<http://www.diva-portal.org>

Postprint

This is the accepted version of a paper published in *Human Resource Management Review*. This paper has been peer-reviewed but does not include the final publisher proof-corrections or journal pagination.

Citation for the original published paper (version of record):

Waldkirch, M., Nordqvist, M., Melin, L. (2018)

CEO turnover in family firms: How social exchange relationships influence whether a non-family CEO stays or leaves.

Human Resource Management Review, 28(1): 56-67

<https://doi.org/10.1016/j.hrmr.2017.05.006>

Access to the published version may require subscription.

N.B. When citing this work, cite the original published paper.

Permanent link to this version:

<http://urn.kb.se/resolve?urn=urn:nbn:se:hj:diva-35803>

CEO turnover in family firms: How social exchange relationships influence whether a non-family CEO stays or leaves

Matthias Waldkirch (corresponding author)

PhD Candidate

E-mail: matthias.waldkirch@ju.se

Mattias Nordqvist, PhD

Professor in Business Administration

The Hamrin International Professor of Family Business

E-mail: mattias.nordqvist@ju.se

Leif Melin, PhD

Professor of Strategy and Organization,

The Hamrin Professor in Family Business Strategy

E-mail: leif.melin@ju.se

Centre for Family Enterprise and Ownership (CeFEO)

Jönköping International Business School, Jönköping University

PO Box 1026

SE-551 11 Jönköping, Sweden

Accepted for Publication in the 'Human Resource Management Review'

DOI: 10.1016/j.hrmr.2017.05.006

Abstract

Interpersonal relationships are an important factor in organizations, and a growing number of articles examine how such relationships affect why people stay or leave organizations. In this article, we investigate how affective attachment between actors influences the turnover and retention process of non-family CEOs in family firms. By employing a social exchange perspective, we reveal under which conditions affective attachment come into being. We focus on the relationship between a non-family CEO and two generations of the owner family. Conceptualizing their relationship as an exchange triad, we show how imbalances influence the affective attachment created in this triad and outline the implications for turnover. Our article contributes to the literature on family businesses and turnover by linking the affective side of interpersonal relationships to CEO retention and turnover.

Keywords: Turnover; family firms; social exchange; affective attachment

Acknowledgements: We would like to express our gratitude to the two anonymous reviewers and especially to our editor James G. Combs for the excellent feedback and guidance in the review process. We would also like to thank the Carl-Olof and Jenz Hamrin Foundation for their support.

Highlights

1. Attachment develops in triad exchanges between owner family/non-family CEO.
2. Imbalances in the triad influence if affective attachment or detachment develops.
3. Affective attachment influences retention and turnover of non-family CEOs.
4. The article forges a link between HRM, family business, and social exchange.
5. We outline implications for future research on family firms and turnover.

1. Introduction

Why people remain in or leave an organization is a question that has been contemplated in the literature for decades (Holtom, Mitchell, Lee, & Eberly, 2008). Turnover disrupts the organization and can be costly (Hom, Mitchell, Lee, & Griffeth, 2012; Karsan, 2007). One aspect that has received increasing attention is the role that interpersonal relationships play; notably, these relationships are prominently included as ‘links’ in the concept of job embeddedness (Mitchell, Holtom, Lee, Sablinski, & Erez, 2001). Although the integration of links has led to many new insights into turnover behavior (Lee, Burch, & Mitchell, 2014), most research has focused on the number of links that individuals in an organization have. Thus, several authors have called for a stronger focus on investigating the quality of relationships (Holtom et al., 2008; Shaw, 2011; Zhang, Fried, & Griffeth, 2012). Indeed, recent research has shown how different types of interpersonal relationships can both drive and hinder the turnover process, both from a perspective of links as well as utilizing network approaches (Felps et al., 2009; Mossholder, Settoon, & Henagan, 2005; Soltis, Agneessens, Sasovova, & Labianca, 2013). An important part of relationships is the attachment that actors build with one another. Attachment fosters trust building (Williams, 2001) and fulfills the human need for belonging (Baumeister & Leary, 1995).

These considerations are especially prominent in the context of family firms. While intra-family relationships have received much attention (Handler, 1994; Kellermanns & Eddleston, 2004) the role of non-family members and their relationship with the owner family has received considerably less attention (Dasgupta, Holt, Chrisman, & Long, 2015; Hall & Nordqvist, 2008). The issue becomes even more important when looking at a specific situation in family firms that is becoming more common, i.e., family firms and the employment of non-family CEOs (PwC, 2014). In this article, we employ a social exchange perspective to conceptualize how and under what conditions different social exchanges lead to

affective attachment between actors and influence whether a non-family CEO is more or less likely to remain in the family firm

The context of family firms has received increasing attention over the last decades since family businesses represent the world's most common economic organizational form. Family firms are oftentimes implicitly understood as both *owned* and *managed* by family members. However, many family firms are led by non-family CEOs (Anderson & Reeb, 2003; Klein & Bell, 2007), and a recent survey indicates that 32% of family firms plan to maintain family ownership but pass business leadership to a non-family member (PwC, 2014). Because the owner family must relinquish substantial control when hiring a non-family CEO, the choice to move to a non-family CEO represents a “very significant decision for family firms” (Chang & Shim, 2014, p. 1). Family firms are driven by mixed motives that are both financial and non-financial in nature (Gedajlovic, Carney, Chrisman, & Kellermanns, 2012), which has led to inconsistent findings regarding non-family CEO turnover, (Huybrechts, Voordeckers, & Lybaert, 2013; McConaughy, 2000; Salvato, Minichilli, & Piccarreta, 2012; Westhead, Cowling, & Howorth, 2001). As several authors have noted, the relationship with the owner family is highly important to non-family CEOs and may even be more important than the firm's financial performance (Blumentritt, Keyt, & Astrachan, 2007; Nordqvist, 2012). Moreover, having a relationship with the owner family is inescapable for the non-family CEO because family owners are involved in the everyday running of the business and represent the non-family CEO's employer (Matlay, 1999). Such circumstances make for the importance of studying interpersonal relationships in the family firm context.

Moving beyond current research that focuses solely on the non-family CEO's connection to the current generation in power, we include an important stakeholder: the next generation of the owner family. Following Daspit et al. (2015), we draw on social exchange theory to propose a new conceptualization of the relationship between the non-family CEO,

the current, and next generations as an exchange triad. Social exchange theory is a fitting theoretical choice because it is frequently used to study interpersonal relationships (Collett, 2010) and represents one of the “most influential conceptual paradigms for understanding workplace behaviour” (Cropanzano & Mitchell, 2005, p. 874). Recently, social exchange theory has also been used to study the relationship between family and non-family actors (Barnett, Long, & Marler, 2012; Daspit et al., 2015; Long & Mathews, 2011). Social exchange allows us to incorporate family actors both as co-workers and employer. In the triad, we look at both voluntary turnover (in which the non-family CEO decides to leave) and forced turnover (in which the owner family makes the decision). In particular, we make use of the affect theory of social exchange (Lawler, 2001; Lawler, Thye, & Yoon, 2008) to conceptualize how exchanges in the triad influence the turnover or retention of the non-family CEO, and how they may differ depending on how the triad is balanced. We define balance in the triad when actors have similar strength, and their dependence upon each other is equal; accordingly, imbalance in the triad comes from a difference in dependence between actors (Emerson, 1962; Lawler, Thye, & Yoon, 2000).

In so doing, our article contributes to the literature on family firms and human resource management. We propose a novel conceptualization of the triad relationship between the owner family and the non-family CEO, which relies on the affect theory of social exchange (Lawler, 2001). We extend current knowledge about family firms by explicitly integrating the next generation of the owner family, shedding light on how interactions with non-family actors can influence the succession process (Daspit et al., 2015). Moreover, we contribute to knowledge on human resource management in family firms by showing how imbalances toward either actor may impact turnover and retention. We highlight the importance of relationships for turnover by outlining under what circumstances affective attachment between actors comes into being. We thus address current criticism that research

has not considered relational aspects such as attachment (Holtom et al., 2008). Moreover, by focusing on affective attachment and detachment, our article answers the call to build theory that explains simultaneously why people leave *and* why they stay in an organization (Holtom et al., 2008; Steel & Lounsbury, 2009).

2. Theoretical Framework

2.1. Interpersonal Relationships and Turnover

In the literature on turnover, the work of Mitchell and colleagues on job embeddedness (2001) has started research on the importance of interpersonal relationships, referred to as ‘links’, the “formal or informal connections between a person and institutions or other people” (Mitchell et al., 2001, p. 1104). Several authors have called for a stronger investigation into how interpersonal relationships affect turnover and retention (Holtom et al., 2008; Mossholder et al., 2005; Shaw, 2011), and several articles have responded to this call.

In focusing on turnover contagion, Felps and colleagues (2009) show how relationships with coworkers influence an individual’s decision to remain at or quit a job, depending on these co-worker’s job embeddedness and job search behaviors. Soltis et al. (2013) employ a social network approach to investigate how formal and informal workplace relationships influence turnover intentions. In particular, the authors focus on advice-taking and advice-giving relationships, showing that they either drive or hinder turnover. In addition, Vardaman et al. (2015) use social network analysis to show how the network position of individuals may influence how turnover intentions lead to actual turnover. Our conceptualization also looks at the quality of relationships – but from an affective perspective, highlighting under which conditions affective attachment may come into being in the family business context.

2.2. Interpersonal Relationships in Family Firms

Relationships are pervasive and important in every business but even more so in family firms because of the complex intertwining of family and business relationships (Matlay, 1999; Zellweger & Sieger, 2012). Intrafamily relationships were an important aspect of early family business research (Handler, 1994; Lansberg, 1988) that often focused narrowly on the succession process as well as on conflict in the family firm (Davis & Harveston, 1999; Kellermanns & Eddleston, 2004; Kets De Vries, 1993). Several early studies focused on the inclusion of non-family managers (Dyer, 1989; Levinson, 1971; Schein, 1983), looking at how family firms can best ‘professionalize’. Non-family CEOs represent an important resource because they enlarge the pool of potential candidates and bring specific knowledge and capabilities to the family firm (Miller, Le Breton-Miller, Minichilli, Corbetta, & Pittino, 2014). In extant research, the inclusion of non-family CEOs continues to be mostly used as a variable to explain different outcomes between family firms (Chang & Shim, 2014; Miller et al., 2014). Blumentritt et al. (2007) emphasize not only that non-family CEOs require both business competence and awareness of family issues to increase chances of long tenure, but also that the family must build an environment that allows good relations to develop. Further, Hall and Nordqvist (2008) note the importance of ‘cultural competence’, i.e., an “in-depth enough understanding of the owner family’s dominant goals and meanings of being in business (i.e., cultural competence) to be able to make effective use of relevant education and experience (i.e., formal competence) in a particular family business” (2008, p. 63). When the relationships to the family fail, empirical research has focused on the exit process of non-family CEOs being either voluntary or involuntary (Hall, 2003; Hall & Nordqvist, 2008). Thus, the importance of relationships for turnover and retention is evident.

2.3. Conceptualizing the Owner Family – CEO Relationship as an Exchange Triad

Social exchange theory is frequently used in the study of interpersonal relationships (Collett, 2010; Mitchell, Cropanzano, & Quisenberry, 2012). Recently, several studies have used social exchange theory to study family firms (James, Jennings, & Breitzkreuz, 2012; Jaskiewicz, Uhlenbruck, Balkin, & Reay, 2013; Long & Mathews, 2011). It allows researchers “to discuss the social structures that define, condition, and constrain succession processes in family firms while retaining the ability to fully incorporate individual motives and agency” (Daspit et al., 2015, p. 2). A social exchange relationship “begins with one party bestowing a benefit to another” (Coyle-Shapiro & Shore, 2007, p. 167) and can involve a series of interactions between two or more actors who have something of value for one another. The object of exchange might be a service, goods, or money but could also include love, status, and information (Foa & Foa, 1980), thus encompassing both the business and social sides of exchanges.

We conceptualize the relationship between the owner family and the non-family CEO as a triad (Tidåsen, 2009). In so doing, we explicitly differentiate between the current and next generation in the owner family, which is a primary element for shaping continuity in family firms (Daspit et al., 2015). To reduce complexity, we keep with the dominant position in the family business literature and assume that the current and next generation each consist of only one actor. For instance, De Massis et al. (2008) define succession from an *incumbent* to a *potential successor*, while Daspit et al. focus on “exchanges that occur during the power transfer from a single incumbent to a single successor” (2015, p. 15). Moreover, the triad construct is a relatively good representation of actual family business practice, with family firms frequently influenced by a strong member of the current generation (Feltham, Feltham, & Barnett, 2005). As a result of their positions in the business and in terms of their (prospective) ownership, all actors in the triad are in a mandatory exchange relationship with

one another. Their exchanges can range from giving informal advice to formal performance evaluations, encompassing “either economic or socioemotional value” (Dasgupt et al., 2015, p. 5). As the exchange triad will become manifest mostly in a business setting due to the involvement of the non-family CEO, we assume that most of the exchanges will be related to questions of business or ownership.

In the case of dissatisfaction with the exchange triad, the owner family may opt to dismiss the current non-family member. However, for the non-family CEO, there is no alternative exchange relationship to the triad in the business, as the owner family is a constant in the business that cannot be avoided (Hall & Nordqvist, 2008). Accordingly, the only option in the case of dissatisfaction is to leave the business. Thus, the social exchange perspective encompasses both voluntary and involuntary turnover.

We understand the relationships in the triad based on whether the triad is in balance or imbalance. Our understanding of balance is informed by early work in sociology (Caplow, 1956; Emerson, 1962). While social balance theory has strongly contributed to the understanding of balance (Heider, 1958), we do not conceptualize balance as a question of symmetry or development. Instead, in a situation of balance, the actors in the triad have equal strength, and their dependence upon each other is equal (Emerson, 1962; Lawler et al., 2000). Accordingly, imbalance in the triad comes from a difference in dependence between the actors that weakens their respective positions. Such difference in dependence can stem from various sources. First, dependence may vary in different stages in the lifecycle of the family business (Griffeth, Allen, & Barrett, 2006). For instance, the next generation may be young and inexperienced and thus dependent on the current generation (Le Breton-Miller, Miller, & Steier, 2004) Second, actors often build a strong emotional attachment to the business that makes it harder for them to leave the triad. Thus, they may become more dependent on membership in the triad and may be unwilling to leave it (Davis & Harveston, 1999). Finally,

the dependence may also shift when actors keep each other in the dark or may even form coalitions (Caplow, 1956; Hall & Nordqvist, 2008). By using affect theory, we argue that different situations of imbalance will influence how social exchanges in the triad affect the turnover of non-family CEOs.

2.4. The Affect Theory of Social Exchange

Although the origins of social exchange theory are strongly oriented toward relationships as vehicles for maximizing personal gain (Homans, 1961), such view has recently become increasingly criticized, “partially because it ignores the importance of interpersonal interactions” (Mitchell et al., 2012, p. 99). Under certain circumstances, interdependent transactions have the potential “to generate high-quality relationships” (Cropanzano & Mitchell, 2005, p. 875) between the actors involved. A theory that is particularly well-equipped to understand attachment between actors is the affect theory of social exchange (Collett, 2010). Although the theory fits the study of the relationships in family firms, thus far only De Massis (2012) has utilized parts of it as an extension to the work of Barnett et al. (2012), and this work only depicted intrafamily exchange relations.

The main tenet of the affect theory developed by Lawler (2001) is that all social exchanges produce global emotions, which are attributed to social units, based on the type of exchange. These group attributions then lead to attachment or detachment from the group, depending on the emotions created in the exchange.

Following Weiner, the outcome of an exchange leads to “a general positive or negative reaction [...] based on the perceived success or failure of the outcome ” (1985, p. 560).

Accordingly, actors experience an emotional uplift after successful exchanges, whereas failed exchanges lead to emotional downs (Lawler, 2001). Lawler argues that emotions function as “valued, self-reinforcing (or self-punishing) stimuli” (2001, p. 332). Accordingly, individuals will try to understand their underlying causes, attributing emotions to the task, self, other, or

social unit. Especially social relations and groups, such as the exchange triad outlined in this article, offer “attractive explanations for actors (whether accurate or not), because social units are often stable features of the situation” (Lawler, 2001, p. 332). Lawler (2001) outlines two features of exchange tasks that make social-unit attribution more likely: *joint tasks and activities* and *shared responsibility*. If the exchange partners find it difficult to separate individual contributions in the exchange, the task has high ‘nonseparability’ (Lawler, 2001, p. 321). Those tasks with high levels of nonseparability generate shared feelings of responsibility for the outcomes of interaction; moreover, exchanges that are high on task nonseparability and shared responsibility create more global emotions (Lawler, 2001). Thus, the higher the shared responsibility in the exchange relationship, the more likely it is that its members will attach the generated emotions to the social unit.

A social unit is understood as the “bounded social entity perceived by actors as the principal context for the exchange” (Lawler, 2001, p. 331), which in this case consists of the triad between the non-family CEO and the current and next generation of the owner family. A positive (negative) outcome of an exchange could lead to feelings of pride (shame) toward oneself and gratitude (anger) toward the other. Such attribution may lead to an affective attachment (detachment) toward the social unit that is experienced as a source of positive (negative) emotional outcomes. Accordingly, the strongest affective links to a social unit are built when a social exchange entails “high nonseparability and fosters a high sense of shared responsibility” (Lawler et al., 2008, p. 524). These two features vary among the four basic types of social exchange, as shown in Figure 1.

Fig. 1: Four types of exchanges in the triad

Indirect exchanges entail that giver and receiver are not matched in pairs, meaning that actors do not receive their benefits directly from their exchange partner. Generalized exchange (upper left of Figure 1) entails a group of three or more actors who give and receive from one another. However, this giving and receiving does not occur directly between the exchange partners, which is why the benefits received are indirect. In a triad, for example, the non-family CEO may mentor the next generation member and receive gratitude from the current generation member in return. Because the exchanges are easy to separate, shared responsibility is low, thus leading to low person-to-group attributions. Productive exchange (upper right of Figure 1), in contrast, involves a “jointly-produced collective good wherein people unilaterally provide benefits to the group and receive benefit from it” (Lawler et al., 2008, p. 525). These benefits are not received directly from the exchange partners, so it is also an indirect exchange. In a triad, for example, all three actors may work on a new strategy for the business that provides collective benefits to all if successful. Because each contribution is interwoven in the joint efforts, it is difficult to distinguish the contributions of various individuals. Accordingly, shared responsibility and group attribution are high.

Reciprocal and negotiated exchanges (both bottom of Figure 1) are direct exchanges because the giving and receiving of benefits happens directly between the actors. Reciprocal exchange involves sequential giving and receiving separated by time and without explicit agreement of reciprocity. Over time, patterns of reciprocity evolve as actors feel increasingly obligated to reciprocate the unilateral benefits received by another party. In the triad, helping one another out with business tasks could be an example of an exchange that creates such expectation of reciprocity. Finally, negotiated exchanges have clear terms of trade that come into life through bargaining. They include clear agreements about the provision of one benefit for another, such as clear performance appraisal agreements between all three parties in the triad. Although in direct exchanges the individual contributions are distinguishable, in group level outcomes, the average of each negotiator's offers or demands, should lead to a moderate to high level of shared responsibility, albeit lower than in productive exchanges.

We posit that the exchange triad between non-family CEO, current and next generation will adopt one of these four types of social exchanges. The adopted exchanges may therefore vary across triads. In these exchange relationships, emotions created through the exchange will be attributed to the triad. As Lawler and colleagues argue (2001; 2008), exchanges that are higher on task nonseparability and shared responsibility will lead to more emotional attributions. Depending on whether such emotions are positive or negative for members in the triad, this attribution may lead to affective attachment to or detachment from the triad.

3. Propositions

3.1. The Impact of Affective Attachment on Turnover Intentions

As Lawler and colleagues (2001; 2008) argue, affective attachment toward the exchange triads leads to a heightened "tendency of actors to stay with and continue to exchange with those they have exchanged with in the past" (Lawler et al., 2008, p. 522).

Actors that have developed strong attachments to a social group will tend to forgive periodic opportunism and may stay in the relationship even when they have alternatives (Lawler & Thye, 1999). Based on affect theory, Price and Collett (2012) show that increased cohesion among teachers increases their intention to remain at their school. In addition, Taylor and Pillemer (2009) utilize affective detachment as a predictor for turnover, finding a clear link between affective linkages and turnover intentions. Whereas these authors examine attachment to the organization as a social unit, we argue that attachment to the triad represents a comparable case because owner family and business are strongly intertwined (Tagiuri & Davis, 1996). Stronger attachments to the triad will lead to lower levels of voluntary and forced turnovers because non-family CEOs may become more embedded in the owner family and its values (Huybrechts et al., 2013) or even “develop a heartfelt affinity for the family for which they work” (Blumentritt et al., 2007, p. 330). However, in other situations, members of the triad may become frustrated by exchanges or may feel unfairly treated, which would lead to detachment from the triad. Such detachment will lead to higher levels of voluntary and forced turnovers because non-family CEOs may increasingly experience the “dark side” of the family business (Kets De Vries, 1993) and may thus start to look for other positions. Similarly, when family actors experience their exchange relationship with non-family CEOs as the source of negative emotions, they may also be more likely to terminate the non-family CEO’s employment because they may fear losing socioemotional wealth (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). From this follows the first proposition, which is a baseline hypothesis formally establishing the connection between affective attachment or detachment to the triad and the non-family CEO’s turnover.

Proposition 1: *Affective attachment (detachment) to the exchange triad will lead to lower (higher) turnover of the non-family CEO.*

3.2. Balance in the Triad

We expect the triad to be most balanced when the actors have similar abilities and positions in the business, and exhibit a similar dependence toward the exchange triad, leading to more exchanges between the actors (Lawler et al., 2000). Moreover, a balance in the triad is more likely when the actors show mutual concern for their counterparts' positions, with the non-family CEO displaying 'cultural competence' (Hall & Nordqvist, 2008) and the family offering an environment that allows the CEO to succeed in the job (Blumentritt et al., 2007). Accordingly, in situations of balance, it is likely that exchanges between the actors will be successful.

Such a situation in the exchange triad will be most closely aligned with the original predictions by Lawler and colleagues (2001; 2008) because their design was geared to achieve balance among actors. Therefore, we expect that their original predictions will hold in this case, which means that productive exchanges will lead to the highest level of global emotions and accordingly affective attachment, that reciprocal and negotiated exchanges will lead to medium-to-high levels, and that generalized exchange will lead to the lowest level of attachment to the triad. Yet, even lower levels of attachment can motivate the actors to remain in their relationship. As several authors emphasize (Flynn, 2005; Lawler, 2001; Thye, Vincent, Lawler, & Yoon, 2014), exchanges can transform over time and become closer, which might potentially be the case based on the balance in the triad. Thus, actors in the triad may decide to engage in closer exchanges the more they come to know one another. In overall, all types of exchanges are likely to lead to emotional attachment, making it less likely that the actors will leave the relationship.

Proposition 2: *When the exchange triad is balanced, the turnover likelihood of the non-family CEO will be low.*

3.3.Imbalance in the Triad Regarding the Next Generation

An imbalance regarding the next generation is particularly common before and shortly after entering the family firm. In such ‘pre-succession’ phases (Nordqvist, Wennberg, Baù, & Hellerstedt, 2012), the next generation is frequently “likely to be relatively inexperienced, young, and to have little first-hand job market knowledge” (Griffeth et al., 2006, p. 503). Thus, the next generation is dependent on the goodwill and support of both the current generation and the non-family CEO, making them the weakest member in the triad. While the next generation gets to know the business and begins to develop the skills related to it, their position in the business is relatively low. Accordingly, the type and difficulty of functions they can perform will slowly grow due to increases in skills and abilities (Griffeth et al., 2006). Le Breton-Miller et al. (2004) outline that current generation members frequently take a mentoring role with respect to the next generation, thereby exposing them to the business and its stakeholders. In addition, the connection to the non-family CEO may prove valuable for mentoring future-generation leaders (Sharma, 2004). However, in most cases, the next generation lags behind the current generation and the non-family CEO in regards to expertise and ability, making it more difficult for this generation to positively contribute in the exchange triad.

Under such imbalance, reciprocal exchanges will likely lead to emotional detachment. These types of exchanges create more or less explicit obligations for reciprocity toward the giving person (Cropanzano & Mitchell, 2005). Thus, when the non-family CEO and current generation provide benefits to the next generation, it creates an obligation for the next generation to reciprocate. Because the next generation is not yet as experienced and skilled as the other two actors, we may therefore expect reciprocal exchanges to result in task failures that are “attributed to low ability and the absence of trying” (Weiner, 1985, p. 549). An arena to illustrate such exchanges is the board of directors, which presents a fitting real life example

that we will make use to illustrate our propositions. Especially in family-owned SMEs, it is quite common that both generations are part of the board, and that the non-family CEO takes part in board meetings to report about the business (Blumentritt et al., 2007). Under reciprocal exchanges, the implicit assumption would be that, over time, everyone will contribute similarly to the board discussions and tasks. It is likely that the next generation lacks the full understanding of what is required from a board member and lacks the skills of fulfilling the position; thus, their contributions would be minor.

Although the current generation may be content to receive higher commitment to the business from the next generation (Sharma & Irving, 2005), the non-family CEO can be expected to care more about business-related benefits. Over time, the non-family CEO may become frustrated with failed exchanges and thus would consider leaving the organization. Such task failures might be reduced by adopting a negotiated exchange, under which affective attachment to the triad becomes more likely. Negotiated exchanges are built upon pre-agreed levels of exchange, and are thus better adapted to deal with different levels of skills and positions. By explicitly settling for a level of reciprocity that the next generation can manage and that may be adjusted over time, neither actor is 'overburdened'. Going back to the previous board example, all three actors negotiate about what is expected of the next generation in the board. Such agreements most probably would include some sort of mentoring and would reduce the responsibility of the next generation. As their lack of knowledge is taken under consideration, it is likely that the exchanges will be successful. Therefore, under an imbalance to the next generation, negotiated exchanges make successful exchanges and affective attachment more likely.

Productive exchanges, in which all actors profit from the joint effort, are also likely to lead to affective detachment. The next generation may, due to its imbalanced position, fail to contribute as expected. Often, the board is working together on common issues, such as

strategic plans, to which all board members are supposed to contribute. However, the contributions of the next generation will probably be minor in comparison to the other two actors in the triad. Accordingly, the joint effort may either not come into being or may turn out to be below expectations. Such task failure may cause disappointment especially for the non-family CEO, since his or her efforts will likely lead to less than satisfactory benefits derived from the joint effort. A subsequent affective detachment from the triad is therefore probable, making an exit of the non-family CEO more likely. On the other hand, under such imbalance, generalized exchanges, in which provision of benefits are not based upon direct reciprocity, may lead to affective attachment to the triad. For instance, the non-family CEO may start to mentor and support the next generation in the board setting. This may lead to the next generation showing a greater interest in relation to the family business. In turn, the current generation may show appreciation toward the non-family CEO for helping to prepare the next generation. Although fewer and weaker emotions are created and attributed to the triad (Lawler, 2001), the likelihood of fewer task failures will make it more likely that the non-family CEO may remain in such situation.

In overall, even though all social exchanges share the same imbalance, task failures are more likely to occur in reciprocal and productive exchanges. It may lead the non-family CEO to consider leaving the organization because the CEO may contribute more than he or she receives from the triad. In case of productive exchanges, also the two generations may become discontent with the outcome of their exchanges, leading them to question whether to continue the current exchange situation. Accordingly, the affective detachment leads us to propose the following relationship:

Proposition 3: *Under an imbalance toward the next generation, reciprocal and productive exchanges are likely to lead to affective detachment, making non-family CEO turnover more probable.*

3.4.Imbalance in the Triad Regarding the Current Generation

An imbalance regarding the current generation is particularly common during the ‘phasing out’ period (Le Breton-Miller et al., 2004) – when the current generation reduces its involvement in the family firm, leaving the operative business of the firm and passing on the baton to the next generation. In this situation, the literature highlights the problem of ‘letting go’ of the business, wherein the current generation frequently “fear[s] losing an important part of their identity” (Lansberg, 1988, p. 125). This fear can drive the current generation to continue its oftentimes “excessive and inappropriate involvement in an organization, possibly causing social disruptions in the organization” (Davis & Harveston, 1999, p. 311). The unwanted involvement of the current generation may create confusion regarding individuals’ authority and responsibility, damaging both the position of the non-family CEO and the next generation (Davis & Harveston, 1999). Such wish for involvement may imbalance the power dependence in the triad, weakening the position of the current generation.

Under such imbalance, both types of direct exchanges are likely to lead to affective detachment for all actors in the triad. For the current generation, the link to the triad, and thus to the business, may take precedence ahead of creating actual benefits in the exchanges, since actors in reciprocal exchanges may value the act of exchange over the instrumental benefits of the exchange (Molm, 2003). Coming back to the example of interaction in the board of directors, under reciprocal exchange it is likely that the current generation actor seeks frequent interactions with both next generation and non-family CEO, calling them or visiting them outside the board setting. Accordingly, reciprocal exchanges initiated by the current generation may overburden the non-family CEO and the next generation because both actors may be unwilling or unable to reciprocate on the level desired by the current generation. Such failed exchanges are likely to evoke feelings of unpleasantness, which might lead the actors to emotionally detach from the triad. A similar problem may arise in negotiated exchanges, in

which actors have to set the terms of trade to achieve prospective benefits (Lawler & Yoon, 1993). Even though agreements on board practices may be set, the current generation actor, often also the former CEO, is not used to following formalized practices and may repeatedly break them (Blumentritt et al., 2007). Interactions become thus less attractive due to the problems associated with them, leading to actors starting fewer exchanges or potentially asking for higher contributions from the current generation (Molm, 2003). Thus, in both direct exchanges an affective detachment to the triad is likely, potentially leading to non-family CEO turnover.

In indirect exchanges, the imbalance toward the current generation may be mitigated by adopting a productive exchange. In productive exchanges, the contributions of all three actors move in the direction of a common project, for instance working together on a strategic plan. The current generation is often very knowledgeable about the business and has many connections built over years, so their contributions will benefit the strategic planning. The joint effort is not at risk by too much involvement of the current generation, which makes affective attachment to the triad a likely outcome. Finally, generalized exchanges eliminate the need for reciprocity because “no direct or immediate return is necessarily expected in any particular transaction between actors” (Long & Mathews, 2011, p. 291). Taking the pressure away from all actors to directly give back to each other on the board may make it easier to view the current generation not as a threat, but rather as a resource and advisor. As Long and Matthews (2011) explain, in such case, the long-term relationship of the actors is in focus, with the obligation not directed at particular members but rather at the group itself. Thus, it is likely that at least low levels of affective attachment to the triad come into being. Accordingly, for both indirect exchanges, it is likely that the CEO will remain in the position.

In overall, the task failures likely to occur in reciprocal and negotiated exchanges may lead the non-family CEO to detach from the triad and to consider leaving the position because

managing the family business becomes too challenging (Hall & Nordqvist, 2008). On the other hand, the current generation may also be unhappy with the exchanges in the triad and consider the dismissal of the non-family CEO as a potential solution. Accordingly, the affective detachment leads us to propose the following relationship:

Proposition 4: *Under an imbalance toward the current generation, reciprocal and negotiated exchanges are likely to lead to affective detachment, making non-family CEO turnover more probable.*

3.5. Imbalance in the Triad Regarding the Non-Family CEO

An imbalance in the triad regarding the non-family CEO is particularly common when either the non-family CEO or the family try to shut out the other party, which frequently occurs based on a lack of mutual understanding. Non-family CEOs oftentimes enter a family business to ‘professionalize’ it and are frequently understood to “provide objectivity and rationality to an emotional milieu” (Upton & Heck, 1997, p. 252). However, non-family CEOs often have little understanding of the goals and values of the family (Hall & Nordqvist, 2008). Many non-family CEOs have been educated in business schools in ‘rationalistic’ models of management and act as if they were working in a non-family firm, which can lead to problems in their relationship with both generations (Dyer, 1989; Schein, 1983). Conversely, the owner family is frequently not ready for the arrival of a non-family CEO (Blumentritt et al., 2007), and may continue to work in a ‘business as usual’ mode by making important decisions in arenas closed to non-family actors (Nordqvist, 2012). Accordingly, non-family actors “may feel excluded from key decisions” and have “little discretion or freedom to act” (Zahra, 2005, p. 29).

Under such imbalance, reciprocal exchanges are likely to lead to affective detachment in the triad. Trust between the actors may become a problem because benefits are provided “without knowing whether, when, or to what extent the other will reciprocate” (Molm, 2003,

p. 3). Returning to the example of the board, the non-family CEO may see the involvement of the family as intrusive, and accordingly may choose to not engage with the other actors in the triad. The family actors may also simply continue business-as-usual, keeping important exchanges in family arenas. Such lack of clear expectations and understandings between the actors can lead to what Molm (2003) describes as the ‘risk of nonreciprocation’, creating mistrust and frustration between the actors. Accordingly, all actors would start to detach from the triad and may consider ending the relationship. In such an imbalanced situation, negotiated exchanges, in which the frequency and content of exchange are set by the actors, are more likely to be successful. Such exchanges are particularly common in purely economic transactions that require the actors to set clear expectations for reciprocity (Lawler et al., 2008). In the board, such exchanges reflect a clear agreement about what is expected between each party. They may for instance highlight the role of the next generation in the triad, which the non-family CEO may otherwise have ignored. Although the negotiated exchange may not eliminate the misunderstandings between the parties, they reduce risk and uncertainty while allowing to establish more trust-based exchanges over time (Flynn, 2005). Thus, negotiated exchanges are likely to create affective attachment to the triad, making the exit of the non-family CEO less likely.

Examining indirect types of exchange, the imbalance toward the non-family CEO may lead to issues of coordination, making successful exchanges less likely. For instance, working on a strategic plan requires such coordination among all actors. Therefore, all three actors may choose not to commit too much to such project, not “realiz[ing] their mutual interests despite incentives to do so” (Lawler et al., 2000, p. 619). Such problems in coordinating the efforts that stem from problems between the family and CEO may make productive exchange less likely to come into being and more likely to lead to outcomes perceived as failures. A similar problem of coordination also applies to generalized exchange systems, in which all

actors must adhere to unilateral giving without the expectation of direct reciprocation, which turns the generalized exchange into a “delicate social system” (Flynn, 2005, p. 744). In particular, when there is an imbalance between the family and the non-family CEO, such coordination problems will probably be severe (Hall & Nordqvist, 2008). The actors on the board may therefore choose to not support each other because they fear that their contributions may not be reciprocated. Thus, in both indirect exchanges, affective detachment from the triad is likely, making the exit of the non-family CEO more likely.

Overall, the task failures likely to occur in reciprocal, productive, and generalized exchanges may lead the non-family CEO to consider leaving the organization because the interaction with the current and next generation leads to continued frustration. In such cases it is also likely that the family members will consider dismissing the CEO because they are dissatisfied with the overall situation and fear to lose socioemotional wealth (Gómez-Mejía et al., 2007). Accordingly, the affective detachment leads us to propose the following relationship:

Proposition 5: *Under an imbalance toward the non-family CEO, reciprocal and negotiated exchanges are likely to lead to affective detachment, making non-family CEO turnover more probable.*

3.6 Overall Turnover Intentions

In the previous propositions, we outlined in which situations balanced exchange relationships may create affective attachment to the triad, influencing the turnover of the non-family CEO. As Lawler and colleagues (2001; 2008) note, different types of exchange lead to different levels of affective attachment. Accordingly, in some balanced situations, it is more likely that stronger affective attachment will come into being. As outlined above, productive exchanges create the strongest global emotions and affective attachment to the triad based on high task nonseparability and shared responsibility, reciprocal and negotiated exchanges

create medium-to-high attachments, and generalized exchanges create only relatively low levels of affective attachment (Lawler, 2001).

In a balanced exchange triad, we expect that all exchanges lead to at least low levels of affective attachment. Similar to the predictions of Lawler and colleagues (2001; 2008), we expect that when the triad is in balance, the highest level of emotional attachment is created, making turnover of the non-family CEO least likely. We expect the next-highest level of emotional attachment under an imbalance toward the current generation, in which generalized and productive exchanges lead to affective attachment. Under an imbalance toward the next generation, generalized and negotiated exchange are expected to lead to affective attachment. However, we expect this to be at lower levels than under the imbalance to the current generation, since productive exchange creates a stronger affective attachment than negotiated exchange (Lawler et al., 2008). Lastly, we expect the lowest levels of affective attachment under an imbalance toward the non-family CEO. In this case, we argue that only negotiated exchanges lead to affective attachment to the triad. As argued in Proposition 1, affective attachment is negatively related to CEO turnover. Accordingly, we expect that under the potentially highest level of affective attachment, turnover becomes least likely. This leads us to propose the following relationship:

Proposition 6: *The turnover of the non-family CEO is a) most likely under an imbalance toward the non-family CEO, b) likely under an imbalance toward the next generation, c) less likely under an imbalance toward the current generation, and d) least likely when the triad is balanced.*

4. Discussion

4.1. Contributions

Interpersonal relationships play an important role in why employees remain in or leave an organization; such a notion is especially important in the context of family firms in which

interpersonal relationships are particularly central (Hall & Nordqvist, 2008; Matlay, 1999). Our article furthers the discussion regarding how relationships between actors affect turnover and retention of non-family CEOs by looking through the lens of affect (Lawler, 2001; Lawler et al., 2008). To understand how relationships influence CEO turnover in our context, we employ social exchange theory to conceptualize an exchange triad between the non-family CEO, and the current and next generation family members. Such a depiction allows us to paint the non-family CEO as being in direct interaction with the owner family and not just as a ‘recipient’ of intrafamily exchanges (Barnett et al., 2012; Long & Mathews, 2011). As extant research shows, affective attachment leads to a heightened tendency of actors to remain in exchange relationships, while affective detachment makes it more likely that actors would look for alternative exchange partners (Lawler et al., 2008). We thus describe four different situations of balance or imbalance and how different exchange types are likely to influence the potential turnover of non-family CEOs. Thus, our conceptualization may help explain the differing tenures of non-family CEOs (McConaughy, 2000; Salvato et al., 2012; Westhead et al., 2001).

We also extend the discussion about exchange types in family firms. Long and Mathews (2011) for instance compare restricted with generalized exchange systems, highlighting the positive influence of generalized, group-oriented exchanges on ethics in family firms. Our theoretical argumentation highlights the importance of taking into consideration the current situation of the business and family (Griffeth et al., 2006). While a generalized exchange system may be desired by the family, we argue that to create cohesion under certain situations of imbalance it is important to deploy more contractual exchanges. As Flynn (2005) argues, individualistic exchanges may be the starting point for closer exchanges in the future, as actors get to know each other better. Lastly, we make an important distinction regarding family actors. The next generation and their relationship to the non-family CEO has

been mostly ignored in previous literature (Daspit et al., 2015; Hall & Nordqvist, 2008). Our conceptualization allows us to capture how the presence of the next generation in the family business may influence relations with the non-family CEO that drive or hinder turnover. Moreover, the interaction with the non-family CEO may also affect the next generation's attachment to the business. Thus, an exchange perspective may also help to overcome the "dearth of prior research [...] examining the effect of nonfamily stakeholders on the development of potential successors" (Daspit et al., 2015, p. 11).

4.2 Implications and Future Research

In our study, we focus only on a single actor in both family generations. Although this is a common situation (Daspit et al., 2015), our conceptualization is also useful for other types of family business situations, such as the involvement of multiple next generation members. We believe that considering different potential members in the triad as well as the conception between single or aggregated actor could further future research. Emerson (1962) noted that actors can be either a person or a group. Therefore, it is possible to display the triad as an interaction of three actor groups, encompassing several members of the non-family management, and the current and next generation. Several recent articles investigate the relationship between management, board, and family (Patel & Cooper, 2014; Zona, 2016). Displaying all three groups as an actor in a triad may help understand, for instance, current findings that highlight especially successful family firm configurations (González-Cruz & Cruz-Ros, 2016). As several researchers have noted (Kellermanns & Eddleston, 2004; Kets De Vries, 1993), later generation family firms tend to attract more conflict due to the dispersion of ownership, for instance in so-called cousin consortia (Gersick, Lansberg, Desjardins, & Dunn, 1999). Moreover, the topic of multifamily business has received attention, looking at firms that were founded by two different families recently (Brigham & Payne, 2015; Pieper, Smith, Kudlats, & Astrachan, 2015). Our theoretical perspective may be

a good starting point to investigate how the interaction between several different family parts, displayed as aggregated actors, may affect conflict and cohesion. The possibility to compare exchanges in multifamily businesses with cousin consortia could also be an interesting point for future investigation.

Moreover, while our study utilizes the triad to understand how attachment affects the turnover of the non-family CEO, our conceptualization also has implications for younger and older family generations. The link of the next generation could offer new insights for understanding the reasons for next-generation members to enter family firms and commit to them. For instance, Sharma and Irving (2005) highlight the importance of affective commitment regarding the next generation's decision to pursue a career in the family firm. Next generation members that come to understand the exchange triad as a source of positive emotions may be more willing to remain in the family firm and be more committed as a result (Lawler, 2001).

Following such line of inquiry could also further our understanding of the “effect of nonfamily stakeholders on the development of potential successors” (Dasgupta et al., 2015, p. 11). The current generation's link to the triad may allow for new research into the integration of non-family management. Previous research has shown that founders may find it easier to integrate non-family managers because they are less interested in family goals than later generations (Jaskiewicz, Block, Combs, & Miller, 2015; Patel & Cooper, 2014). Accordingly, future research may try to compare triads of first-generation family firms with firms in later generations to see how dynamics may differ, and how they may influence the turnover of the non-family CEO. Such research may also help to uncover how non-family managers may influence the process of ‘phasing out’ the current generation.

While we have related the concept of affective attachment to the turnover of non-family CEOs, it opens research opportunities into other areas as well. While several authors

have highlighted the benefits of embedding non-family managers in the company (Barbera & Hasso, 2013; Hall & Nordqvist, 2008; Nordqvist, 2012), a strong affective attachment may also have negative effects. Miller (1991) argues that CEOs may become ‘stale in the saddle’ when they stay too long in a company, and also Huybrechts and colleagues (2013) argue that non-family CEOs over time lose their entrepreneurial orientation as they begin to identify too strongly with the family firm. Thus, future research could identify how affective attachment may drive not only turnover, but also business outcomes such as performance or innovation.

Our propositions do not take into consideration the possibility that actors may simultaneously be members in different triads at the same time and that different triads may be present in the same organization. Krackhardt’s (1999) conceptualization of Simmelian ties could be an interesting way forward for future research. Actors are in Simmelian ties when they are “reciprocally and strongly tied to each other and [...] are each reciprocally and strongly tied to at least one third party in common” (Krackhardt, 1999, p. 186). Actors may sit in-between chairs, being simultaneously connected to other triads via Simmelian ties. Such depiction could be an interesting starting point for how, for example, membership in external organizations, informal networks, or also boards may influence the triad in family firms, because such ties come “at a price: they also subject the players to group norms” (Krackhardt, 1999, p. 190). Taking such a perspective may thus help understand how group norms from other connections may shape a non-family manager’s social identity (Waldkirch, 2015).

Finally, our conceptualization does not consider previous connections and potential predispositions toward one another, which are shown to influence the exchanges that actors prefer (Flynn, 2005). Whether the non-family CEO has previous experience with the owner family makes a difference, especially in the beginning stages of the CEO’s tenure (Minichilli, Nordqvist, Corbetta, & Amore, 2014). Although this is a shortcoming of our conceptualization, it also opens future possibilities. First, the issue of previous contact is

strongly related to the origin of the non-family CEO. Although the discussion regarding whether CEO successors are insiders or outsiders to the focal organization has been ongoing for half a century (Grusky, 1960; Karaevli & Zajac, 2013), such discussion has thus far not been broached in the research on family firms and non-family CEOs. Only recently, Minichilli et al. (2014) have shed light on this topic by differentiating between three modes of succession. Looking at social exchanges may be insightful for investigating how CEO origin (as an insider or outsider) may influence exchanges in the triad. For instance, coordination in interdependent exchanges depends strongly on trust between actors, so we might expect that being an insider may make task failure less likely. Second, Shaw (2011, p. 208) argues that turnover research in the future must examine “how turnover changes, damages, or perhaps improves the organization’s social fabric”. In family firms, the social fabric is closely related to the socioemotional wealth of the owner family (Gómez-Mejía et al., 2007), which can be disrupted with CEO succession. Yet, we have little knowledge about how turnover of non-family CEOs affects the socioemotional wealth of the family firm. More empirical research is necessary to better explain when the turnover of the non-family CEO damages or improves a family firm’s socioemotional wealth. In order to understand such issues, we believe that in-depth qualitative approaches may yield new and important insights because good contact with the family “might lead to the revealing of experiences, thoughts and emotions which individuals would normally not voice” (Nordqvist, Hall, & Melin, 2009, p. 304).

4.3 Practical Implications

Given the many failures of new non-family CEOs (Klein & Bell, 2007), our study has relevant implications for human resource management and family business practice. Based on our conceptualization, we argue that relationships and the way of working in family firms are crucial for retaining non-family CEOs and for avoiding and solving conflicts. Intrafamily relationships have been in focus for a long time (Handler, 1994; Kellermanns & Eddleston,

2004), but the relationship to non-family managers has only recently received the attention it deserves.

As we implicitly highlight in our article, most of the exchanges that we expect to fail do so because of unclear or unmet expectations of the different actors. All types of exchange have the potential to lead to a positive working environment, but it is important for the family and non-family actors to clearly outline their expectations. This has important implications for the recruitment process of non-family CEOs. Hall and Nordqvist (2008) criticize that managers are often picked based only on ‘formal’ competences. Highlighting the initial exchanges in the triad, we believe it is important both for the family and the non-family actors to clearly communicate their expectations for interaction, for instance, regarding the involvement of the next generation.

Internal recruitment may allow family firms to circumvent several of the problems mentioned above, since internal candidates already have an intimate understanding of the family and its goals. However, from an HR perspective the recruitment decision may present a trade-off for the family. While internal candidates may make for a smoother transition and are more likely to retain the social fabric of the family firm, they are often seen as representing the status quo, leading to little changes in the business (Minichilli et al., 2014). The choice of new CEOs may thus also become a trade-off between stability and disruption. Nevertheless, interactions with both generations should play an important consideration in choosing a non-family successor (Minichilli et al., 2014). Finally, our article highlights the importance of taking under consideration the balance between all actors, and that exchanges and interactions between actors need to be adjusted over time.

4.4 Conclusion

Interpersonal relationships are an important factor in organizations, and an increasing number of articles show how they affect why people remain or stay with an organization (Lee

et al., 2014; Soltis et al., 2013; Vardaman et al., 2015). We heed the current call to incorporate a broader range of theories in the family business literature (James et al., 2012; Jennings, Breitzkreuz, & James, 2014) by utilizing the affect theory of social exchange (Lawler, 2001; Lawler et al., 2008). Conceptualizing the relationship between the non-family CEO, the current and next generation as an exchange triad, we investigate how affective attachment between actors in an exchange triad affects the turnover or retention of non-family CEOs. We especially highlight how imbalances in the triad influence turnover. Our article contributes to knowledge regarding turnover and non-family CEOs in family firms by providing a novel theoretical explanation for turnover, conceptualizing in which situations retention or turnover is more likely. Moreover, by integrating the next generation as an important part of the interaction between the non-family CEO and the owner family we highlight an important, yet overlooked actor.

References

- Anderson, R. C., & Reeb, D. M. (2003). Founding-family ownership and firm performance: evidence from the S&P 500. *The Journal of Finance*, 58(3), 1301–1328.
- Barbera, F., & Hasso, T. (2013). Do We Need to Use an Accountant? The Sales Growth and Survival Benefits to Family SMEs. *Family Business Review*, 26(3), 271–292. <https://doi.org/10.1177/0894486513487198>
- Barnett, T., Long, R. G., & Marler, L. E. (2012). Vision and Exchange in Intra-Family Succession: Effects on Procedural Justice Climate Among Nonfamily Managers. *Entrepreneurship Theory and Practice*, 36(6), 1207–1225.
- Baumeister, R. F., & Leary, M. R. (1995). The need to belong: Desire for interpersonal attachments as a fundamental human motivation. *Psychological Bulletin*, 117(3), 497–529. <https://doi.org/http://dx.doi.org/10.1037/0033-2909.117.3.497>
- Blumentritt, T. P., Keyt, A. D., & Astrachan, J. H. (2007). Creating an Environment for Successful Nonfamily CEOs: An Exploratory Study of Good Principals. *Family Business Review*, 20(4), 321–335.
- Brigham, K. H., & Payne, G. T. (2015). The Transitional Nature of the Multifamily Business. *Entrepreneurship Theory and Practice*, 39(6), 1339–1347. <https://doi.org/10.1111/etap.12173>
- Caplow, T. (1956). A Theory of Coalitions in the Triad. *American Sociological Review*, 21(4), 489–493. <https://doi.org/10.2307/2088718>
- Chang, S.-J., & Shim, J. (2014). When does transitioning from family to professional management improve firm performance? *Strategic Management Journal*, n/a-n/a. <https://doi.org/10.1002/smj.2289>
- Collett, J. L. (2010). Integrating Theory, Enhancing Understanding: The Potential Contributions of Recent Experimental Research in Social Exchange for Studying Intimate Relationships. *Journal of Family Theory & Review*, 2(4), 280–298. <https://doi.org/10.1111/j.1756-2589.2010.00062.x>
- Coyle-Shapiro, J. A.-M., & Shore, L. M. (2007). The employee–organization relationship: Where do we go from here? *Human Resource Management Review*, 17(2), 166–179. <https://doi.org/10.1016/j.hrmr.2007.03.008>
- Cropanzano, R., & Mitchell, M. S. (2005). Social Exchange Theory: An Interdisciplinary Review. *Journal of Management*, 31(6), 874–900. <https://doi.org/10.1177/0149206305279602>
- Daspit, J. J., Holt, D. T., Chrisman, J. J., & Long, R. G. (2015). Examining Family Firm Succession From a Social Exchange Perspective A Multiphase, Multistakeholder Review. *Family Business Review*, 894486515599688. <https://doi.org/10.1177/0894486515599688>
- Davis, P. S., & Harveston, P. D. (1999). In the Founder's Shadow: Conflict in the Family Firm. *Family Business Review*, 12(4), 311–323.
- De Massis, A. (2012). Family Involvement and Procedural Justice Climate Among Nonfamily Managers: The Effects of Affect, Social Identities, Trust, and Risk of Non-Reciprocity. *Entrepreneurship Theory and Practice*, 36(6), 1227–1234.
- De Massis, A., Chua, J. H., & Chrisman, J. J. (2008). Factors Preventing Intra-Family Succession. *Family Business Review*, 21(2), 183–199. <https://doi.org/10.1111/j.1741-6248.2008.00118.x>
- Dyer, W. G. J. (1989). Integrating Professional Management into a Family Owned Business. *Family Business Review*, 2(3), 221–235.
- Emerson, R. M. (1962). Power-Dependence Relations. *American Sociological Review*, 27(1), 31–41. <https://doi.org/10.2307/2089716>

- Felps, W., Mitchell, T. R., Hekman, D. R., Lee, T. W., Holtom, B. C., & Harman, W. S. (2009). Turnover Contagion: How Coworkers' Job Embeddedness and Job Search Behaviors Influence Quitting. *Academy of Management Journal*, 52(3), 545–561. <https://doi.org/10.5465/AMJ.2009.41331075>
- Feltham, T. S., Feltham, G., & Barnett, J. J. (2005). The Dependence of Family Businesses on a Single Decision-Maker. *Journal of Small Business Management*, 43(1), 1–15. <https://doi.org/10.1111/j.1540-627X.2004.00122.x>
- Flynn, F. J. (2005). Identity Orientations and Forms of Social Exchange in Organizations. *The Academy of Management Review*, 30(4), 737–750. <https://doi.org/10.2307/20159165>
- Foa, E. B., & Foa, U. G. (1980). Resource Theory. In K. J. Gergen, M. S. Greenberg, & R. H. Willis (Eds.), *Social Exchange* (pp. 77–94). Springer US.
- Gedajlovic, E., Carney, M., Chrisman, J. J., & Kellermanns, F. W. (2012). The Adolescence of Family Firm Research Taking Stock and Planning for the Future. *Journal of Management*, 38(4), 1010–1037. <https://doi.org/10.1177/0149206311429990>
- Gersick, K. E., Lansberg, I., Desjardins, M., & Dunn, B. (1999). Stages and Transitions: Managing Change in the Family Business. *Family Business Review*, 12(4), 287–297.
- Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly*, 52(1), 106–137.
- González-Cruz, T. F., & Cruz-Ros, S. (2016). When does family involvement produce superior performance in SME family business? *Journal of Business Research*, 69(4), 1452–1457. <https://doi.org/10.1016/j.jbusres.2015.10.124>
- Griffeth, R. W., Allen, D. G., & Barrett, R. (2006). Integration of family-owned business succession with turnover and life cycle models: Development of a successor retention process model. *Human Resource Management Review*, 16(4), 490–507.
- Grusky, O. (1960). Administrative Succession in Formal Organizations. *Social Forces*, 39(2), 105–115. <https://doi.org/10.2307/2574148>
- Hall, A. (2003). *Strategising in the Context of Genuine Relations : An Interpretative Study of Strategic Renewal Through Family Interactions*. Jönköping: JIBS Dissertation Series.
- Hall, A., & Nordqvist, M. (2008). Professional Management in Family Businesses: Toward an Extended Understanding. *Family Business Review*, 21(1), 51–69.
- Handler, W. C. (1994). Succession in Family Business: A Review of the Research. *Family Business Review*, 7(2), 133–157.
- Heider, F. (1958). *The Psychology of Interpersonal Relations*. New York: John Wiley & Sons.
- Holtom, B. C., Mitchell, T. R., Lee, T. W., & Eberly, M. B. (2008). Turnover and Retention Research: A Glance at the Past, a Closer Review of the Present, and a Venture into the Future. *The Academy of Management Annals*, 2(1), 231–274. <https://doi.org/10.1080/19416520802211552>
- Hom, P. W., Mitchell, T. R., Lee, T. W., & Griffeth, R. W. (2012). Reviewing employee turnover: Focusing on proximal withdrawal states and an expanded criterion. *Psychological Bulletin*, 138(5), 831–858. <https://doi.org/http://dx.doi.org/10.1037/a0027983>
- Homans, G. C. (1961). *Social behavior: Its elementary forms*. New York: Harcourt Brace.
- Huybrechts, J., Voordeckers, W., & Lybaert, N. (2013). Entrepreneurial Risk Taking of Private Family Firms The Influence of a Nonfamily CEO and the Moderating Effect of CEO Tenure. *Family Business Review*, 26(2), 161–179. <https://doi.org/10.1177/0894486512469252>

- James, A. E., Jennings, J. E., & Breitzkreuz, R. S. (2012). Worlds Apart? Rebridging the Distance Between Family Science and Family Business Research. *Family Business Review*, 25(1), 87–108. <https://doi.org/10.1177/0894486511414271>
- Jaskiewicz, P., Block, J. H., Combs, J. G., & Miller, D. (2015). The Effects of Founder and Family Ownership on Hired CEOs' Incentives and Firm Performance. *Entrepreneurship Theory and Practice*, n/a-n/a. <https://doi.org/10.1111/etap.12169>
- Jaskiewicz, P., Uhlenbruck, K., Balkin, D. B., & Reay, T. (2013). Is nepotism good or bad? Types of nepotism and implications for knowledge management. *Family Business Review*, 26(2), 121–139.
- Jennings, J. E., Breitzkreuz, R. S., & James, A. E. (2014). Theories from family science: A review and roadmap for family business research. In L. Melin, M. Nordqvist, & P. Sharma (Eds.), *The SAGE Handbook of Family Business* (pp. 25–46).
- Karaevli, A., & Zajac, E. J. (2013). When Do Outsider CEOs Generate Strategic Change? The Enabling Role of Corporate Stability. *Journal of Management Studies*, 50(7), 1267–1294. <https://doi.org/10.1111/joms.12046>
- Karsan, R. (2007). Calculating the cost of turnover. *Employment Relations Today*, 34(1), 33–36. <https://doi.org/10.1002/ert.20139>
- Kellermanns, F. W., & Eddleston, K. A. (2004). Feuding Families: When Conflict Does a Family Firm Good. *Entrepreneurship Theory and Practice*, 28(3), 209–228. <https://doi.org/10.1111/j.1540-6520.2004.00040.x>
- Kets De Vries, M. F. R. (1993). The Dynamics of Family Controlled Firms: The Good and the Bad News. *Organizational Dynamics*, 21(3), 59–71.
- Klein, S. B., & Bell, F.-A. (2007). Non-family Executives in Family Businesses : a Literature Review. *Electronic Journal of Family Business Studies (EJFBS)*, 1(1), 19–37.
- Krackhardt, D. (1999). The ties that torture: Simmelian tie analysis in organizations. *Research in the Sociology of Organizations*, 16(1), 183–210.
- Lansberg, I. (1988). The Succession Conspiracy. *Family Business Review*, 1(2), 119–143.
- Lawler, E. J. (2001). An Affect Theory of Social Exchange. *American Journal of Sociology*, 107(2), 321–352.
- Lawler, E. J., & Thye, S. R. (1999). Bringing Emotions into Social Exchange Theory. *Annual Review of Sociology*, 25, 217–244.
- Lawler, E. J., Thye, S. R., & Yoon, J. (2000). Emotion and Group Cohesion in Productive Exchange. *American Journal of Sociology*, 106(3), 616–657. <https://doi.org/10.1086/318965>
- Lawler, E. J., Thye, S. R., & Yoon, J. (2008). Social Exchange and Micro Social Order. *American Sociological Review*, 73(4), 519–542.
- Lawler, E. J., & Yoon, J. (1993). Power and the Emergence of Commitment Behavior in Negotiated Exchange. *American Sociological Review*, 58(4), 465–481. <https://doi.org/10.2307/2096071>
- Le Breton-Miller, I., Miller, D., & Steier, L. P. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory and Practice*, 28(4), 305–328.
- Lee, T. W., Burch, T. C., & Mitchell, T. R. (2014). The Story of Why We Stay: A Review of Job Embeddedness. *Annual Review of Organizational Psychology and Organizational Behavior*, 1(1), 199–216. <https://doi.org/10.1146/annurev-orgpsych-031413-091244>
- Levinson, H. (1971). Conflicts that plague family businesses. *Harvard Business Review*, 49(2), 90.
- Long, R. G., & Mathews, K. M. (2011). Ethics in the Family Firm: Cohesion through Reciprocity and Exchange. *Business Ethics Quarterly*, 21(2), 287–308.
- Matlay, H. (1999). Employee relations in small firms: A micro-business perspective. *Employee Relations*, 21(3), 285–295. <https://doi.org/10.1108/01425459910273125>

- McConaughy, D. L. (2000). Family CEOs vs. Nonfamily CEOs in the Family-Controlled Firm: An Examination of the Level and Sensitivity of Pay to Performance. *Family Business Review*, 13(2), 121–131.
- Miller, D. (1991). Stale in the Saddle: Ceo Tenure and the Match Between Organization and Environment. *Management Science*, 37(1), 34–52.
- Miller, D., Le Breton-Miller, I., Minichilli, A., Corbetta, G., & Pittino, D. (2014). When do Non-Family CEOs Outperform in Family Firms? Agency and Behavioural Agency Perspectives. *Journal of Management Studies*, 51(4), 547–572. <https://doi.org/10.1111/joms.12076>
- Minichilli, A., Nordqvist, M., Corbetta, G., & Amore, M. D. (2014). CEO Succession Mechanisms, Organizational Context, and Performance: A Socio-Emotional Wealth Perspective on Family-Controlled Firms. *Journal of Management Studies*, 51(7), 1153–1179. <https://doi.org/10.1111/joms.12095>
- Mitchell, M. S., Cropanzano, R. S., & Quisenberry, D. M. (2012). Social Exchange Theory, Exchange Resources, and Interpersonal Relationships: A Modest Resolution of Theoretical Difficulties. In K. Törnblom & A. Kazemi (Eds.), *Handbook of Social Resource Theory* (pp. 99–118). Springer New York.
- Mitchell, T. R., Holtom, B. C., Lee, T. W., Sablinski, C. J., & Erez, M. (2001). Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover. *Academy of Management Journal*, 44(6), 1102–1121. <https://doi.org/10.2307/3069391>
- Molm, L. D. (2003). Theoretical Comparisons of Forms of Exchange. *Sociological Theory*, 21(1), 1–17. <https://doi.org/10.1111/1467-9558.00171>
- Mossholder, K. W., Settoon, R. P., & Henagan, S. C. (2005). A Relational Perspective on Turnover: Examining Structural, Attitudinal, and Behavioral Predictors. *Academy of Management Journal*, 48(4), 607–618. <https://doi.org/10.5465/AMJ.2005.17843941>
- Nordqvist, M. (2012). Understanding strategy processes in family firms: Exploring the roles of actors and arenas. *International Small Business Journal*, 30(1), 24–40. <https://doi.org/10.1177/0266242611407413>
- Nordqvist, M., Hall, A., & Melin, L. (2009). Qualitative research on family businesses: The relevance and usefulness of the interpretive approach. *Journal of Management and Organization*, 15(3), 294–308.
- Nordqvist, M., Wennberg, K., Baù, M., & Hellerstedt, K. (2012). An entrepreneurial process perspective on succession in family firms. *Small Business Economics*, 40(4), 1087–1122. <https://doi.org/10.1007/s11187-012-9466-4>
- Patel, P. C., & Cooper, D. (2014). Structural Power Equality Between Family and Non-Family Tmt Members and the Performance of Family Firms. *Academy of Management Journal*, 57(6), 1624–1649. <https://doi.org/10.5465/amj.2012.0681>
- Pieper, T. M., Smith, A. D., Kudlats, J., & Astrachan, J. H. (2015). The Persistence of Multifamily Firms: Founder Imprinting, Simple Rules, and Monitoring Processes. *Entrepreneurship Theory and Practice*, 39(6), 1313–1337. <https://doi.org/10.1111/etap.12179>
- Price, H. E., & Collett, J. L. (2012). The role of exchange and emotion on commitment: A study of teachers. *Social Science Research*, 41(6), 1469–1479. <https://doi.org/10.1016/j.ssresearch.2012.05.016>
- PwC. (2014). Up close and professional: the family factor - Global Family Business Survey. Retrieved from <http://www.pwc.com/gx/en/pwc-family-business-survey/download.jhtml>
- Salvato, C., Minichilli, A., & Piccarreta, R. (2012). Faster Route to the CEO Suite Nepotism or Managerial Proficiency? *Family Business Review*, 25(2), 206–224. <https://doi.org/10.1177/0894486511427559>

- Schein, E. H. (1983). The Role of the Founder in Creating Organizational Culture. *Family Business Review*, 8(3), 221–238. <https://doi.org/10.1111/j.1741-6248.1995.00221.x>
- Sharma, P. (2004). An Overview of the Field of Family Business Studies: Current Status and Directions for the Future. *Family Business Review*, 17(1), 1–36.
- Sharma, P., & Irving, P. G. (2005). Four Bases of Family Business Successor Commitment: Antecedents and Consequences. *Entrepreneurship Theory and Practice*, 29(1), 13–33. <https://doi.org/10.1111/j.1540-6520.2005.00067.x>
- Shaw, J. D. (2011). Turnover rates and organizational performance: Review, critique, and research agenda. *Organizational Psychology Review*, 1(3), 187–213. <https://doi.org/10.1177/2041386610382152>
- Soltis, S. M., Agneessens, F., Sasovova, Z., & Lbianca, G. (Joe). (2013). A Social Network Perspective on Turnover Intentions: The Role of Distributive Justice and Social Support. *Human Resource Management*, 52(4), 561–584. <https://doi.org/10.1002/hrm.21542>
- Steel, R. P., & Lounsbury, J. W. (2009). Turnover process models: Review and synthesis of a conceptual literature. *Human Resource Management Review*, 19(4), 271–282. <https://doi.org/10.1016/j.hrmr.2009.04.002>
- Tagiuri, R., & Davis, J. A. (1996). Bivalent Attributes of the Family Firm. *Family Business Review*, 9(2), 199–208.
- Taylor, C., & Pillemer, K. (2009). Using Affect to Understand Employee Turnover: A Context-Specific Application of a Theory of Social Exchange. *Sociological Perspectives*, 52(4), 481–504. <https://doi.org/10.1525/sop.2009.52.4.481>
- Thye, S. R., Vincent, A., Lawler, E. J., & Yoon, J. (2014). Relational Cohesion, Social Commitments, and Person-to-Group Ties: Twenty-Five Years of a Theoretical Research Program. In *Advances in Group Processes* (Vol. 31, pp. 99–138). Emerald Group Publishing Limited. Retrieved from <http://www.emeraldinsight.com/doi/full/10.1108/S0882-614520140000031008>
- Tidåsen, C. (2009). *Att ta över pappas bolag: En studie av affärsförbindelser som triadtransformationer under generationsskiftet i familjeföretag* (dissertation). LNU. Retrieved from <http://lnu.diva-portal.org/smash/record.jsf?pid=diva2:206470>
- Upton, N., & Heck, R. K. Z. (1997). The Family Business Dimension of Entrepreneurship. In D. L. Sexton & R. W. Smilor (Eds.), *Entrepreneurship 2000* (pp. 243–266). Chicago, IL: Upstart Publishing Company.
- Vardaman, J. M., Taylor, S. G., Allen, D. G., Gondo, M. B., & Amis, J. M. (2015). Translating Intentions to Behavior: The Interaction of Network Structure and Behavioral Intentions in Understanding Employee Turnover. *Organization Science*, 26(4), 1177–1191. <https://doi.org/10.1287/orsc.2015.0982>
- Waldkirch, M. (2015). Social identity theory and the family business. In M. Nordqvist, L. Melin, M. Waldkirch, & G. Kumeto (Eds.), *Theoretical Perspectives on Family Businesses* (pp. 137–156). London: Edward Elgar Publishing.
- Weiner, B. (1985). An attributional theory of achievement motivation and emotion. *Psychological Review*, 92(4), 548–573. <https://doi.org/10.1037/0033-295X.92.4.548>
- Westhead, P., Cowling, M., & Howorth, C. (2001). The Development of Family Companies: Management and Ownership Imperatives. *Family Business Review*, 14(4), 369–385. <https://doi.org/10.1111/j.1741-6248.2001.00369.x>
- Williams, M. (2001). In Whom We Trust: Group Membership as an Affective Context for Trust Development. *Academy of Management Review*, 26(3), 377–396. <https://doi.org/10.5465/AMR.2001.4845794>
- Zahra, S. A. (2005). Entrepreneurial Risk Taking in Family Firms. *Family Business Review*, 18(1), 23–40. <https://doi.org/10.1111/j.1741-6248.2005.00028.x>

- Zellweger, T. M., & Sieger, P. (2012). Entrepreneurial orientation in long-lived family firms. *Small Business Economics*, 38(1), 67–84. <https://doi.org/10.1007/s11187-010-9267-6>
- Zhang, M., Fried, D. D., & Griffeth, R. W. (2012). A review of job embeddedness: Conceptual, measurement issues, and directions for future research. *Human Resource Management Review*, 22(3), 220–231. <https://doi.org/10.1016/j.hrmr.2012.02.004>
- Zona, F. (2016). CEO leadership and board decision processes in family-controlled firms: comparing family and non-family CEOs. *Small Business Economics*, 47(3), 735–753. <https://doi.org/10.1007/s11187-016-9764-3>