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Trust in family businesses: A more comprehensive empirical review

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Abstract: Trust has been used in family business research mostly to explain firm performance or as a characteristic of family businesses. Despite this interest to trust, theories and evidence accumulating on trust in family business is not well integrated and that the literature as a whole lacks coherence. The study, focuses on conceptualizations and operationalization of trust, addresses some issues relating to trust and represents an empirical research to investigate parts and contents of trust within family businesses. Our findings support our belief, decision and action models. The results suggest that contents of trust determine the trustor's perception of other party's trustworthiness in family businesses. There is a necessity to follow integrated model of trust in future family business researches, since trust is an important factor in this field and need to be investigated more coherently.

Subjects: Interpersonal Communication; Organizational Communication; Development Communication; Family Communication

Keywords: trust; family business

1. Introduction

One of the most examined elements in family business research is of trust; some studies focus on the impact of trust on performance of and investigate trust as a competitive advantages for family businesses (Berman, Wicks, Kotha, & Jones, 1999; Corbetta & Salvato, 2004; Davis, Schoorman, &

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PUBLIC INTEREST STATEMENT

Reducing trust in companies is a big challenge. Trust for long-term and value-added organizational interactions is very important. Trust promotes collaboration, streamlines network relationships, reduces harmful conflicts, and reduces contract costs. If there is trust between the beneficiaries, they will provide more resources, such as information sharing, acceptance of non-formal agreements, and so on. The topic of family firms in the third era of economics is the general debate of the world economy and global politics. Family firms have more advantages in building trustworthiness and trusting beneficiaries. The results have served to reinforce the case for viewing the contents of *competency, benevolence, integrity, predictability*, and *openness* as attributes relevant to trust in family businesses. However, this research indicates that they are among the most important in accounting for the attitude to trust at family business. In addition, the characteristics of trustee, sources of trust, and trusting behavior were investigated.

Donaldson, 1997; Eddleston & Kellermanns, 2007; Hauswald, 2013; Hillman & Keim, 2001; Madison, Holt, Kellermanns, & Ranft, 2016; Sundaramurthy & Kreiner, 2008); others consider it as a characteristic of and culture within family businesses (Amiraslani, Lins, Servaes, & Tamayo, 2017; Bstieler, Hemmert, & Barczak, 2017; Cruz, Gomez-Mejia, & Becerra, 2010; Davis, Allen, & Hayes, 2010; Davis et al., 1997; Donaldson & Davis, 1991; Eddleston, Chrisman, Steier, & Chua, 2010; Howorth, Westhead, & Wright, 2004; Mach & Lvina, 2017; Michalos, 2017; Steier, 2001; Tagiuri & Davis, 1996; Zahra, Hayton, Neubaum, Dibrell, & Craig, 2008). McEvily, Perrone, and Zaheer (2003) indicate that in addition to the lack of empirical research, we also make the observation that theories and evidence accumulating on trust in organizations is not well integrated and that the literature as a whole lacks coherence. Little is known, however, about the nature of trust within family businesses.

Firstly, there is a confusion between different strands. With a focus on trust within family businesses (i.e. as an intra-organizational phenomenon), still there can be different levels of aggregation to be conceptualized in family businesses. Secondly, conceptualization, definition, and operationalization of the precise nature of trust within family business literature are unsolved; little attention is paid to a comprehensive conceptualization of trust as a multi-dimensional construct and investigating its different dimensions within family business context. On the other hand, as a multi-dimensional construct, trust needs to be scrutinized thoroughly in family businesses; compartmentalizing trust in family businesses helps to obtain a detailed grasp of that.

We are going to clarify how trust between two parties in a family business is built, how trust is distributed between family owners and managers and workers in family business.

The paper is set out as follows. We first address the issues of trust in the context of intra-organizational relationships within family businesses. We begin by discussing some debates relating to trust in general and family business research in particular. We focus on the great deal that is involved in trusting process (parts of trust), qualities and performances of trustee, source of trust, degree of trust, and the referent of trust within family businesses; then we concentrate on trustworthiness of family owners and managers in family business. These sections are based on theories examining trust more deeply within organizations. Secondly, we represent an empirical research to investigate contents of trust in family businesses with the foundation of trustworthiness of family owners and managers in family business. We bring theoretical models of trust in family business context and show how coherent a study of trust could be in family business research. In accordance with the article's objectives, confirmatory factor analysis for three models of trusts was conducted. The results supported research's objectives and theoretical expectations.

2. Literature review

2.1. Trust within organization: Debates needed to be addressed in family business research

First challenging issue in trusting a party is that a great deal in the process that party "A" trusting party "B" is involved. What is the procedure that for example a worker considers until she/he can confidently trust the ownership or management of family business? Sanders, Schyns, Dietz, and Den Hartog (2006) break down trust into three constituent parts: trust as a belief (an expectation), as a decision, and as an action. McEvily et al. (2003) also conceptualize trust as an expectation, which is perceptual or attitudinal, as a willingness to be vulnerable, which reflects volition or intentionality, and as a risk-taking act, which is a behavioral manifestation. Trust is also conceptualized by Clark and Payne (1997) as beliefs (cognitive element), feelings (affective element), and intentions to act (behavioral intentions element). First form of trust is a subjective, aggregated, and confident set of beliefs about the other party and one's relationship with her/him, which lead one to assume that the other party's likely actions will have positive consequences for oneself. Working in a family business context creates a positive cognitive state in worker about family owners and managers and the relationship. According to Sanders et al. (2006), although "A" may consider "B" to be trustworthy, this does not necessarily mean that "A" will actually trust B. Second facet of trust is decision that "A" actually trust "B" and former facet of trust can be seen on this phase. Huff and Kelley (2003) conclude that for a genuine state of trust to exist both the expectation of trustworthy behavior and the intention to act based upon it must be present. However, this decision implies only an intention to act. For A to demonstrate unequivocally her/his trust in B, (s)he must follow through on this decision by engaging in any of the trust-informed risk-taking behaviors proposed by different authors (Sanders et al., 2006). As can be seen in family business literature, there is no attention to parts of trust; it's not clear which part of trust is considered and measured in their research. Difference between parts of trust is first step to a comprehensive attention in family bisuness research. Trust in family business research has brought a etymological problem and uses of word "trust" where trust as a belief, decision, and a resulting action are regularly conflated (Sanders et al., 2006).

Another issue relating to trust research is that how a trustor trusts a trustee? For example, a worker in a family firm how can evaluate the qualities and performances of owenership or management members of family firm and then trust them? Clark and Payne (1997) identify attributes of the object of trust that influence an individual's perceptions about the object's trustworthiness in concepts. They summarize elements included in the qualities facet in six contents as integrity, competence, consistent behavior, loyalty or benevolent motives, openness or mental accessibility and availability and respect shown. Other researchers also investigate these complex compilations of judgments by the trustor on different characteristics of the trustee. Butler and Cantrell (1984) proposed integrity, competence, consistency, loyalty, and openness as key elements. Butler (1991) extended this to 11 separate conditions that the trusted party might be expected to fulfill: competence, integrity, consistency, discreetness, fairness, promise fulfillment, loyalty, availability, openness, receptivity, and overall trustworthiness. In their classic article, Mayer, Davis, and Schoorman (1995) focused on ability, benevolence, and integrity. In an overview of these different elements, Sanders et al. (2006) conclude that these four attributes of the trustee—ability, benevolence, integrity, and predictability—appear most often, and they consider them to be the most salient. Each of these elements is essential in the assessment of trustor of another's trustworthiness since if any of these qualities be absent in trustee, the decision to trust might be expected to fail and these content component should be viewed as separate sub-domains of trust (Sanders et al., 2006). Another reason for separating trust into sun-dimensions is that a trustor trusts trustee in certain domains; for example a worker might be confident in benevolence of family members in management to resolve problems in family firm, but not sure about their ability to settle down problems of workers (I'm not sure they know there is problem within firm and how to resolve it); this situation influences worker's assessment to trust management of the family firm. This is a main issue that is not addressed in family business research; researchers in family business field focus on trust as a whole and cannot reach the somber analysis about it. This helps to understand precisely what "A" trusts about "B". The researchers don't specify the content of trust within family business. What a worker assess positive in family owners and managers to trust is different from other worker evaluate for trusting. A worker may believe benevolent characteristics of family owners and managers are salient, but other focuses on their competency attributes. These two kinds of workers trust family members of ownership and management of family business at an equal rate, but the content of trust is completely different; the trustors see dissimilar qualities and performances in trustee.

Next concern unsolved in family business research about trust is the sources that trustors evaluate trustees. Sanders et al. (2006) categorize sources of evidence upon which beliefs about the other's trustworthiness, and the decision to trust them can properly be based, as characteristics of "A" (the trustor), characteristics of "B" (the trustee), and characteristics of their relationship with each other. Clark and Payne (1997) introduce these attributes in three categories; (a) the performance of the object, for example, competence, actions, judgment; (b) the qualities of the object, for example, integrity, competence, loyalty; and (c) general attributes, for example, communication skills, power, potential to offer incentives. Whitener, Brodt, Korsgaard, and Werner (1998) also identify organizational, relational, and individual factors that encourage or constrain trustworthy behavior. Characteristics of trustor are their attitudes and predispositions. Johnson-George and Swap (1982) found that pre-disposition is especially relevant in the early phase of interactions with another, but its influence recedes over time as more direct evidence of the other party is accumulated. Specific contexts of family businesses can foster this process. Particular signals received by workers in family businesses remove their focus from former attitudes and predispositions to family members of ownership and management of family business and distinctive settings of that. Sanders et al. (2006) split characteristics of trustee into two main categories: personal traits and previous behavior. Attributes of trustee have an important role in developing an approving trustworthy image in trustors in family businesses. Trustee in family business is usually a member of family since they are involved in ownership and management of their own family business. This feature of family business is always considered a positive advantage among family business researchers as a factor that promotes trust within family business. Beyond the parties involved, several aspects of the relationship itself are seen as influential in determining trust. Sheppard and Sherman (1998) state that in deep interdependence relationship between trustor and trustee, trustee has internalized the trustor's preferences and ways of viewing the world, especially as they relate to those things that need to be anticipated or inferred as a consequence of the parties' interdependence; both parties have shared meaning, products, values, and goals in the relationship and there is a deeper and more affective forms of trust. On the other hand, in shallow interdependence it is often not possible or sensible to develop deep linkages and there is a more calculative approach to trust. Sanders et al. (2006) conclude that what is striking in the literature is that trustee-specific evidence is often assumed to be the sole source of evidence. However, the decision to trust may be reached by the trustor independent of the trustee's input, or it might be attributable to some other influence on the relationship beyond the trustee's jurisdiction. Most important source of trust in family business is the attributes of trustee (family owners and managers) since it is distinguishing different elements from other kinds of businesses (mostly non-family businesses). This different positive source of trust makes them more reliable and trustworthy than non-family ownership and management.

Other debate is the level or degree of trust in family businesses. Trust should not be considered as a two possible values: yes or no. The degree to which one trusts another varies along a continuum of intensity. Shapiro, Sheppard, and Cheraskin (1992) introduce three types of trust as deterrence-based trust, knowledge-based trust, and identification-based trust. First one is based on consistency of behavior (that people will do what they say they are going to do). Behavioral consistency is sustained by the threat of punishment (e.g. loss of relationship) that will occur if consistency is not maintained. Second one is grounded in behavioral predictability (a judgment of the probability of the other's likely choice of behaviors. Knowledge-based trust occurs when one has enough information about others to understand them and accurately predict their likely behavior. Identification-based trust is based on a complete empathy with the other's party desires and intentions. At this third level, trust exists because each party effectively understands, agrees with, emphasizes with, and takes on the other's values because of the emotional connection between them and thus can act for the other. Lewicki and Bunker (1996) declare that identification-based trust develops as one both knows and predicts the other's needs, choices and preferences and also shares some of the same needs, choices, and preferences as one's own. Increased identification enables one to "think like" the other, "feel like" the other, and "respone like" the other. People may in fact emphasize strongly with the other and incorporate parts of his or her psycho into their own identity (needs, preferences, thoughts, anf behavior patterns) as a collective identity develops. From this debate, it can be argued that the preservation of socioemotional wealth is the primary reference point for family businesses; a priority on nonfinancial goals is one of the fundamental premises in the family business (Zellweger, Nason, Nordqvist, & Brush, 2013). The high importance and value of socioemotional wealth to family owners stems from the close intertwinement of the family and the business identities (Gomez-Mejia, Cruz, Berrone, & De Castro, 2011). The socioemotional wealth of family businesses comes in a variety of forms. According to Berrone, Cruz, and Gomez-Mejia (2012) it can be broken down into five distinct dimensions (the FIBER model): (a) Family control and influence, (b) Identification of family members with the firm, (c) Binding social ties, (d) Emotional attachment of family members, and (e) Renewal of family bonds to the firm (dynasty).

Last debate is that who would be the referent of trust in family businesses (who is being trusted). Trustors in family businesses are workers and employees. But who can be trustee; this depends on purpose of study, but distinct structure of ownership and management of family businesses from other businesses brings some points. If the members of ownership and management are the same members of family, there is no problem, although this subject and the complexity of the trust process will confuse the respondents (trustors) in measurement of trust. Respondents reaction to a question about trustee might be "it depends" (I trust members of family in ownership but not in their management or the reverse) or even more complex like I trust members of family only in management just to do *X* but not *Z*. On the other hand, if members of ownership and management are not the same, researcher should specify which of them would be the referent. The issue of referent of trust is not clearly addressed in preceding family business researches.

2.2. Trustworthiness of family owners and managers in family business

In this section based on socioemotional wealth, organizational identity, social capital, and stewardship theories, we try to bring a foundation for why family members of ownership and management (as trustees) are trustworthiness in the eyes of workers (as trustors) in family businesses.

Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, and Moyano-Fuentes (2007) labeled noneconomic goals in family businesses as socioemotional wealth and argued that the preservation of this wealth is the primary reference point of family business. While socioemotional wealth comes in a variety of forms, it includes the desire to project a positive family image and reputation. Anderson and Reeb (2003) state that founding families face reputation concerns arising from the family's sustained presence in the business and its effect on workers and employees. The long-term nature of founding-family ownership suggests workers and employees are more likely to deal with the same governing bodies and practices for longer periods in family firms than in nonfamily firms. Family's sustained presence in the firm creates powerful reputation effects that provide incentives for others inside family business to be more optimistic and also a positive thought toward ownership and management. The specific concern for reputation and image in family businesses is also supported by organizational identity theory (Zellweger et al., 2013). Sundaramurthy and Kreiner (2008) argue that for family businesses, the identity of the family and the organization tend to overlap, which creates a mutually shared understanding of what constitutes the family and the organization. This mutual dependence between family and organization generates incentives to ensure that employees and workers within family firm see the family business in a favorable light. Increased trustworthy behavior helps family businesses to positively influence their reputation by increasing the satisfaction levels of its workers. Satisfied workers perceive family businesses favorably, which therefore benefits the reputation/socioemotional wealth of the family owners and managers. According to socioemotional wealth theory, family owners primarily approach problems and business decisions in terms of gains and losses in socioemotional wealth. Economic considerations, which are typically the main reference point for nonfamily business, are subordinated. Losing socioemotional wealth for family owners means lost intimacy, reduced status, and failure to meet the family's expectations. As a result, family businesses might be more likely to tolerate the economic costs and uncertainty involved with behaving trustworthily toward workers, as they believe that these risks are offset by a stable or increasing stock of socioemotional wealth.

Not surprisingly, broad empirical evidence exists for increased trustworthy behavior of family businesses toward workers and employees within family business. Increased benevolent behavior was discovered by Cooper, Upton, and Seaman (2005), who found family businesses to take customer and employees concerns and problems more seriously. Family businesses have also been shown to exhibit a stronger commitment to the quality of work relationships, including more secure employment (Stavrou, Kassinis, & Filotheou, 2007) or implementation of more "caring" contracts for external recruits, even if these protective contract features do not have a direct economic benefit (Cruz et al., 2010). Likewise, Strong, Ringer, and Taylor (2001) suggest that family businesses engage in more responsible work practices that support the satisfaction of employees. The decision to engage in trustworthy behavior toward workers and employees results from a mix of instrumental and normative motives, which are fundamentally tied to safeguard the socioemotional wealth of the family. Dyer and Whetten (2006), also among arguments related to why a firm might be socially responsible, draw on three streams including (1) self-interest; (2) identity, image, reputation, and identification; and (3) moral capital. Whetten and Mackey (2005) describe how one's corporate (or family) identity, one's need to create a positive image, and the desire to maintain a good reputation with others may encourage a business's leadership to act in a socially responsible fashion. Family business founders would likely view negative press pertaining to a bitter labor strike over health benefits, customer complaints about faulty products, or legal suits following an ecological disaster as indelible stains on themselves and as an extension on their company and their family name. It is not enough for families to merely live together as an economic and social unit. The families felt a need to have a greater purpose that they could work toward and even sacrifice. Family business is motivated to create positive moral capital or has a "socially responsible identity," and is proactive in launching initiatives consistent with its identity or in attempting to create goodwill (Whetten & Mackey, 2005). Increased involvement of family in ownership and management increases the overlap of family and organizational identities, causing an increased desire to preserve socioemotional wealth. On the one hand, with increasing ownership in the business, the identities of the family and firm overlap as the power of the family to transfer their own goals into the organization rises. On the other hand, top management positions for family members increase the visibility of the family in firm. Through both levers the distinction between the family and business identity becomes blurred (Zellweger et al., 2013). Anderson and Reeb (2003) also suggest that founding families often maintain a long-term presence in their firms. Founding families view their firms as an asset to pass on to their descendants rather than wealth to consume during their lifetimes. Firm survival is thus an important concern for families, suggesting they are potentially long-term value maximization advocates. Values and beliefs which are deemed central, distinctive, and enduring are what constitute the identity of the family and the organization. In conclusion, increasing family influence in an organization causes an overlap of family and organizational identities and also increases the need to preserve socioemotional wealth. This in turn produces an incentive for the family business to demonstrate trustworthy behavior (Hauswald, 2013).

Morris, Allen, Kuratko, and Brannon (2010), building on social capital theoty, indicate that experiencing ongoing states of activity is instrumental in forming self-identity and family business founder, embedded within the family social structure, is more typically engaged in collective action. Social capital is embodied in relations among family members, and is manifested in goodwill within the family and between family and others in the family firm, mutual support, reciprocal commitment, collaborative community, affective ties, and behavioral guidelines between everybody in family business and encompass values and integrity levels and varying amounts of emotional support from family members for the trustee in family businesses. They state that experience of family business founders and managers involves the interplay among affective, cognitive, and physiological responses. They conclude family business founders and managers experience 13 items (invigorating, energizing, joyful, revitalizing, adventurous, exciting, motivating, exhilarating, fun, empowering, creative, dynamic, and self-fulfilling) labeled as exciting. All of these experiences are considered trustee's sources and antecedents of trust for trustor. Morris et al. (2010) also indicate that some negative experiences such as uncertainty, ambiguity, stress, or other characteristics innate to family business founders and managers can be moderated by family social capital. This positive role of family social capital also can be regarded as characteristics of trustee for trustor in family business in compared with non-family founders and managers of a business.

One of the theories that can best explain trustworthy of owners and managers of family businesses and also trust of workers and employees to them in family businesses is stewardship theory. Stewardship theorists believe the interests of family managers and family business owners will be aligned if family managers are intrinsically inclined to pursue the interests of owners; when non-financial goals are similar and important to both family business owners and family managers; and when the relationship between family business owners and family managers is long-term and emotion laden (Chrisman, Chua, Kellermanns, & Chang, 2007). These family owners and manager in family businesses are considered as good stewards. Good stewards demonstrate pro-organizational, collectivist behaviors. A steward chooses cooperative behaviors over self-serving actions, and in short, behaves in an altruistic manner (Davis et al., 1997, 2010). Pearson and Marler (2010) declare when leaders behave as good stewards, they are more likely to be concerned about the welfare of their workers, with regard to continuity of employment; assignments to challenging, desirable jobs; opportunities to have new experiences; and other behaviors many workers would view as supportive and positive. Stewardship enhances worker's experiences of trustworthy behaviors and commitment to the business by providing motivations consistent with organizationally beneficial extra-role (i.e. organizational citizenship) behaviors by workers (Zahra et al., 2008).

Tagiuri and Davis (1996) state that because of their overlapping memberships, family members working in the family business can have three simultaneous roles: as relatives, as owners, and as managers. Relatives' simultaneous obligations to the family, company, and shareholders, and to each other as relatives, managers, and owners, can serve to bond them loyally to each other, to workers, and to the business. Shared identity is a meaningful and important influence on relatives' behavior both on and off the job. Since work and family domains are intertwined in family businesses—a result of the overlap—each action of every owner and manager relative carries both business and family meaning; this heightened family and business loyalty for workers. Also given the potential for greater love among family members, it is not surprising that emotions between relatives often surface more easily than between nonrelated individuals. The expression of love can generate unusual motivation, cement loyalties, and increase trust among relatives. The prohibition against public conflict can be a norm among family members that can eliminate embarrassing conflict situations. The meaning of the company for a family member and the corresponding attachment to it are important influences on work relationships between relatives. If relatives are strongly attached to the organization, they can be united in their goals for it and in their willingness to contribute to the business. Company symbolism also can develop a strong sense of mission for workers. These characteristics of family businesses among family members of ownership and management (simultaneous roles, shared identity, emotional involvement, and the meaning of family business) presented by Tagiuri and Davis (1996) positively influence the assessment and appraisal of workers for family owners and mangers trustworthiness, since these attributes increase positive perception of family member's competency, benevolence, integrity, consistency, and openness among workers.

2.3. Research objective

The purpose of this paper is to examine the nature of the propensity to trust in family business in accordance with intra-organizational trust theories and to see whether or not the empirical data would reflect the theoretical model. Accordingly, it was hypothesized that analysis of the data would highlight parts, contents, and items of trust (hypothesized models for trust) within family businesses; there is correspondence of the empirical observations with the definitional framework of trust in family businesses. In accordance with Clark and Payne (1997) and Sanders et al. (2006), we draw three parts of trust including intention, decision and action and five contents of trust including integrity, competence, consistent behavior (predictability), loyalty or benevolent motives and Openness or mental accessibility and availability as trustor's appraisal and assessment of family member of ownership and management in family business. First four contents of trust are common between Clark and Payne (1997) and Sanders et al. (2006), but fifth content belongs to Clark and Payne (1997). On the other hand, trust is seen as a willingness to rely or depend on some event, process, individual, group, or system. Trust, therefore, requires a focus or object of evaluation (referent). The referent of trust in this research is family members of ownership and management of family business as a whole. We ask the respondents to make an overall assessment of the trustees, since the number of family members in ownership and management of a family business is more than one person. Family business is defined through family participation in two distinct organizational dimensions: ownership (the percentage of share ownership by the family), management (the involvement of family managers in the business leadership). This definition adopts approach by Chrisman, Chua, Pearson, and Barnett (2012). They defined family influence (i.e. family involvement) through three pillars: ownership (the percentage of share ownership of the family), management (the number of family managers involved), and generations (the number of generations of the family involved in the business). Since we did not concentrate on generations, it is not considered in our definition of trust. If 50% or more of ownership of business belongs to a family and also family members have been involved in management, we considered that business as a family one. Trust also is identified with the attributes of the object (referent) of trust and that these influence an individual's perceptions about the object's trustworthiness. The sources of trust in this research are conducts and characters of the trustee (family owners and managers of family business). The literature suggests that these have been identified with the performance of the object, the qualities of the object, general attributes. We have considered all of these attributes of trustee in appraisal of trust. Finally, the trustors in the study are non-family workers of family businesses that are working there for at least three years.

3. Method

3.1. Sample

Data were collected using a questionnaire survey. The objective of this study was to investigate the nature of non-family worker's trust in their family owners and managers in family businesses. So statistical population is all active family businesses in Soleyman Sabahi Industrial City that produce carpet. If 50% or more of ownership of business belongs to a family and also family members have been involved in management, we considered that business as a family one. Since the size of the organization can influence workers perceptions of family members of ownership and management, we chose small-sized businesses that employ fewer than 50 person in accord with EU business size definitions; workers in large organizations may not have enough direct contact with the top ownership and management of the family business as those in smaller businesses (Davis et al., 2010). This can influence the perceptions of the workers of family owners and manager's trustworthiness. We also select family businesses that have greater than five-year history. If a company is young, the stresses in first year of business may influence the performance, skills, and attributes of family owners and managers of business and subsequently have negative impact on worker's perception toward trustee's trustworthiness.

The length of time the worker has worked in the family business may influence the perceptions of the respondent (Hater & Bass, 1988). A worker who has not been with the business long will not have enough depth of understanding and history with ownership and management of a business. For eliminating this influence, we considered workers who have worked not less than three years in the business. On the other hand, all the respondents are non-family workers, since there might be a family workers bias influencing family workers judgments about the trustworthiness of family owners and managers of the business. We interviewed 489 non-family workers in person who have worked at least 3 years in family businesses to assess parts and contents of trust within family businesses.

We put this section in order to answer why we select Soleyman Sabahi Industrial City as our statistical population. The Soleyman Sabahi Industrial City is the largest specialized textile industry producing carpet in Iran. Its firms produce 35,000,000 m^2 of carpet yearly. According to board of the industrial city, it had 400 active firms in year of 2014. Some characteristics distinguish it from other geographical contexts for us to conduct the research. Its accessibility in compare to other contexts, the researchers being relative and acquaintance with the board of the industrial city to get some information and also some firms, some kind of emotional attachments of researchers and a general familiarity with it were internal drives for us to select this context. On the other hand, outstanding features of this context made it unique in investigating trust. First attribute of Soleyman Sabahi Industrial City is high number of family firms activating within it. According to board of the industrial city, at least 220 of 400 firms (55%) are family-controlled firms (according to our definitions of family businesses) in year of 2014. This feature in compare with other contexts is distinctive. This can be explained by the culture of Aran and Bidgol City and the status of family and cooperative work among its people. Other specific trait of this context is steep number of small-sized businesses

(businesses that employ fewer than 50 persons in accord with EU business size definitions) that is in accordance with our theoretical considerations. According to board of the industrial city, 350 of 400 firms (87%) are small-sized businesses in year of 2014. Because of these attributes and its variety to select ideal samples from it, we were persuaded to choose Soleyman Sabahi Industrial City as our statistical population. This context could saturate our theoretical contemplation about a deep investigating of trust within family businesses.

3.2. Measures

We measured three parts and five contents of trust with 45 items. Three parts of trust in family businesses in accord with Clark and Payne (1997) and Sanders et al. (2006) were: belief (cognitive element), confident positive expectations of non-family workers toward trustworthy of family members of ownership and management in family businesses; decision (affective or feelings element), a willingness among non-family workers to render yourself vulnerable toward family owners and managers of family business; action (behavioral intentions element), risk-taking and voluntary extra role behaviors among non-family workers for family owners and managers of family business. Five contents of trust in family businesses in accordance with Clark and Payne (1997) and Sanders et al. (2006) were: Integrity, involves adherence of family owners and manager of family business to a set of principles acceptable to workers of family businesses, encompassing honesty and fair treatment, sincerity, promise fulfillment, truthfulness, and the avoidance of hypocrisy; Competence, refers to the capabilities of family members of ownership and management of family businesses to carry out their obligations (in terms of technical and interpersonal knowledge and skills required to do their job, decision-making and role performance) toward workers and the family business; Consistent behavior or predictability relates specifically to behaviors of family owners and managers of family business that reflects, for example, consistency and fairness, regular, discretion, and good judgment (and as such is distinct from competence or integrity) toward their workers in the family business; Loyalty or benevolent motives, reflects benign motives, intensions, shared values and goals, commitment to, and a personal degree of kindness of family members of ownership and management of family business toward their workers in the business and a genuine concern for their welfare, and a willingness to protect and save face for them; Openness or mental accessibility and availability is a willingness for family owners and managers of family business to share ideas and information freely and accurately with workers in the family business. All five contents of trust were measured for three parts of trust with three items within family businesses. Totally 45 items were adapted from Clark and Payne (1997), Gillespie (2003). However, modifications were made to the scales and items to account for the setting in family businesses. All items were measured on a five-point Likert-scale with responses: always, usually, sometimes, rarely, never. Parts, contents, and items of trust are depicted in Table 1. Before the questionnaires were administered to the respondents, a small group of workers (30 workers) from family businesses were asked to check the items with a view to ensuring that items were readily understandable. As a result, some alterations were made to the wording of some questions, to instructions for completing the questionnaires. They, their, and them in wording of each item refer to trustee and referent of trust in the study that are family members of ownership and management in the family business; this point was clear for the respondents at the beginning and during of interview. We asked the respondents (trustors) to make an overall assessment and evaluation of the trustee or trustees, since the number of family members in ownership and management of a family business is more than one person. The measures contain reversed or negatively keyed items in order to decrease acquiescence response bias. Items appearing in italic type in Table 1 represent negatively worded questions.

3.3. Control variables

3.3.1. Worker gender

The majority of respondents are male, and there may be a gender bias influencing their judgments about trustworthiness of owners and managers of the business. Davis et al. (2010) state that many studies have found that gender influences subordinate perception of leadership (e.g. Lewis & Fagenson-Eland, 1998), but their results about the influence of gender is not significant. Anyway, we controlled for worker’s gender.

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Table 1. Parts, contents and items of trust

Parts of trust	Contents of trust	*N*	Items
Belief	Competency or ability	1	They are competent when it comes to matters of safety on the job
		2	They show good judgment when making decisions about the job
		3	*They do not understand when a worker should be rewarded for a job well done*
	Loyalty or benevolent motives	1	My actions are supported by them in charge of the job
		2	I can rely on them to try to help me out when I run into difficulties with the job
		3	*They takes the credit for success without acknowledging the workmen's contribution*
	Integrity	1	They are honest and truthful about information to do with the job.
		2	They are sincere in their attempts to meet the worker's point of view about the job
		3	I believe that they will keep their word about rewards offered for completion of a task
	Consistent behavior or predictability	1	I believe that they apply the same rules for all workers
		2	They can be relied upon to reward workers for their achievements
		3	I can rely on them to do what is best for the long term survival of the pit
	Openness or mental accessibility and availability	1	They listen to my suggestions about how the job should be done
		2	They have shown that I can express my opinions and not hold them against me
		3	They openly share information on matters affecting incentive payments
Decision	Competency or ability	1	I am willing to depend on them to handle an important issue on my behalf
		2	I am willing to rely on their task-related skills and abilities
		3	I am willing to rely on them to represent my work accurately to others
	Loyalty or benevolent motives	1	I am willing to rely on them to save and protect my face
		2	I am willing to rely on their commitments
		3	I am willing to rely on shared values and goals
	Integrity	1	I am willing to rely on their honesty
		2	I am willing to depend on them to back me up in difficult situations
		3	I am willing to depend on them to fulfill their promises
	Consistent behavior or predictability	1	I am willing to rely on their words and statements
		2	I am willing to rely on their fairly treats
		3	I am willing to rely on their work-related judgments
	Openness or mental accessibility and availability	1	I am willing to rely on their accurate information sharing
		2	I am willing to rely on their acknowledgement of their mistakes
		3	I am willing to rely on their true feelings about important issues
Action	Competency or ability	1	In the future I will behave as though they are incompetent
		2	In the future I expect to be able to rely on them to look after safety on the job
		3	In the future I will rely on them making good decisions
	Loyalty or benevolent motives	1	In the future I will act as though they support my actions
		2	In the future I will rely on them to help me when I run into difficulties
		3	In the future I will act as if they are concerned about the men's interests
	Integrity	1	I believe that I will act as though they are honest.
		2	In the future I will behave as though they are sincere
		3	In the future I expect to be able to believe that they will keep their word
	Consistent behavior or predictability	1	In the future I will act as though they apply the same rules to all workers
		2	In the future I will act as if they treat workers fairly
		3	In the future I will act as if they reward workmen for their efforts
	Openness or mental accessibility and availability	1	In the future I will act as though they listen to my suggestions
		2	*In the future I will behave as though they do not openly share job information*
		3	In the future I will keep my opinions to myself

3.3.2. Worker education
The higher the education levels of respondents, the more understanding and affective, cognitive, and physiological abilities they should have. This can also have a significant impact on the way respondents perceive performance, skills, and attributes of family owners and managers of the business. Education level of workers was measured using a 1 for illiterates, a 2 for those workers that have primary education level, a 3 for high school education, and a 4 for college graduate and a 5 for postgraduate education.

3.3.3. Worker marital status
Married workers seem to have different perception about the family and to be more optimistic to rely on it from non-married workers. This attitude can be attendant with married workers in the family business about family members of ownership and management. We therefore controlled for marital status of workers.

3.4. Methodology
We test items of parts and contents of trust using confirmatory factor analysis (CFA)[1]. CFA allowed us to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists. In order to assess the fit of our models, we used the chi-square ratio (χ^2/df), comparative fit index (CFI), and Tucker-Lewis index (TLI). Additionally, the root mean square error of approximation (RMSEA) for the models was investigated. The (χ^2-test is a goodness-of-fit test used to test the null hypothesis that there is no difference between the hypothesized model covariance matrix residuals and the actual covariance matrix residuals. Wheaton, Muthen, Alwin, and Summers (1977) suggest chi-square ratio ((χ^2/df) of approximately five or less "as beginning to be reasonable". Different researchers have recommended using ratios as low as two or as high as five to indicate a reasonable fit (Marsh & Hocevar, 1985). Also larger values of CFI and TLI (0.95 or above) and a RMSEA lower than 0.06 denote an acceptable fit of a model to the data (Hu & Bentler, 1999).

Table 2. Descriptive statistics and Cronbach's alphas

Parts	Dimensions	Mean	SD	Cronbach's alpha
Belief	Competency	11.89	2.05	0.65
	Benevolence	11.51	2.34	0.82
	Integrity	12.84	1.92	0.75
	Predictability	11.86	2.1	0.72
	Openness	11.38	2.24	0.66
Decision	Competency	12.59	1.93	0.71
	Benevolence	12.70	2.02	0.78
	Integrity	13.20	1.84	0.75
	Predictability	11.04	2.75	0.69
	Openness	12.10	2.23	0.72
Action	Competency	12.55	1.59	0.52
	Benevolence	12.49	2.09	0.78
	Integrity	12.23	1.96	0.60
	Predictability	13.12	1.75	0.54
	Openness	12.64	1.92	0.80
Worker gender		1.09	0.3	
Worker education		3.83	1.18	
Worker marital status	1.94	0.34		

Table 3. Correlations between contents of action and decision parts of trust

	Competency	Benevolence	Integrity	Predictability	Openness
Competency	*	0.68**	0.66**	0.66**	0.58**
Benevolence	0.52**,[a]	*	0.69**	0.60**	0.43**
Integrity	0.65**	0.63**	*	0.69**	0.56**
Predictability	0.32**	0.28**	0.20**	*	0.69**
Openness	0.52**	0.56**	0.63**	0.36**	*

Note: Correlations for dimensions of belief are above the diagonal; Correlations for dimensions of decision are below the diagonal.

[a]Correlation is significant at the 0.01 level.

Table 4. Correlations between content of action part of trust

	Competency	Benevolence	Integrity	Predictability	Openness
Competency	**	0.47**	0.37**	0.49**	0.49**
Benevolence	0.47**	**	0.37**	0.37**	0.47**
Integrity	0.37**	0.37**	**	0.27**	0.37**
Predictability	0.49**	0.37**	0.27**	**	0.44**
Openness	0.49**	0.47**	0.37**	0.44**	**

**Correlation is significant at the 0.01 level.

4. Findings

Table 2 shows the reliabilities, means, and standard deviations for the dimensions used for parts of trust control variables. All of the Cronbach's alphas for the contents of trust in this study are in an acceptable range, suggesting reliability in our measures, although Cronbach's alphas for two dimensions of action (i.e. competency and predictability) are 0.52 and 0.54.

Tables 3 and 4 show correlations between contents of belief, decision action parts of trust. Some of these correlations are highly significant, particularly between dimensions of belief ($r = 0.69$).

Multiple regression was used to test the effect of control variables including worker gender, worker education, and worker marital status on each dimensions of parts (belief, decision, and action) of trust. Table 5 demonstrates significant results for control variables.

4.1. Confirmatory factor analysis

We tested confirmatory factor analysis for five dimensions of belief, decision and action parts of trust including competency or ability, loyalty or benevolent motives, integrity, consistent behavior or predictability, openness or mental accessibility or availability. Our findings support our hypothesized

Table 5. Multiple regressions: effects of control variables

	Competency of decision	Predictability of decision	Integrity of action	Benevolence of action
Constant	12.30	9.47	11.19	12.5
Worker gender	1.18**	1.19**	−0.29	0.42
Worker education	−0.25	−0.29	0.05	−.224*
Worker marital status	−.134	0.58	0.60*	0.18
F	4.26**	3.75**	1.93	2.21

*$p < 0.05$.

**$p < 0.01$.

Table 6. Standardized factor loadings of each item for different dimensions and parts of trust

		Intention		Decision		Action	
Dimensions	**Items**	**Estimate**	***p*-value**	**Estimate**	***p*-value**	**Estimate**	***p*-value**
Competency or ability	1	0.61	0.000	0.91	0.000	0.53	0.000
	2	0.55	0.000	0.69	0.000	0.65	0.000
	3	0.76	0.000	0.87	0.000	0.68	0.000
Loyalty or benevolent motives	1	0.85	0.000	0.82	0.000	0.82	0.000
	2	0.68	0.000	0.78	0.000	0.77	0.000
	3	0.83	0.000	0.71	0.000	0.69	0.000
Integrity	1	0.80	0.000	0.87	0.000	0.86	0.000
	2	0.60	0.000	0.53	0.000	0.56	0.000
	3	0.77	0.000	0.86	0.000	0.84	0.000
Consistent behavior or predictability	1	0.82	0.000	0.66	0.000	0.59	0.000
	2	0.75	0.000	0.57	0.000	0.64	0.000
	3	0.45	0.000	0.79	0.000	0.81	0.000
Openness or mental accessibility and availability	1	0.70	0.000	0.54	0.000	0.51	0.000
	2	0.37	0.000	0.33	0.000	0.32	0.000
	3	0.72	0.000	0.69	0.000	0.65	0.000

models by the model fit statistics in accordance with criterion mentioned in methodology section. The null hypothesis is that there is no difference between the patterns in data and their model specified. Our first model was belief part of trust with five contents of trust such as competency, loyalty, integrity, consistent behavior, and openness. This confirmatory factor analysis had an excellent fit to the data (χ^2 ratio = 2.09; CFI = 0.98; TLI = 0.97; RMSEA = 0.043). As we can see from chi-square ratio, CFI, TLI, and RMSEA values above, model of belief part of trust with its five contents in family businesses is acceptable. Workers in family businesses as trustors believe (cognitive assessment and judgment) that family members of ownership and management have and show trustworthiness contents including ability, benevolence, integrity, predictability, and openness in family businesses. Factor loadings of each dimension can be found in Table 6. Standardized estimate and *p*-value for all items of contents of trust are calculated. As can be seen, item three of loyalty has the biggest estimate and question two of openness has lowest estimate. The second confirmatory analysis model was decision part of trust with five contents of trust including ability, benevolent motives, integrity, predictability, and openness. This model also had an excellent fit to the data (χ^2 ratio = 2.1; CFI = 0.98; TLI = 0.97; RMSEA = 0.044). Model of decision in family businesses is also acceptable. Workers in family businesses are willing to rely on (an affective or feelings element) family owners and managers based on their competency, benevolence, integrity, predictability, and openness. Lowest and biggest factor loading among items of decision belong to question two of openness and question one of competency, respectively. Our third model was action part of trust with five contents of trust such as competency, loyalty, integrity, predictability and mental accessibility and availability. Confirmatory factor analysis also in this model had an excellent fit to the data (χ^2 ratio = 2.58; CFI = 0.97; TLI = 0.95; RMSEA = 0.057) in accord with criterion mentioned in methodology section. Workers in family business will engage in risk-taking actions (behavioral intentions element) because workers consider family members of ownership and management trustworthy based on contents of trust in action part of trust including competency, loyalty, integrity, predictability and mental accessibility and availability. Among factor loadings of trust items, question two of openness dimension has lowest amount and item 1 of integrity has biggest factor loadings.

5. Discussion and conclusions

The paper has firstly attempted to contribute to the development of stronger measure for the complex multi-dimensional construct of trust within family businesses. We focused on the existing

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theory and conceptualization found in the trust literature: the different forms that trust can take, the content of the trust judgment, the sources of evidence for trust, the identity of the referent, and the different qualitative degrees of trust. The second aim of this research was to explore variables that influence the perceptions of workers to trust family members of ownership and management in family businesses.

Most studies investigating trust in family businesses don't clarify the forms that trust can take. By the way, most of their measures are of the trustworthiness belief. Recommendation in trust literature is that alongside "belief" items, measures tapping the respondent's positive and willing "decision" to trust, their "intention to act" (Sanders et al., 2006). This suggestion should be addressed in family businesses too, since trust is an important factor in family business research. In terms of content, most measures in family business research turned to an evaluation of overall trust (e.g. Davis et al., 2010). Measures require to rely on judgments on the all trustee's qualities and performances (i.e. integrity, benevolence, competence, predictability, and openness) and try status of the trustee's don't be relatively marginalized. Although the subject of the identity of the referent is depending on the research question, it does remain crucial to be specific about the exact referent or group of referents. Levels of trust in family businesses according to who is participating in relationship and according to circumstances and situations vary. Trusting a manager or an owner of family member would result in different perceptions of their attributes among workers. Referent of trust should be precise. This also helps to be more accurate in wording the items for measurement, to remain consistent throughout the items, or to analyze the different relationships separately. The decision to trust is based on a huge amount of evidence (source of trust). We focused on the conduct and character of the trustee as source of trust for workers in family businesses.

Then from a review of previous research, we formulated three models of trust based on parts and contents of trust. Two facets of the trust domain were proposed which specified antecedents to behaviors, and qualities and performances which are related to the perceived trustworthiness of others. The results support the hypotheses of the study, through the empirical discovery. It was hypothesized that analysis of the data would highlight parts, contents, and items of trust (hypothesized models for trust) within family businesses.

The results of analysis of the trust scales were seen to give empirical support for previous research concerning trust. The observations, with particular respect to contents of trust, may be viewed as strengthening the argument that trust is activated by a multidimensional set of conditions (e.g. Butler, 1991; Gillespie, 2003; Mayer et al., 1995; Sanders et al., 2006; Tzafrir & Dolan, 2004). This is most important debate in accord with trust literature that needed to be addressed in family business reseach and the study come to gripse with that. The results have, therefore, served to reinforce the case for viewing the contents of integrity, competency, integrity, consistency, and openness as attributes relevant to trust in family businesses. It is not claimed that these contents represent all the possible dimensions related to trust; for example Butler (1991) extended this dimensions to 11 separate conditions that the trusted party might be expected to fulfill. The literature does, however, indicate that they are among the most important in accounting for the attitude to trust at family business.

In addition to examining the conceptual nature of trust in preceding literature, objectives of the study were to gain a better and deeper understanding of parts, contents and items of trust on the one hand and the referent, the characteristics of trustee, sources of trust and trusting behavior on the other hand, in family businesses. This conceptual dimensions and models may now be operationalized and used to more rigid investigate the trust at family businesses research. In particular, the theoretical framework developed may be seen to provide a basis for helping to answer research questions concerning the formation of trust and other questions related to trust in family business research domain.

5.1. Future research

Trust in family business research is in the beginning of a lengthy road and has a long way to go. In this section, we introduce some points about trust in family business research that need to be considered in future studies; as with all research, this study has a number of limitations that must be regarded and that suggest the need for future research. The first is referent of trust (trustee) and trustor and the necessity to target this other trusting relations in family business. Trust relationships in family businesses could be between employee/employee, employee/manager or managers, employee/employer, employee/owners. If we add the word "family" to each of these relations, we are facing with many types of trusting relationships that might occur in family businesses.

Secondly, since trust is incremental, dynamic, and continuous (Lewicki, McAllister, & Bies, 1998)—a party's trust in another goes up and down, or rather is enhanced or damaged, in large part according to what the other party does—this suggests that longitudinal research designs, tracking shifts in trust over a significant period will provide richer evidence than cross-sectional studies which are prone to the distorting impact of recent events; it suggests a more concentrative study on degrees and levels of trust over time in family businesses between different trusting relationships with a focus on identification-based trust that is more dispersed in family businesses.

Third, which contents of trust is most significant and in what circumstances. Very little research assesses whether the importance of these components varies where different actors in business are concerned. Does trusting a family manager involve the same components and the same degree as trusting an employee? For a worker, trusting a family owner, may his benevolence and integrity be most important element; but for same worker, trusting a skilled manger, may his competency be most important content of trustee.

We urge family business researchers in addition to focusing on the conduct and character of the trustee, to also consider external factors constraining the trustee's behavior that influence trustor's perception of trustee's trustworthiness.

5.2. Managerial implications

In addition to the above-mentioned implications and needed empirical researches to be done in future, our study also provides highly relevant insights for practice. Our results could be of use to owners and managers of firms; family firm's owners and managers should take steps to strengthen the perceptions of other parties in the firm like employees and workers to have positive attitudes toward them. On the other hand, leadership of non-family firms first should get familiar with the requirement and consequences of trustworthiness and then need to concentrate on what they will demand to create a positive trustworthiness perception among trustors within their firms.

5.3. Limitations

Also a few limitations of our study should be noted. First, this study was cross-sectional; for the specific attributes of trust, the study was incapacitate to investigate downs and ups of trust over time. On the other hand, the article could not focus on other dimensions of trust according to other theories and going into rival hypothesis about other contents of trust and analyzing the pros and cons.

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Note

1. The Mplus (Muthén & Muthén, 1998–2015) software program for Windows was used in the research (Muthén & Muthén, 2012).

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