated people can achieve	1	2	3	4	5	6	7
I find that my values and the values of this organization are very similar	1	2	3	4	5	6	7
I would describe this organization as a large "family" in which most members feel a sense of belonging	1	2	3	4	5	6	7
I find it easy to identify myself with this organization	1	2	3	4	5	6	7
I really care about the fate of this organization	1	2	3	4	5	6	7
What this organization stands for is important to me	1	2	3	4	5	6	7
I share the goals and values of this organization	1	2	3	4	5	6	7
My membership in this organization is important to me	1	2	3	4	5	6	7
I feel strong ties with this organization	1	2	3	4	5	6	7

Commitment	STRONGLY DISAGREE	DISAGREE	SLIGHTLY DISAGREE	NEUTRAL	SLIGHTLY AGREE	AGREE	STRONGLY AGREE
I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful	1	2	3	4	5	6	7
I feel very little loyalty to this organization	1	2	3	4	5	6	7
I would accept almost any type of job assignment in order to keep working for this organization	1	2	3	4	5	6	7
I could just as well be working for a different organization as long as the type of work was similar	1	2	3	4	5	6	7
This organization really inspires the very best in me in the way of job performance	1	2	3	4	5	6	7
It would take very little change in my present circumstances to cause me to leave this organization	1	2	3	4	5	6	7
I am extremely glad that I chose this organization to work for over others I was considering at the time I joined	1	2	3	4	5	6	7
There's not too much to be gained by sticking with this organization indefinitely	1	2	3	4	5	6	7
Often, I find it difficult to agree with this organization's policies on important matters relating to its employees	1	2	3	4	5	6	7
For me this is the best of all possible organizations for which to work	1	2	3	4	5	6	7
Deciding to work for this organization was a definite mistake on my part	1	2	3	4	5	6	7

Questionnaire page 2 of 3  
PLEASE COMPLETE ALL QUESTIONS

	STRONGLY DISAGREE	DISAGREE	SLIGHTLY DISAGREE	NEUTRAL	SLIGHTLY AGREE	AGREE	STRONGLY AGREE
<b>Relationships</b>							
In this business contracts and agreements are mainly based on trust	1	2	3	4	5	6	7
Employees work side by side with the business partners to develop solutions	1	2	3	4	5	6	7
This business is improving the quality and the design of our products and processes through relationships with our business partners	1	2	3	4	5	6	7
<b>Networks</b>							
Building strong relationships with other organisations is important for this company	1	2	3	4	5	6	7
Contracts with suppliers are based on enduring long-term relationships	1	2	3	4	5	6	7
We usually obtain a lot of valuable information from our customers about the market trends and customer's needs.	1	2	3	4	5	6	7
Employees work side by side with our customers in order to develop solutions to their problems	1	2	3	4	5	6	7
Employees work side by side with our suppliers in order to develop solutions.	1	2	3	4	5	6	7
This business is improving the quality and design of our products and processes through the relationships with our suppliers	1	2	3	4	5	6	7
<b>Reputation</b>							
This company offers high quality products and services	1	2	3	4	5	6	7
This company offers products and services that are good value for money	1	2	3	4	5	6	7
This company has excellent leadership	1	2	3	4	5	6	7
This company recognises and takes advantage of market opportunities	1	2	3	4	5	6	7
This company has a strong record of financial performance	1	2	3	4	5	6	7
This company has strong prospects for future growth	1	2	3	4	5	6	7
<b>Experience</b>							
This company's customers are considered the best in the industry	1	2	3	4	5	6	7
This company's suppliers are considered the best in the industry	1	2	3	4	5	6	7
This company's partners are considered the best in the industry	1	2	3	4	5	6	7
<b>Decision Making</b>							
Continuing the family legacy and tradition is an important goal for this company	1	2	3	4	5	6	7
Family members exert control over the company's strategic decisions.	1	2	3	4	5	6	7
Emotions and sentiments often affect decision-making processes in this company	1	2	3	4	5	6	7
Family owners are more concerned with the long-term success of the business.	1	2	3	4	5	6	7
<b>Learning</b>							
The basic values of this organization include learning as key to improvement.	1	2	3	4	5	6	7
The sense around here is that employee learning is an investment, not an expense.	1	2	3	4	5	6	7
Learning is seen as a key factor necessary to guarantee future success	1	2	3	4	5	6	7

Questionnaire page 3 of 3  
PLEASE COMPLETE ALL QUESTIONS

**Customer Service**

	STRONGLY DISAGREE	DISAGREE	SLIGHTLY DISAGREE	NEUTRAL	SLIGHTLY AGREE	AGREE	STRONGLY AGREE
<b>Reliability</b>							
When this store promises to do something by a certain time, it will do so	1	2	3	4	5	6	7
This store provides its services at the time it promises to do so	1	2	3	4	5	6	7
This store performs the service right the first time	1	2	3	4	5	6	7
This store has merchandise available when the customers want it	1	2	3	4	5	6	7
This store insists on error-free sales transactions and records	1	2	3	4	5	6	7
<b>Interaction</b>							
Employees in this store have the knowledge to answer customers' questions	1	2	3	4	5	6	7
The behaviour of employees in this store instil confidence in customers	1	2	3	4	5	6	7
Employees in this store give prompt service to customers	1	2	3	4	5	6	7
Employees in this store tell the customers exactly when services will be performed	1	2	3	4	5	6	7
Employees in this store are never too busy to respond to customers' requests	1	2	3	4	5	6	7
This store gives customers individual attention	1	2	3	4	5	6	7
Employees in this store are consistently courteous with customers	1	2	3	4	5	6	7
<b>Problem Solving</b>							
This store willingly handles returns and exchanges	1	2	3	4	5	6	7
When a customer has a problem, this store shows a sincere interest in solving it	1	2	3	4	5	6	7
Employees of this store are able to handle customer complaints directly and immediately	1	2	3	4	5	6	7

Thank you for participating in this study

## Appendix 3: Coding Tables

### Coding Table Guideline for Job Hierarchy

Job Level	Job Title	Job Level	Job Title
1	General Worker ( <i>incl. Truck Hands</i> )	6	Inventory Control Clerk (Senior)
	Cleaner		Counter Sales (Senior)
	Till Packer		Door Specialist
2	Trussco Hand		Floor Sales (Senior)
	Loader		Truss Designer (Junior)
	Picker		I.T Technician (Junior)
	Merchandiser		Creditors Clerk
	Messenger		Wage Clerk
	Admin/Filing Clerk		Staff Development Administrator
	Receiving Department Junior		Graphic Designer
3	Machine Operator (Forklift/Bobcat/Combilift)		Group Saw Coordinator
	Security		Procurement Assistant
	Loader (Senior)		Bookkeeper (Junior)
	Garden Assistant Loader		K8 Stock Controller
	Coffee Shop Sales	Branch Admin Assistant	
4	Cashier (Junior)	7	Sales Representative
	Cashier (Senior)		Technical Paint Advisor
	Workshop Assistant		Risk Controller
	Receiving Clerk		Admin Supervisor (Mature)
	Joiner (Junior)		PA to the Sales Manager and Sales Director
	Security (Senior)		K8 Stock Control Supervisor
	Control Room Operator		Special Sales (Junior)
	Board Cutter		Recruitment Officer
	Switchboard Operator		Bookkeeper
	K8 Stock Control Assistant		HR Coordinator
	Specials Admin Clerk		I.T Technician (Senior)
5	Trussco Operator	8	Assistant Yard Supervisor
	Trussco Quality Controller		Customer Service Supervisor
	Floor Sales (Junior)		Receiving Supervisor (Mature)
	Welcome Desk		Yard Supervisor
	Housekeeping Supervisor		Senior Human Resources Officer
	HR Administrator		Dispatch Supervisor
	On-the-job Trainer		Assistant Manager: Joinery
	Training Facilitator		Special Sales (Senior)
	Debtors Clerk (Junior)		Diesel Motor Mechanic (Qualified)
	Recruitment Officer (Junior)		Joiner (Artisan)
	Creditors Clerk (Junior)		Head of Department (HOD)
	Processing Clerk	Truss Designer (Senior)	
	Finance Administrator	Builders Sales Specialist	
	Retail Coordinator	PA to the Directors	
	Inventory Control Clerk (Junior)	Self-Service Supervisor (Mature)	
	Driver	Creditors Supervisor	
	Marketing Administrator	Credit Control / Debtors Supervisor	
	GRV / Receiving Admin Clerk	Procurement Administrator	
	Price Variance Clerk	Group Buying Coordinator	
	Counter Sales (Junior)	Promotions Coordinator	
Visual Merchandiser	Admin Supervisor (Shed)		
	Trussco Supervisor		
	Receiving Supervisor (Shed)		
	Assistant Manager: Trussco		

Coding Table Guideline for Job Hierarchy (continued)

Job Level	Job Title
9	Retail Sales Supervisor
	Yard Manager
	Workshop Supervisor
	Senior Payroll Administrator
	Assistant Accountant
	Systems Administrator
	Accountant (Junior)
	Debtors: HOD
Builders Sales Supervisor	
10	Trussco Manager
	Assistant Manager: Procurement
	Assistant Branch Manager
	Retail Systems Manager
	Training Specialist
	Financial Accountant
	Workshop Manager
	Joinery Manager
Assistant Branch Manager (Mature)	
11	Procurement Manager
	Assistant Branch Manager (Shed - Senior)
12	Branch Manager (Mature)
	Group Accountant
	Training and Development Manager
	IT Manager
	HR Manager
13	Marketing Manager
	Branch Manager (Shed)
	General Manager
	Group Trade Sales Manager
	Manager: Group Stock Control
	Manager: Retail Projects
14	Financial / Fleet Manager
	Financial Director
	Sales Director (Trade)
	Sales Director (Retail)
	Managing Director

### Coding Table Guidelines for Employment Tenure

Code	Years with company
1	less than 1 year
2	1 to 2 years
3	2 to 5 years
4	5 to 10 years
5	10 to 15 years
6	15 to 20 years
7	20 to 25 years
8	more than 25 years

## Appendix 4: Descriptive Statistics

The basic univariate analysis for each measurement scale is provided below.

### Organisational Identification

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
O11	6.10	1.18	-1.61	2.63
O12	5.83	1.29	-1.51	2.40
O13	5.89	1.35	-1.57	2.44
O14	6.02	1.26	-1.72	2.99
O15	5.67	1.41	-1.34	1.33
O16	5.53	1.54	-1.15	0.63
O17	5.78	1.30	-1.28	1.24
O18	5.47	1.37	-0.92	0.43
O19	5.52	1.41	-0.95	0.36
O110	5.65	1.35	-1.18	0.98
O111	5.99	1.20	-1.86	4.33
O112	6.01	1.22	-1.66	3.10
O113	5.89	1.23	-1.48	2.36
O114	6.08	1.19	-1.83	3.89
O115	5.74	1.35	-1.36	1.69

### Organisational Commitment

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
OC1	6.32	1.08	-2.48	7.56
OC2	4.78	2.12	-0.50	-1.25
OC3	5.30	1.61	-0.91	0.14
OC4	4.38	1.97	-0.27	-1.20
OC5	5.58	1.43	-1.23	1.11
OC6	4.00	2.09	0.14	-1.41
OC7	5.78	1.39	-1.48	1.93
OC8	4.58	2.01	-0.30	-1.26
OC9	4.11	2.00	-0.05	-1.28
OC10	5.49	1.41	-0.94	0.42
OC11	5.64	1.78	-1.25	0.32



### Familiness - Process Resources - Relationships

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
F-PR-R1	5.44	1.66	-1.23	0.65
F-PR-R2	5.33	1.53	-0.99	0.18
F-PR-R3	5.80	1.26	-1.44	2.41

### Familiness - Process Resources - Networks

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
F-PR-N1	6.02	1.16	-1.71	3.40
F-PR-N2	6.06	1.03	-1.35	1.84
F-PR-N3	5.82	1.24	-1.43	2.23
F-PR-N4	5.88	1.34	-1.63	2.58
F-PR-N5	5.73	1.36	-1.53	2.35
F-PR-N6	5.98	1.10	-1.41	2.39

### Familiness - Human Resources - Reputation

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
F-HR-R1	6.28	1.04	-2.30	6.35
F-HR-R2	6.11	1.10	-1.89	4.39
F-HR-R3	5.42	1.75	-1.09	0.21
F-HR-R4	5.72	1.27	-1.24	1.57
F-HR-R5	6.32	1.00	-2.25	6.64
F-HR-R6	6.32	1.08	-2.41	6.88

### Familiness - Human Resources - Experience

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
F-HR-E1	5.92	1.18	-1.48	2.45
F-HR-E2	5.85	1.13	-1.28	1.84
F-HR-E3	5.87	1.13	-1.04	0.78

### Familiness - Organisation Resources - Decision Making

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
F-OR-D1	6.22	1.15	-1.84	3.64
F-OR-D2	5.65	1.44	-1.26	1.11
F-OR-D3	4.59	1.81	-0.47	-0.78
F-OR-D4	5.91	1.40	-1.63	2.36

### Familiness - Organisation Resources - Learning Orientation

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
F-OR-L1	6.11	1.29	-2.03	4.44
F-OR-L2	5.83	1.43	-1.61	2.51
F-OR-L3	6.15	1.24	-2.08	4.74

**Customer Service - Reliability**

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
CS-R1	5.71	1.44	-1.58	2.29
CS-R2	5.74	1.35	-1.54	2.31
CS-R3	5.63	1.34	-1.48	2.33
CS-R4	5.49	1.42	-1.16	0.90
CS-R5	5.35	1.55	-1.09	0.57

**Customer Service - Interaction**

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
CS-I1	5.94	1.23	-1.89	4.25
CS-I2	5.85	1.20	-1.61	3.04
CS-I3	5.92	1.16	-1.69	3.43
CS-I4	5.62	1.34	-1.39	1.96
CS-I5	5.56	1.47	-1.18	0.80
CS-I6	5.72	1.40	-1.46	1.86
CS-I7	5.69	1.25	-1.17	1.19

**Customer Service - Problem Solving**

Item	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
CS-PS1	6.03	1.16	-1.58	2.69
CS-PS2	6.15	1.05	-1.74	3.57
CS-PS3	5.92	1.25	-1.46	2.19

## Appendix 5: Construct Internal Reliability

### Main Construct: Organisational Identification

#### Case Processing Summary

		N	%
Cases	Valid	376	98.9
	Excluded <sup>a</sup>	4	1.1
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.951	.952	15

#### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OI1	81.09	204.937	.697	.589	.949
OI2	81.35	203.999	.656	.503	.950
OI3	81.29	198.205	.786	.670	.947
OI4	81.16	201.340	.758	.627	.947
OI5	81.51	196.896	.781	.646	.947
OI6	81.64	194.828	.760	.649	.948
OI7	81.39	202.307	.710	.586	.948
OI8	81.70	199.191	.749	.624	.948
OI9	81.65	199.619	.712	.542	.948
OI10	81.53	198.303	.784	.643	.947
OI11	81.19	203.661	.727	.664	.948
OI12	81.16	202.787	.744	.668	.948
OI13	81.29	204.568	.678	.552	.949
OI14	81.09	204.542	.720	.645	.948
OI15	81.44	199.932	.740	.609	.948

## Main Construct: Organisational Commitment

### Case Processing Summary

		N	%
Cases	Valid	375	98.7
	Excluded <sup>a</sup>	5	1.3
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.737	.737	11

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
OC1	49.66	93.863	.324	.268	.727
OC2	51.21	81.099	.421	.338	.712
OC3	50.69	97.375	.053	.207	.758
OC4	51.61	82.206	.435	.366	.710
OC5	50.41	89.944	.356	.362	.722
OC6	51.99	83.430	.365	.277	.722
OC7	50.21	90.591	.343	.395	.723
OC8	51.41	76.146	.612	.459	.680
OC9	51.88	81.298	.455	.314	.707
OC10	50.49	92.331	.275	.381	.730
OC11	50.35	80.200	.575	.400	.689

## Main Construct: Familiness

### Case Processing Summary

		N	%
Cases	Valid	363	95.5
	Excluded <sup>a</sup>	17	4.5
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.828	.829	3

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-PR	11.77961432	2.345	.694	.528	.755
F-OR	11.67102847	2.690	.610	.386	.833
F-HR	11.53833792	2.444	.759	.587	.690

## Main Construct: Customer Service

### Case Processing Summary

		N	%
Cases	Valid	367	96.6
	Excluded <sup>a</sup>	13	3.4
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.826	.827	3

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
CS-R	11.79278578	3.042	.701	.506	.745
CS-I	11.62089010	3.264	.722	.527	.722
CS-PS	11.34464772	3.575	.633	.402	.809

## Sub Construct: Familiness - Process Resources - Relationships

### Case Processing Summary

		N	%
Cases	Valid	372	97.9
	Excluded <sup>a</sup>	8	2.1
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.716	.727	3

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-PR-R1	11.13	6.156	.466	.218	.730
F-PR-R2	11.23	5.950	.600	.396	.543
F-PR-R3	10.77	7.298	.568	.364	.608

## Sub Construct: Familiness - Process Resources - Networks

### Case Processing Summary

		N	%
Cases	Valid	371	97.6
	Excluded <sup>a</sup>	9	2.4
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.824	.825	6

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-PR-N1	29.47	21.050	.543	.330	.806
F-PR-N2	29.43	21.792	.560	.352	.804
F-PR-N3	29.67	20.339	.564	.321	.802
F-PR-N4	29.61	19.146	.620	.448	.791
F-PR-N5	29.76	18.381	.681	.515	.776
F-PR-N6	29.51	20.997	.598	.379	.796

## Sub Construct: Familiness – Human Resources - Reputation

### Case Processing Summary

		N	%
Cases	Valid	370	97.4
	Excluded <sup>a</sup>	10	2.6
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.815	.840	6

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-HR-R1	29.90	21.426	.631	.512	.779
F-HR-R2	30.07	20.735	.664	.532	.770
F-HR-R3	30.76	18.580	.458	.219	.841
F-HR-R4	30.46	20.374	.573	.354	.788
F-HR-R5	29.86	21.722	.627	.595	.781
F-HR-R6	29.85	20.645	.687	.626	.766

## Sub Construct: Familiness – Human Resources - Experience

### Case Processing Summary

		N	%
Cases	Valid	368	96.8
	Excluded <sup>a</sup>	12	3.2
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.850	.851	3

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-HR-E1	11.71	4.440	.666	.447	.843
F-HR-E2	11.79	4.391	.731	.561	.780
F-HR-E3	11.77	4.289	.764	.595	.748

## Sub Construct: Familiness – Organisational Resources - Decision Making

### Case Processing Summary

		N	%
Cases	Valid	366	96.3
	Excluded <sup>a</sup>	14	3.7
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.572	.595	4

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-OR-D1	16.17	10.895	.350	.217	.513
F-OR-D2	16.73	8.699	.484	.264	.392
F-OR-D3	17.80	8.841	.258	.102	.612
F-OR-D4	16.45	9.815	.379	.158	.483

## Sub Construct: Familiness - Organisational Resource - Decision Making – F-OD-D3 item removed

### Case Processing Summary

		N	%
Cases	Valid	366	96.3
	Excluded <sup>a</sup>	14	3.7
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.612	.618	3

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-OR-D1	11.59	5.153	.453	.212	.483
F-OR-D2	12.15	4.143	.449	.214	.473
F-OR-D4	11.86	4.778	.375	.141	.580



## Sub Construct: Familiness - Org Res - Learning Orientation

### Case Processing Summary

		N	%
Cases	Valid	372	97.9
	Excluded <sup>a</sup>	8	2.1
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.882	.884	3

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-OR-L1	11.99	6.110	.780	.615	.825
F-OR-L2	12.26	5.606	.754	.569	.854
F-OR-L3	11.94	6.309	.787	.624	.821

## Sub Construct: Customer Service - Reliability

### Case Processing Summary

		N	%
Cases	Valid	368	96.8
	Excluded <sup>a</sup>	12	3.2
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.813	.817	5

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
CS-R1	22.21	18.687	.657	.640	.760
CS-R2	22.17	19.023	.687	.667	.752
CS-R3	22.28	19.417	.653	.444	.763
CS-R4	22.42	19.945	.544	.340	.794
CS-R5	22.57	19.761	.490	.271	.814

## Sub Construct: Customer Service - Interaction

### Case Processing Summary

		N	%
Cases	Valid	371	97.6
	Excluded <sup>a</sup>	9	2.4
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.879	.882	7

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
CS-I1	34.36	35.738	.703	.569	.857
CS-I2	34.45	36.724	.654	.479	.863
CS-I3	34.37	35.948	.742	.584	.853
CS-I4	34.67	35.936	.629	.404	.866
CS-I5	34.74	34.821	.613	.406	.870
CS-I6	34.58	34.947	.652	.439	.863
CS-I7	34.61	35.902	.677	.477	.860

## Sub Construct: Customer Service - Problem Solving

### Case Processing Summary

		N	%
Cases	Valid	370	97.4
	Excluded <sup>a</sup>	10	2.6
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.782	.789	3

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
CS-PS1	12.07	4.047	.639	.473	.682
CS-PS2	11.95	4.244	.700	.517	.629
CS-PS3	12.19	4.105	.536	.296	.805

## Sub Construct: Familiness - Process Resources

### Case Processing Summary

		N	%
Cases	Valid	370	97.4
	Excluded <sup>a</sup>	10	2.6
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.716	.734	2

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-PR-R	5.91441441500	.786	.580	.337	.
F-PR-N	5.53423423400	1.392	.580	.337	.

## Sub Construct: Familiness - Human Resources

### Case Processing Summary

		N	%
Cases	Valid	366	96.3
	Excluded <sup>a</sup>	14	3.7
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.746	.749	2

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-HR-R	5.88433515500	.985	.599	.358	.
F-HR-E	6.03324225900	.796	.599	.358	.

## Sub Construct: Familiness - Organisational Resources

### Case Processing Summary

		N	%
Cases	Valid	366	96.3
	Excluded <sup>a</sup>	14	3.7
	Total	380	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.505	.511	2

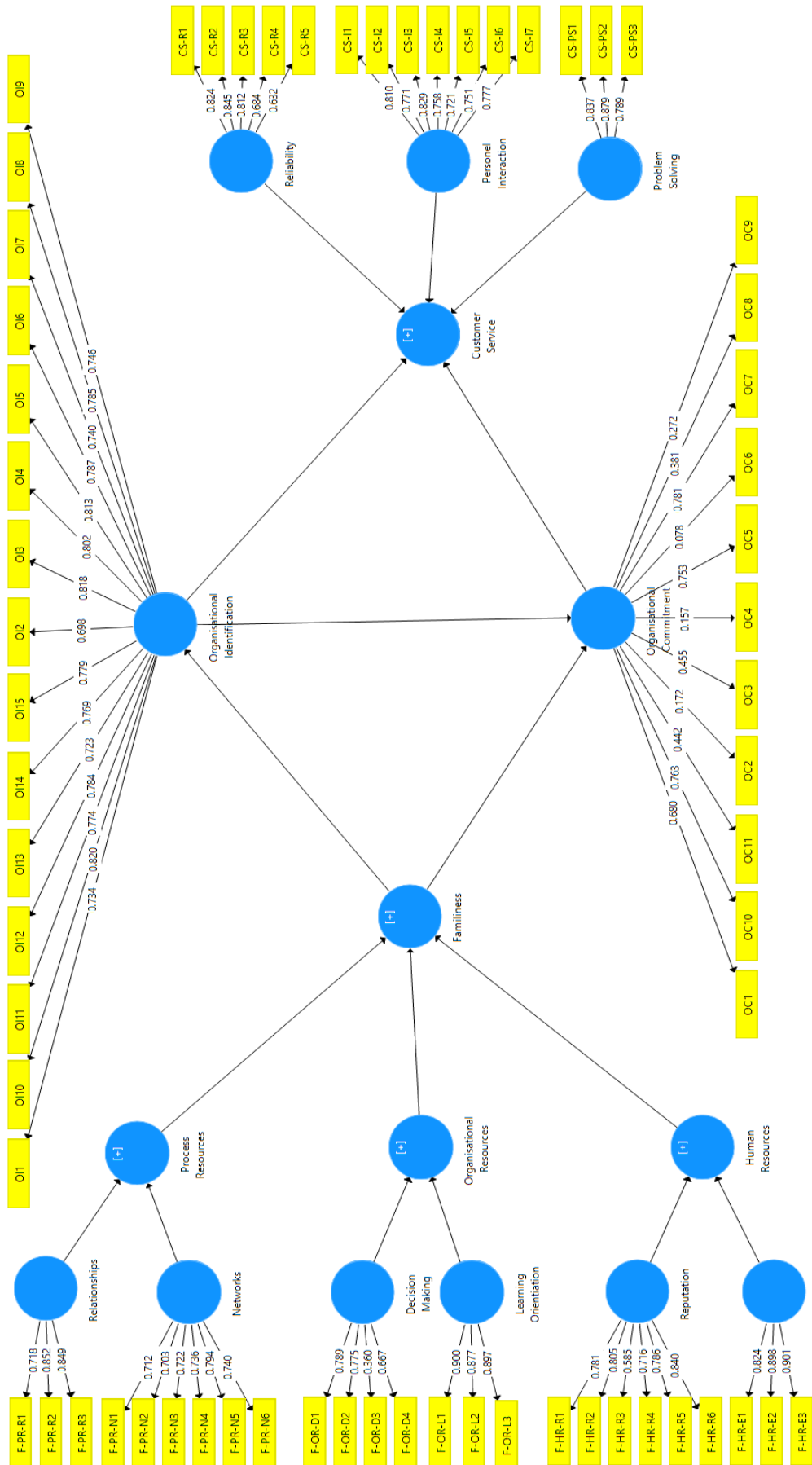
### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
F-OR-D	6.05191256800	1.297	.343	.118	.
F-OR-L	5.59631147500	.930	.343	.118	.



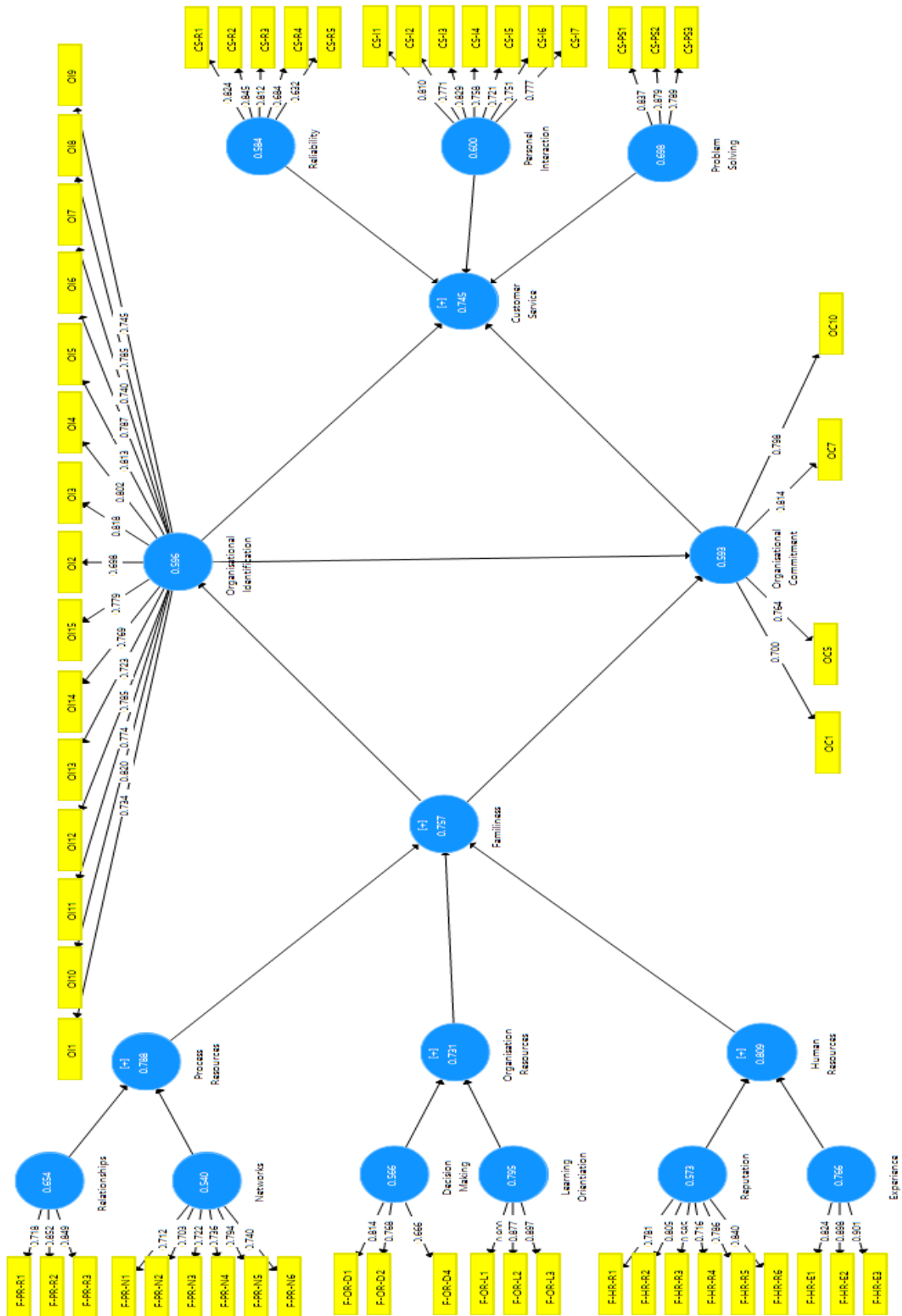


# Appendix 6: Full Outer Model Factor Loadings - Initial





# Appendix 7: Full Outer Model Factor Loadings - Final

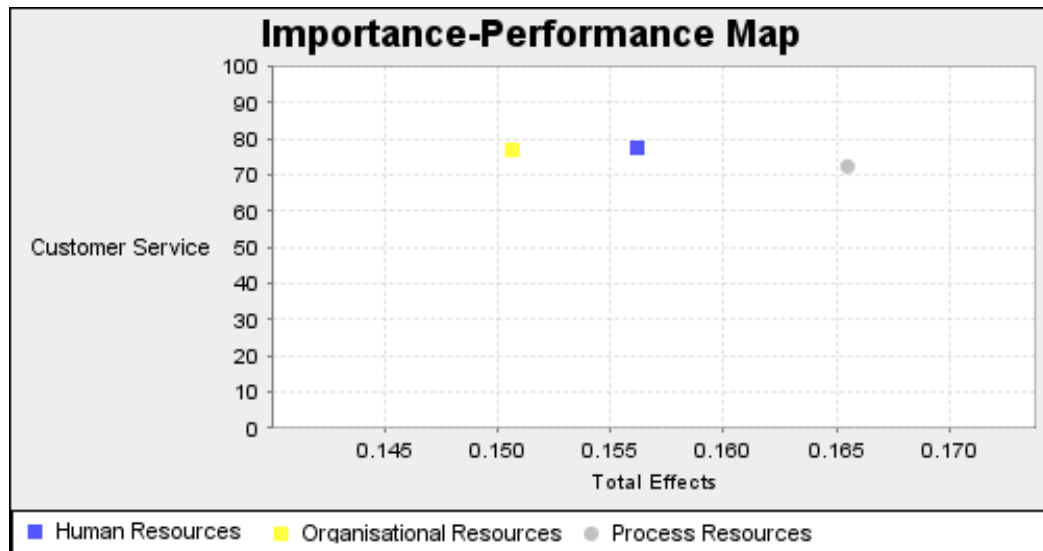




## Appendix 8: IPMA for Customer Service – Familiness Sub-scale

IPMA Results for familiness sub-scale items performance and importance on customer service.

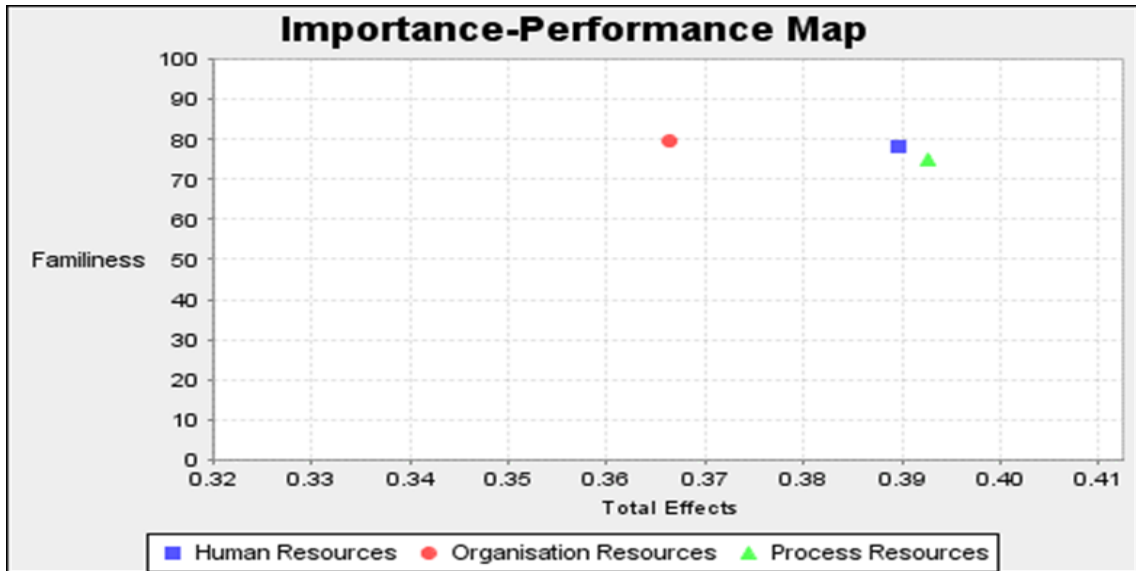
	Performances	Customer Service Importance
Human Resources	77.40	0.156
Organisational Resources	76.72	0.151
Process Resources	72.63	0.165



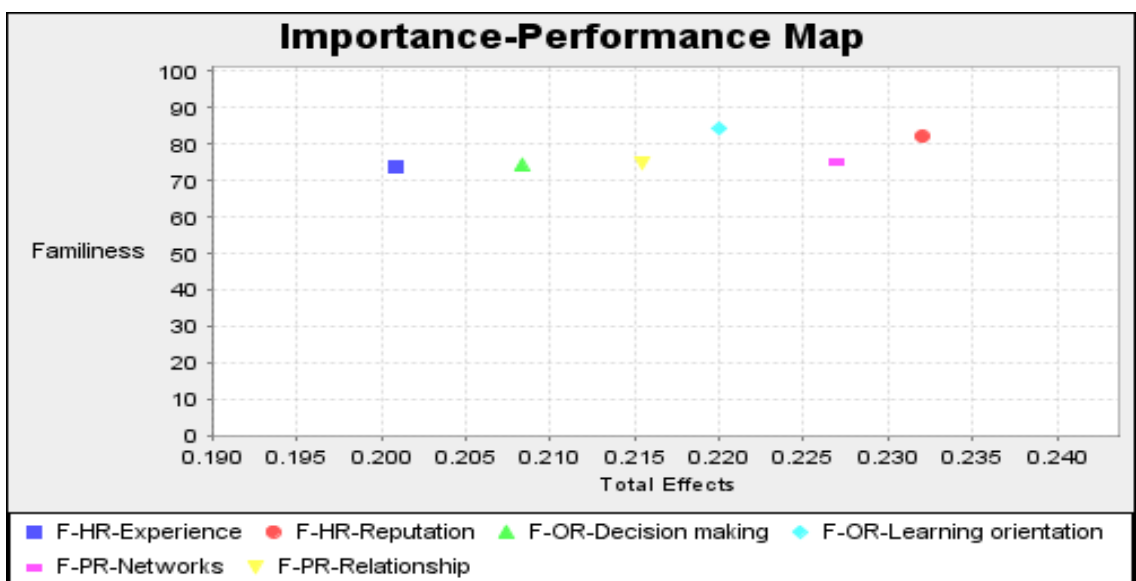


## Appendix 9: IPMA for Familiness

	Performances	Familiness
Process Resources	75.10	0.390
Organisation Resources	79.49	0.366
Human Resources	78.35	0.393



	Performances	Familiness
F-HR-Experience	73.96	0.201
F-HR-Reputation	82.14	0.232
F-OR-Decision making	74.40	0.208
F-OR-Learning orientation	84.32	0.220
F-PR-Networks	75.18	0.227
F-PR-Relationship	75.03	0.215

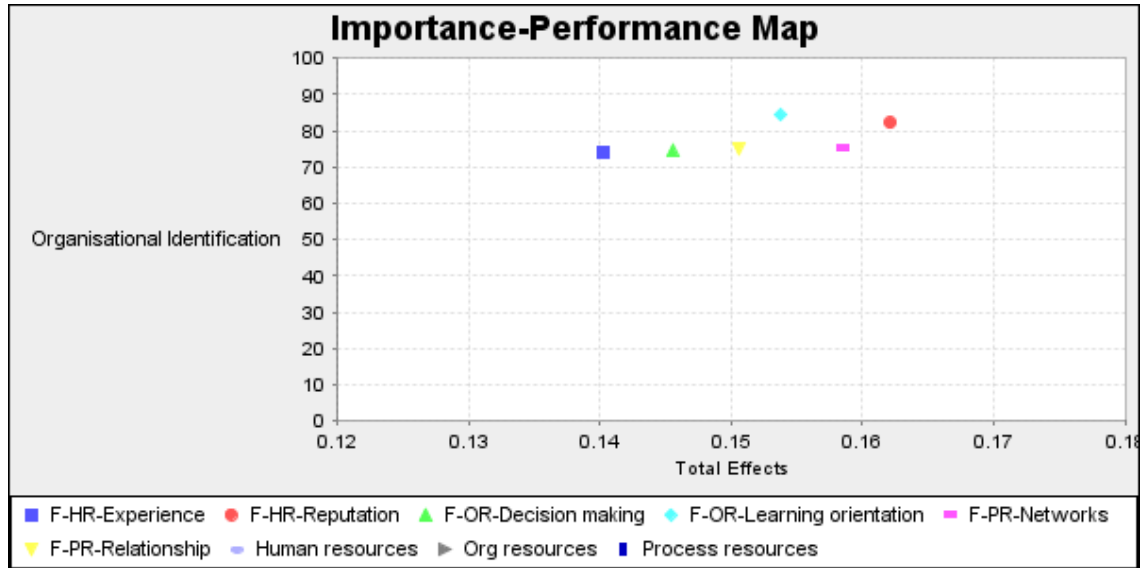




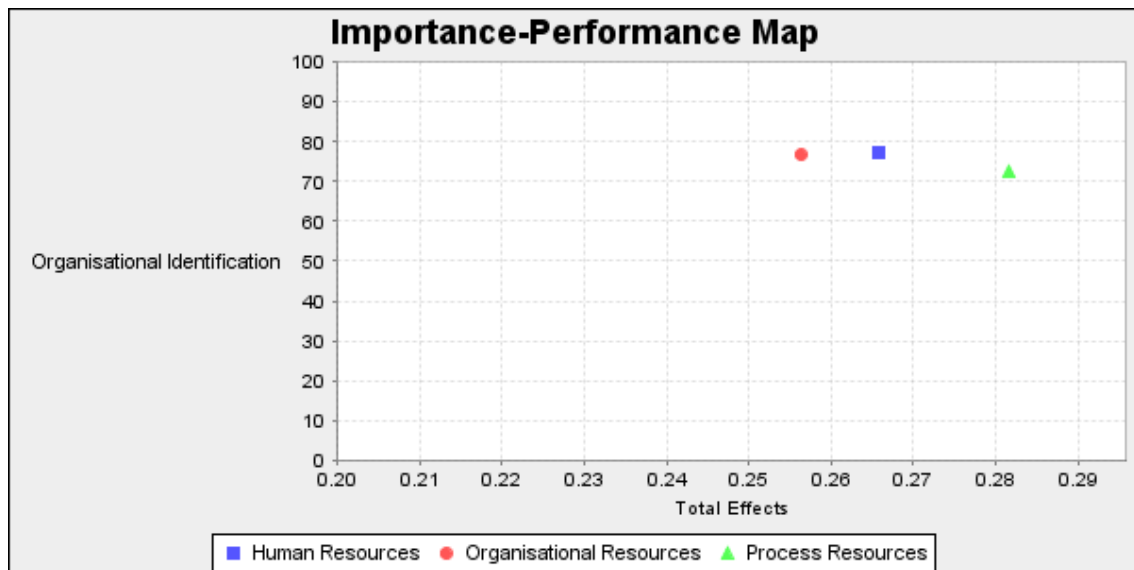
## Appendix 10: IPMA for Organisational Identification

IPMA Results for familiness sub-scale items performance and importance on organisational identification.

Lowest level familiness sub-constructs



Main Familiness Sub-construct Items – Human, Process, and Organisation





## Appendix 11: Ethical Clearance Confirmation Letter

Dear Mr Gareth Chamberlain

Protocol Number: **Temp2016-01454**

Title: **Non-family employees' perception of familiness, identification, commitment and customer service in a large South African family business.**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker

## Appendix 12: Turnitin Report (1<sup>st</sup> 5 pages)



### Turnitin Originality Report

final v2 by Gareth Chamberlain

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